

QADER FOR COMMUNITY DEVELOPMENT

FINANCIAL STATEMENTS

DECEMBER 31, 2024

## **Independent Auditor's Report To the General Assembly members of QADER for Community Development**

### **Opinion**

We have audited the financial statements of QADER for Community Development (QADER), which comprise the statement of financial position as of December 31, 2024, statement of activities and changes in net assets, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of QADER as of December 31, 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### **Basis for Opinion**

We conducted our audit in accordance with the International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of QADER in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs - Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing QADER's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate QADER or to cease operations, or has no realistic alternative but to do so.

Those charged with Governance is responsible for overseeing QADER'S financial reporting process.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with IS As, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of QADER's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on QADER's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause QADER to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with Those Charged with Governance regarding, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Ernst & Young - Middle East**

License # 206/2012



**Abdelkarim Mahmoud**

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Ramallah - Palestine

April 23, 2025

## QADER for Community Development

### Statement of Financial Position

As of December 31, 2024

	Notes	2024 ILS	2023 ILS
<b>Assets</b>			
<b>Non-current Assets</b>			
Property and equipment	3	295,622	350,711
		<u>295,622</u>	<u>350,711</u>
<b>Current Assets</b>			
Contributions receivable	4	6,637,939	7,774,946
Cash and deposits at banks	5	1,961,748	2,106,906
Other current assets	6	50,515	63,520
		<u>8,650,202</u>	<u>9,945,372</u>
<b>Total Assets</b>		<u>8,945,824</u>	<u>10,296,083</u>
<b>Net Assets and Liabilities</b>			
<b>Net Assets</b>			
Unrestricted net assets		323,527	243,462
<b>Total Net Assets</b>		<u>323,527</u>	<u>243,462</u>
<b>Non-current Liabilities</b>			
Deferred revenues	7	314,760	349,772
Provision for employees' indemnity	8	854,059	702,836
		<u>1,168,819</u>	<u>1,052,608</u>
<b>Current Liabilities</b>			
Temporarily restricted contributions	9	7,401,556	8,908,067
Other current liabilities	10	51,922	91,946
		<u>7,453,478</u>	<u>9,000,013</u>
<b>Total Liabilities</b>		<u>8,622,297</u>	<u>10,052,621</u>
<b>Total Net Assets and Liabilities</b>		<u>8,945,824</u>	<u>10,296,083</u>

The attached notes from 1 to 18 form part of these financial statements

## QADER for Community Development

### Statement of Activities and Changes in Net Assets

For the year ended December 31, 2024

	Notes	2024 ILS	2023 ILS
<b>Revenues</b>			
Temporarily restricted contributions released from restriction	9	3,721,447	3,416,254
Deferred revenues recognized	7	86,418	88,764
Other revenues	11	59,333	58,018
<b>Total revenues</b>		<u>3,867,198</u>	<u>3,563,036</u>
<b>Expenses</b>			
Programs' expenses	12	(2,995,109)	(2,611,538)
Administrative expenses	13	(741,221)	(804,716)
Depreciation and amortization	3	(95,574)	(89,015)
Foreign currency differences		46,234	42,143
Other expenses		<u>(1,463)</u>	<u>(7,281)</u>
<b>Total expenses</b>		<u>(3,787,133)</u>	<u>(3,470,407)</u>
<b>Increase in net assets</b>		80,065	92,629
Net assets, beginning of the year		<u>243,462</u>	<u>150,833</u>
<b>Net assets, end of the year</b>		<u><u>323,527</u></u>	<u><u>243,462</u></u>

The attached notes from 1 to 18 form part of these financial statements

## QADER for Community Development

### Statement of Cash Flows

For the year ended December 31, 2024

		2024	2023
	Notes	ILS	ILS
<b>Operating Activities:</b>			
Increase in net assets		80,065	92,629
<b>Adjustments for:</b>			
Depreciation and amortization		95,574	89,015
Deferred revenues recognized		(86,418)	(88,764)
Loss from disposal of fixed assets		7,245	-
Provision for employees' indemnity		162,571	169,847
Other non-cash items		(49,288)	1,988
		<u>209,749</u>	<u>264,715</u>
Contributions receivable		3,452,637	3,902,317
Other current assets		13,005	(19,234)
Temporarily restricted contributions		(3,721,447)	(3,416,254)
Other current liabilities		(40,024)	(14,117)
Employees' indemnity paid		(11,348)	(27,412)
<b>Net cash flows (used in) from operating activities</b>		<u>(97,428)</u>	<u>690,015</u>
<b>Investing Activities</b>			
Additions of property and equipment		(63,730)	(51,260)
Sale of property and equipment		16,000	-
Deposits maturing in a period above 3 months		(73,514)	(115,512)
<b>Net cash flows used in investing activities</b>		<u>(121,244)</u>	<u>(166,772)</u>
<b>(Decrease) increase in cash and deposits at banks</b>		(218,672)	523,243
Cash and deposits at banks, beginning of the year		<u>1,397,650</u>	<u>874,407</u>
<b>Cash and deposits at banks, end of the year</b>	5	<u><u>1,178,978</u></u>	<u><u>1,397,650</u></u>

The attached notes from 1 to 18 form part of these financial statements

### **Notes to the Financial Statements**

As at December 31, 2024

#### **1. General**

QADER for Community Development (QADER) is a non-governmental, non-for-profit Palestinian organization registered with the Ministry of Interior in Bethlehem on July 23, 2008, under registration number (BL-3268-C) in accordance with law No. 1 for the year 2000 concerning Charitable Organizations.

QADER leads a twin-track approach, dedicated to the empowerment and protection of persons with disabilities, focusing on children, youth, and women. QADER's commitment extends to align societal, institutional, and policy contexts with the principles of "disability inclusion" and "leave no one behind" in Palestine. Through this alignment, QADER strives to foster the active engagement and meaningful participation of People with Disabilities across diverse facets of life and to ensure their full entitlements of rights in accordance with local laws and international human rights conventions and standards.

QADER works towards achieving the following strategic objectives:

- National Policies and Legislations are aligned with the UN human rights conventions and are binding for duty-bearers.
- Local communities are catalysts for promoting the access of PwDs to their social, economic, and political rights.
- Enhance the inclusion of women and youth with disabilities in the Palestinian labor market.
- Combating all forms of discrimination, marginalization, violence, and gender inequalities for children, women, and youth with disabilities.
- The organizational capacities of QADER are strengthened towards fulfilling its commitment and to its vision, mission, and strategic objectives.

QADER's financial statements as of December 31, 2024 were approved by the Board of Directors on April 3, 2025.

#### **2. Accounting policies**

##### **2.1 Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a historical cost basis.

The financial statements have been prepared and presented in Israeli Shekel (ILS).

##### **2.2 Changes in accounting policy**

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2023, except for applying certain standards and amendments to the standards, which became effective for annual periods beginning on or after January 1, 2024:

##### **Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments had no impact on QADER's financial statements.

#### **Amendments to IAS 1 - Classification of Liabilities as Current or Non-current**

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on QADER's financial statements.

#### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on QADER's financial statements.

#### **Issued but not yet effective standards**

The following amendments have been issued but are not yet mandatory, and have not been adopted by QADER. QADER intends to adopt these amendments when they become effective.

#### **Lack of exchangeability - Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on QADER's financial statements.

#### **IFRS 18 Presentation and Disclosure in Financial Statements**

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.



In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures. The amendments are not expected to have a material impact on QADER's financial statements.

The amendments are not expected to have a material impact on QADER's financial statements.

#### **IFRS 19 Subsidiaries without Public Accountability: Disclosures**

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the QADER's financial statements.

### **2.3 Estimations and assumptions**

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates and assumptions. It also requires QADER's management to exercise its judgment in the process of applying the accounting policies. QADER's management continually evaluates its estimates, assumptions and judgments based on available information and experience. As the use of estimates is inherent in financial reporting, actual results could differ from these estimates.

The key areas involving a higher degree of judgment or complexity are described below:

#### **Useful lives of tangible assets**

QADER's management reassesses the useful lives of tangible assets, and makes adjustments if applicable, at each financial year end.

#### **Provision for employees' indemnity**

Employees' benefits expense for the year was charged in accordance with the Palestinian Labor Law and in line with international accounting standards.

#### **Provision for expected credit losses**

Financial assets are recorded on the basis mentioned in the "Impairment of financial instruments".

#### **Allocation of expenses**

the administrative and program expenses are allocated to projects' and programs' budget according to the best estimates of QADER's management.

Provision for expected credit losses is reviewed based on IFRS (9). The determination of the provision for expected credit losses requires management to make important judgments and assumptions to expect the future cash flows and their timings, in addition evaluating any significant increases in the credit risks of QADER's financial assets, after their initial recognition, there after taking into account the future value of the expected credit losses.

The management believes that the estimates and assumptions used are reasonable.

## **2.4 Summary of material accounting policy information**

### **Revenue recognition**

#### **Donation revenues**

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted by a donor for a specific purpose or time are recognized as revenue when the pledge is obtained.
- Unconditional pledges that are temporary restricted by donors for specific purpose or time are recognized as revenue when such purpose or time is satisfied.

#### **Deferred revenues**

Donations related to property and equipment are measured at fair value, recorded as deferred revenues and recognized as revenue on a systematic basis over the useful life of the asset in the statement of activities and changes in net assets.

#### **Interest income**

Revenue is recognized as interest accrued using the effective interest method, under which the rate used exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

### **Expenses recognition**

Expenses are recognized when incurred based on the accrual basis of accounting.

### **Classification of current and non-current**

QADER presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Expected to be realized within twelve months after the reporting period
- Cash and deposits at banks unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

### **Cash and deposits at banks**

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances and bank deposits.

### **Contributions receivable**

Contributions receivable are stated at the original amount of the unconditional pledge less amounts received and any uncollectible pledges at the financial statement date. An estimate for the uncollectible amount is made when the collection of full unconditional pledge is no longer probable.

### **Property and equipment**

Property and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment. All other repair and maintenance costs are recognized in the statement of activities and changes in net assets as incurred.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Useful life (Years)
Office furniture	10
Office equipment	5
Software	10
Vehicles	8-9

An item of plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities and changes in net assets.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **Income taxes**

QADER is a not-for-profit organization; accordingly, it is not subject to income tax, such that its income complies with the Palestinian income tax law.

### **Provisions**

Provisions are recognized when QADER has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and reliably measurable.

### **Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

### **Foreign currency**

Transactions in foreign currencies other than ILS are recorded at the rate of exchange prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated to ILS at the rate of exchange prevailing at the reporting date. All gain or loss differences are recognized in the statement of activities and changes in net assets.

### 3. Property and equipment

This item includes the following:

	Office furniture ILS	Office equipment ILS	Software ILS	Vehicles ILS	Total ILS
<b><u>Cost</u></b>					
At January 1, 2024	70,297	335,265	7,355	265,500	678,417
Additions	6,400	57,330	-	-	63,730
Disposals	-	(2,523)	-	(35,500)	(38,023)
At December 31, 2024	76,697	390,072	7,355	230,000	704,124
<b><u>Accumulated depreciation</u></b>					
At January 1, 2024	50,165	178,448	3,859	95,234	327,706
Depreciation and amortization for the year	3,483	59,988	482	31,621	95,574
Disposals	-	(1,893)	-	(12,885)	(14,778)
At December 31, 2024	53,648	236,543	4,341	113,970	408,502
<b><u>Net Book Value</u></b>					
As at December 31, 2024	23,049	153,529	3,014	116,030	295,622
As at December 31, 2023	20,132	156,817	3,496	170,266	350,711

Property and equipment cost include ILS 114,740 and ILS 103,975 of fully depreciated assets that are still used in QADER's operations as of December 31, 2024 and 2023.

#### 4. Contributions receivable

Program name / Donor	Balance, beginning of year ILS	Additions ILS	Cash received ILS	Write-off ILS	Currency exchange differences ILS	Balance, end of year ILS
Prosperity and Advancement for Palestinian Women and Youth - SALALEM / CRS	73,658	-	(72,856)	(802)	-	-
Enhancing Labor Market Inclusion Opportunities for Persons with Disabilities in the south of the West Bank- Differently Able - DA / DROSOS	91,408	204,960	(242,219)	-	451	54,600
Promoting Community-Based Psychosocial Resilience for Persons with Disabilities and Their Families In 3 Marginalized Communities in Hebron Governorate - MU/ Psychosocial Resilience	-	112,553	(113,262)	-	709	-
Promoting Inclusive Schooling In 2 WB Schools - Teachers Without Borders/ FCA	-	173,290	(88,795)	(4,651)	(3,225)	76,619
Promoting Child Rights in The West Bank Through Enhancing Inclusive Child Participation - SC/ Norad FWA 2024-2028	-	369,345	(330,347)	(8,243)	(21,414)	9,341
Strengthening local capacities in Community Based Inclusive Development in Hebron Governorate - CBID / CBM	-	17,280	(17,280)	-	-	-
Enhancing Access, Prevention, and Legislation for Divorced/Single Mothers and Women with Disabilities Survivors or at Risk of Violence in Hebron, Bethlehem, and Gaza - UNTF 2024-2028	-	1,059,788	-	-	2,919	1,062,707
Empowerment for Women and Youth with Disabilities in South West Bank - Beyond Barriers/ FCG	-	489,600	(279,855)	-	(19,233)	190,512
Enhancing labor market inclusion of persons with disabilities in the West Bank - EEP / Caritas Germany	522,990	-	(352,600)	-	2,490	172,880
Enhancing quality services and protection of persons with disabilities -WE CARE II / BMZ (Caritas Germany)	1,508,600	-	(760,400)	-	(30,000)	718,200
MOVE++/ CRS	13,713	18,638	(26,915)	-	-	5,436
Responding to the Urgent Needs of PwDs in The Northern WB - Emergency Response/ ANERA	-	156,961	(78,048)	-	(216)	78,697
Support persons with Disabilities with the knowledge and Resources to Better Understand and Facilitate their Access to the Labour Market - VCP II/ Oxfam	95,475	-	(99,563)	-	4,088	-
The Arabic Network for Children's Rights- MANARA	4,320	-	(4,512)	-	192	-
Support MOVE Centers in the West Bank/ SC Norway	25,878	-	(26,885)	-	1,007	-
Promoting inclusive and resilient communities in the West Bank through local capacity building - PIRC / CBM	5,438,904	-	(959,100)	-	(210,857)	4,268,947
Total	<u>7,774,946</u>	<u>2,602,415</u>	<u>(3,452,637)</u>	<u>(13,696)</u>	<u>(273,089)</u>	<u>6,637,939</u>

## 5. Cash and deposits at banks

	2024	2023
	ILS	ILS
Cash on hand	10,283	4,300
Current accounts at banks	1,168,695	1,393,350
Short-term deposits with a maturity of a year	782,770	709,256
	<u>1,961,748</u>	<u>2,106,906</u>

Short-term deposits are denominated in ILS with an average interest rate of 3.25%, during the years ended December 31, 2024 & 2023.

For the purpose of the statement of cash flows, cash and cash equivalent comprise the following:

	2024	2023
	ILS	ILS
Cash on hand and current accounts at banks	1,178,978	1,397,650
Short-term deposits with a maturity of a year	782,770	709,256
	<u>1,961,748</u>	<u>2,106,906</u>
Less: Deposits maturing in more than 3 months	<u>(782,770)</u>	<u>(709,256)</u>
	<u>1,178,978</u>	<u>1,397,650</u>

## 6. Other current assets

	2024	2023
	ILS	ILS
Prepaid expenses	21,173	18,713
Employees' receivables	21,980	12,785
Checks under collection	5,460	-
Membership fees receivable	1,900	3,650
Advance payments to partners	-	19,000
Other receivables	-	9,372
	<u>50,513</u>	<u>63,520</u>

## 7. Deferred revenues

Plant and equipment acquired during the year out of the temporarily restricted contributions are recorded as deferred revenues. Summary of the Movement on deferred revenues during the year was as follows:

	2024	2023
	ILS	ILS
Balance, beginning of the year	349,772	365,282
Additions (note 9)	51,406	73,254
Deferred revenues recognized	(86,418)	(88,764)
Balance, end of the year	<u>314,760</u>	<u>349,772</u>

## 8. Provision for employees' indemnity

Following is a summary of the movement on the provision for employees' indemnity during the year:

	2024	2023
	ILS	ILS
Balance, beginning of the year	702,836	560,401
Additions during the year	162,571	169,847
Payments during the year	(11,348)	(27,412)
Balance, end of the year	<u>854,059</u>	<u>702,836</u>

Provision for employee's indemnity is provided for in accordance with the labour law prevailing in Palestine and QADER's human resources policies.

## 9. Temporarily restricted contributions

This item comprises of temporarily restricted contributions subject to purpose restriction. These amounts represent the difference between the pledges received and the expenditures made out to satisfy the purpose stipulated by the donor. Movement on the temporarily restricted contributions as of December 31, 2024 is as follows:

Program name / Donor	Balance, beginning of year ILS	Additions ILS	Temporarily restricted contributions released from restriction ILS	Transferred to deferred revenues (note 7) ILS	Write-off ILS	Currency exchange differences ILS	Balance, end of year ILS
Prosperity and Advancement for Palestinian Women and Youth - SALALEM / CRS	17,977	-	(16,998)	-	(802)	(177)	-
Enhancing Labor Market Inclusion Opportunities for Persons with Disabilities in the south of the West Bank- Differently Able - DA / DROSOS	444,035	204,960	(657,390)	(3,135)	-	11,530	-
Promoting Community-Based Psychosocial Resilience for Persons with Disabilities and Their Families In 3 Marginalized Communities in Hebron Governorate - MU/ Psychosocial Resilience	-	112,553	(113,686)	-	-	1,133	-
Promoting Inclusive Schooling In 2 WB Schools - Teachers Without Borders/ FCA	-	173,290	(164,691)	-	(4,651)	(3,948)	-
Promoting Child Rights in The West Bank Through Enhancing Inclusive Child Participation - SC/ Norad FWA 2024-2028	-	369,345	(327,934)	(4,353)	(8,243)	(28,815)	-
Strengthening local capacities in Community Based Inclusive Development in Hebron Governorate - CBID / CBM	265,975	17,280	(284,439)	(1,600)	-	2,784	-
Enhancing Access, Prevention, and Legislation for Divorced/Single Mothers and Women with Disabilities Survivors or at Risk of Violence in Hebron, Bethlehem, and Gaza - UNTF 2024-2028	-	1,059,788	(6,061)	(3,350)	-	2,926	1,053,303
Subtotal	<u>727,987</u>	<u>1,937,216</u>	<u>(1,571,199)</u>	<u>(12,438)</u>	<u>(13,696)</u>	<u>(14,567)</u>	<u>1,053,303</u>

Program name / Donor	Balance, beginning of year ILS	Additions ILS	Temporarily restricted contributions released from restriction ILS	Transferred to deferred revenues (note 7) ILS	Write-off ILS	Currency exchange differences ILS	Balance, end of year ILS
Empowerment for Women and Youth with Disabilities in South West Bank - Beyond Barriers/ FCG	-	489,600	(13,671)	-	-	(35,181)	440,748
Enhancing labor market inclusion of persons with disabilities in the West Bank - EEP / Caritas Germany	726,356	-	(209,437)	(1,721)	-	(18,406)	496,792
Enhancing quality services and protection of persons with disabilities -WE CARE II / BMZ (Caritas Germany)	1,689,242	-	(734,253)	(13,636)	-	(38,919)	902,434
MOVE++/ CRS	12,883	18,638	(26,526)	-	-	-	4,995
Responding to the Urgent Needs of PwDs in The Northern WB - Emergency Response/ ANERA	-	156,961	(6,100)	-	-	445	151,306
Support persons with Disabilities with the knowledge and Resources to Better Understand and Facilitate their Access to the Labour Market - VCP II/ Oxfam	124,029	-	(124,745)	-	-	716	-
Emergency relief for people with disabilities - UAF / Urgent Action Fund	19,673	-	(19,601)	-	-	(72)	-
Promoting inclusive and resilient communities in the West Bank through local capacity building - PIRC / CBM	5,607,897	-	(1,015,915)	(23,611)	-	(216,393)	4,351,978
	<u>8,908,067</u>	<u>2,602,415</u>	<u>(3,721,447)</u>	<u>(51,406)</u>	<u>(13,696)</u>	<u>(322,377)</u>	<u>7,401,556</u>



## 10. Other current liabilities

	2024	2023
	ILS	ILS
Vacations provision	23,713	33,986
Accrued professional fees	1,594	9,250
Due to staff	907	664
Due to donors	-	27,988
Others	25,708	20,058
	<u>51,922</u>	<u>91,946</u>

## 11. Other revenues, net

	2024	2023
	ILS	ILS
Cars' usage revenues	14,689	18,240
Internship revenues	14,545	10,706
Interest revenues	13,514	7,625
In-kind donations	12,325	-
Recovery of provisions no longer required	4,211	2,334
Loss on disposal of fixed assets	(7,245)	-
Research studies revenues	-	11,010
Others	7,294	8,103
	<u>59,333</u>	<u>58,018</u>

## 12. Programs expenses

	Program expenses									Subtotal ILS
	Beyond Barriers	CBID	Differently Able	Economic Empowerment	Health Emergencies	MOVE++	Norad FWA 2024-2028	PIRC	Psychosocial Resilience	
	ILS	ILS	ILS	ILS	ILS	ILS	ILS	ILS	ILS	
Salaries and related expenses	5,064	5,365	190,366	103,855	746	20,879	49,526	382,215	37,318	795,334
Support to partners and beneficiaries	-	53,998	308,901	41,107	-	-	151,654	266,695	34,683	857,038
Professional fees, trainers and consultants	-	-	1,417	-	-	-	50,840	55,820	-	108,077
Media production, printing and design	-	-	-	-	-	-	11,635	19,380	4,264	35,279
Workshop and conferences costs	-	14,013	3,890	2,438	-	-	9,081	61,032	10,673	101,127
Travel and transportation expense	281	2,204	10,459	4,891	-	-	6,312	34,839	3,445	62,431
Initiative costs	-	158,202	4,309	-	-	-	-	39,900	16,231	218,642
Organization capacity building costs	-	44,332	-	-	-	-	-	-	-	44,332
Others	-	-	171	185	-	-	-	656	26	1,038
<b>Total Program expenses</b>	<b>5,345</b>	<b>278,114</b>	<b>519,513</b>	<b>152,476</b>	<b>746</b>	<b>20,879</b>	<b>279,048</b>	<b>860,537</b>	<b>106,640</b>	<b>2,223,298</b>
Administrative expenses (Note 13)	8,326	6,325	137,877	56,961	5,354	5,647	48,886	155,378	7,046	431,800
<b>Total</b>	<b>13,671</b>	<b>284,439</b>	<b>657,390</b>	<b>209,437</b>	<b>6,100</b>	<b>26,526</b>	<b>327,934</b>	<b>1,015,915</b>	<b>113,686</b>	<b>2,655,098</b>

		Program expenses								
	Subtotal	QADER	SALALEM	Teachers	UAF-3871-	UNTF 2024-	VCP 2023-	WE	2024	2023
	ILS	General	ILS	Without	23	2027	2024	CARE II	ILS	ILS
		ILS		Boarders	ILS	ILS	ILS	ILS		
Salaries and related expenses	795,334	-	11,343	66,813	4,326	1,445	28,135	324,530	1,231,926	1,115,845
Support to Partners and Beneficiaries	857,038	-	-	-	12,309	-	-	1,286	870,633	1,015,300
Professional fees, trainers and consultants	108,077	10,287	-	44,200	-	-	3,813	59,370	225,747	195,491
Media production, printing and design	35,279	-	-	7,946	80	-	25,006	56,780	125,091	61,556
Workshop and conferences costs	101,127	4,596	-	8,398	2,407	-	21,497	46,839	184,864	101,994
Travel and transportation expense	62,431	-	118	1,140	425	28	1,723	10,066	75,931	68,504
Initiative costs	218,642	-	-	-	-	-	-	-	218,642	52,848
Organization capacity building costs	44,332	-	-	-	-	-	9,277	7,191	60,800	-
Others	1,038	-	-	-	-	-	418	19	1,475	-
<b>Total Program expenses</b>	<b>2,223,298</b>	<b>14,883</b>	<b>11,461</b>	<b>128,497</b>	<b>19,547</b>	<b>1,473</b>	<b>89,869</b>	<b>506,081</b>	<b>2,995,109</b>	<b>2,611,538</b>
Administrative expenses (Note 13)	431,800	-	5,537	36,194	54	4,588	34,876	228,172	741,221	804,716
<b>Total</b>	<b>2,655,098</b>	<b>14,883</b>	<b>16,998</b>	<b>164,691</b>	<b>19,601</b>	<b>6,061</b>	<b>124,745</b>	<b>734,253</b>	<b>3,736,330</b>	<b>3,416,254</b>

### 13. Administrative expenses

	2024	2023
	ILS	ILS
Salaries and related expenses	498,088	504,834
Communications and office benefits	60,316	57,445
Office cost, maintenance and supplies	46,064	39,420
Office rent, taxes and insurance	44,206	43,972
Professional fees, trainers and consultants	29,044	24,333
Travel and transportation expense	21,862	27,689
Organization Capacity building costs	10,190	78,490
Media production, printing and design	4,810	964
Software maintenance and subscriptions costs	-	10,888
Workshops	-	45
Others	26,641	16,636
	<u>741,221</u>	<u>804,716</u>

### 14. Related party transactions

This item represents transactions with key management personnel:

	2024	2023
	ILS	ILS
<b>Key management personnel compensation:</b>		
Salaries and related benefits	668,367	628,193
End of service indemnities	<u>87,482</u>	<u>97,516</u>

### 15. Fair Values of financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and deposits at banks, contributions receivable and some other current assets. Financial liabilities consist of temporarily restricted contributions, lease liability and other current liabilities. The fair values of financial instruments are not materially different from their carrying values at the statement of financial position date.

### 16. Risk management

Risks affecting the operation of QADER are interest rate risk, credit risk, liquidity risk and foreign currency risk. Management of QADER reviews and approves the policies and procedures to manage these risks as follows:

#### Interest rate risk

Interest rate risk is mainly caused by interest rate changes on financial assets and financial liabilities that are subject to floating interest rates. QADER financial assets are subject to fixed interest rates and therefore there is no interest rate risk.

#### Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a contract, leading to a financial loss. QADER is exposed to credit risk from its operating activities primarily on contributions receivable as disclosed in note (4).

QADER limits its credit risk through obtaining funds from several reputable donors.

### Liquidity risk

QADER limits its liquidity risk by maintaining adequate cash balances and relying on multiple donors to meet its current obligations and to finance its operating activities.

### Foreign currency risk

The table below indicates the effect of a reasonably possible movement of foreign currency rates against the Israeli Shekel (ILS) with all other variables held constant, on the statement of activities and changes in net assets.

The effect of the decrease in foreign currency exchange rates is expected to be equal and opposite to the effect of the increase shown below:

	Increase in currencies rate to ILS	Effect on the statement of activities and changes in net assets
	Basis point	ILS
<b>2024</b>		
USD	20	9,685
JOD	20	234
EUR	20	(14,810)
<b>2023</b>		
USD	20	3,667
JOD	20	109
EUR	20	(12,221)

### 17. Concentration of risk in geographic area

QADER is carrying out activities in Palestine. The political and economic situation in the area increases the risk of carrying out these activities and may adversely affect QADER's performance.

### 18. War on Gaza Strip

The Israeli war on Gaza Strip resulted in the destruction of many economic facilities in Gaza Strip. Business sectors in the West Bank were also affected including the nonprofit sector.

QADER does not engage in operational activities in Gaza Strip and does not have any assets there. However, this event has a significant impact on Qader activities in the West Bank, which were modified to cope with the current circumstances.

Despite challenges arising from decreased funding and broader financial pressures caused by the war, the organization has continued to deliver its humanitarian mission through forging new partnerships, launching emergency projects, and diversifying its sources of income to ensure the sustainability of its efforts.

The impact of the current situation remains unclear and is dependent on future developments that cannot be accurately predicted at this time. QADER continuously monitors and analyze the situation, evaluating the impact of future developments on its activities.