

PALESTINE SAVE THE CHILDREN FOUNDATION
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2016, 2015
TOGETHER WITH INDEPENDENT AUDITORS' REPORT



Independent Auditors' Report

To: The General Assembly
Palestine Save the Children Foundation ("PSCF")
Gaza - Palestine

We have audited the accompanying statements of assets and liabilities and net assets of Palestinian Save the Children Foundation ("PSCF"), a non-for-profit organization, as of December 31, 2016 and 2015 and the related statements of revenues and expenses and changes in net assets and cash flows for the year then ended.

Management Responsibility

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether these financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit evidence we have obtained is sufficient and appropriate to provides a reasonable basis for our opinion.

El Wafa & Co.

Certified Public Accountants

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محاسبون ومدققو حسابات

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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities and net assets of the Palestine Save the Children Foundation ("PSCF"), a non-for-profit organization, as of December 31, 2016, 2015 and its revenues and expenses and cash flows for the year then ended in accordance with the International Financial Reporting Standards.

El Wafa & Co.

Consultants and Auditors

Gaza on March 25, 2017



PALESTINIAN SAVE THE CHILDREN FOUNDATION
GAZA, PALESTINE
STATEMENT OF ASSETS AND LIABILITIES AND NET ASSETS
AS OF DECEMBER 31, 2016, 2015
(CURRENCY: U.S. Dollar)

Exhibit A

ASSETS	Notes	<u>2016</u>	<u>2015</u>
Current Assets			
Cash on hand and at banks	3	251,886	122,951
Other Current Assets	4	-	1,250
Total Current Assets		<u>251,886</u>	<u>124,201</u>
Non Current Assets			
Fixed Assets, Cost	5	36,017	45,198
Total Non Current Assets		<u>36,017</u>	<u>45,198</u>
TOTAL ASSETS		<u>287,903</u>	<u>169,399</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due To Banks	6	89	40,171
Other Current Liabilities	7	123,706	29,400
Total Current Liabilities		<u>123,795</u>	<u>69,570</u>
Net assets			
Net assets - During the year - Exhibit B		164,108	99,828
Total Net Assets		<u>164,108</u>	<u>99,828</u>
TOTAL LIABILITIES AND NET ASSETS		<u>287,903</u>	<u>169,399</u>

The accompanying notes form an integral part of these financial statements

PALESTINIAN SAVE THE CHILDREN FOUNDATION
GAZA, PALESTINE
STATEMENT OF REVENUES AND EXPENSES AND CHANGES IN
NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016, 2015
(CURRENCY: U. S. DOLLAR)

Exhibit B

REVENUES	Notes	<u>2016</u>	<u>2015</u>
Grants and Project`s Financing	8	627,350	579,074
Local revenues	9	12,190	18,132
Donations in kinds	10	3,000	-
Total Revenues		<u>642,540</u>	<u>597,206</u>
 EXPENSES			
Project`s and Program`s Expenses	11	550,257	743,516
Administrative and running costs	15	17,619	16,709
Depreciation	5	9,477	9,401
Bank`s Commissions and Interests		906	751
Total Expenses		<u>(578,260)</u>	<u>(770,377)</u>
Net assets, During the year		<u>64,280</u>	<u>(173,171)</u>
Net assets - Beginning of the year		<u>99,828</u>	<u>272,999</u>
Net assets - Ending of the year		<u>164,108</u>	<u>99,828</u>

The accompanying notes form an integral part of these financial statements

PALESTINIAN SAVE THE CHILDREN FOUNDATION
GAZA, PALESTINE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016, 2015
(CURRENCY: U. S. DOLLAR)

Exhibit C

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
Net assets - During the year		
Adjustment to reconcile net assets to net cash flows from operating activities	<u>64,280</u>	<u>(173,171)</u>
Depreciation	9,477	9,401
other current assets	1,250	-
current liabilities	54,225	44,424
<i>Net cash from operating activities</i>	<u>129,232</u>	<u>(119,346)</u>
Cash Flows from Investing Activities		
Sale & Purchase of fixed assets	(296)	(378)
<i>Net cash used by investing activities</i>	<u>(296)</u>	<u>(378)</u>
Net cash flow - During the year		
Cash, beginning of year	<u>128,936</u>	<u>119,724</u>
Cash, ending of year	<u>122,950</u>	<u>242,674</u>
	<u>251,886</u>	<u>122,950</u>

The accompanying notes form an integral part of these financial statements

PALESTINIAN SAVE THE CHILDREN FOUNDATION
GAZA, PALESTINE
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016, 2015
(CURRENCY: U. S. DOLLAR)

1. *The Society and its Activities*

Palestinian Save the Children Foundation ("PSCF") was officially registered according to the Societies Act. No. (1) for the year 2000 and was registered at the Ministry of Interior under registration No. (6077) on July 2000 . works to improve the educational, social, health and economic groups Palestinian marginalized and the poorest by promoting integrated and sustainable development which aims to promote the principle of gender equality and the empowerment of local communities to make positive changes in their lives

2. *Summary of Significant Accounting Policies*

The financial statements have been prepared under the historical cost convention, the significant accounting policies follow

- **Basis of preparation:**

The financial statements have been prepared under the historical cost convention. Significant accounting policies follow: -

- **Basis of accounting**

The financial statements have been prepared on the accrual basis of accounting. Revenues and disbursements are recognized when incurred.

- **Fixed Assets**

Fixed assets are recorded at cost and depreciated over their estimated useful lives using the straight-line method. The annual rates used to depreciate these assets are:

Office Equipment's	%
Furniture	7
Computers systems	10
Devices of physical therapy	20
Computers & Printers	20
Copiers and cameras	10
Generator	10
Aluminum partitions	8

- **Foreign Currency**

The Society's basic functional currency is the U.S. Dollar Transactions which are expressed or denominated in other currencies were translated to U.S. \$ using exchange rates in effect at the time of each transaction. Assets and liabilities which are denominated in other currencies are translated to U.S. \$

using exchange rates prevailing at year-end. Gains and losses arising from the translation are reflected in the statement of revenues and expenses.

3. **Cash on Hand and at Banks**

	<u>2016</u>	<u>2015</u>
Cash on Hand		
Cairo Amman Bank Dollar 00	104	103
Cairo Amman Bank NIS 00	344	414
Cairo Amman Bank Dollar 01	2	68
Cairo Amman Bank NIS 01	11	22
Cairo Amman Bank Dollar 02	-	6
Cairo Amman Bank Dollar 03	-	1,348
Cairo Amman Bank Dollar 04	251,376	120,807
	49	183
	<u>251,886</u>	<u>122,951</u>

4. **Other Current Assets**

	<u>2016</u>	<u>2015</u>
Prepaid Rent	-	1,250
	-	<u>1,250</u>

5. Fixed Assets

Components of fixed assets as of December 31, 2016 and movement during the year follow:

<u>Costs:</u>	Balance, January 1, 2016	Additions	Retirements	Balance, December 31, 2015
Office Equipment's Furniture	20,140	296	-	20,436
Computers systems	8,461	-	-	8,461
Devices of physical therapy	906	-	-	906
Computers & Printers	60,000	-	-	60,000
Copiers and cameras	10,504	-	-	10,504
Generator	1,392	-	-	1,392
Aluminum partitions	2,300	-	-	2,300
<u>Accumulated Depreciation:</u>	<u>332</u>	<u>-</u>	<u>-</u>	<u>332</u>
	<u>104,035</u>	<u>296</u>	<u>=</u>	<u>104,331</u>
Office Equipment's Furniture	20,095	74	-	20,169
Computers systems	5,400	846	-	6,246
Devices of physical therapy	906	-	-	906
Computers & Printers	25,365	6,000	-	31,365
Copiers and cameras	5,802	2,101	-	7,903
Generator	573	209	-	782
Aluminum partitions	656	230	-	886
	40	17	-	57
Net Book Value	<u>58,837</u>	<u>9,477</u>	<u>=</u>	<u>68,314</u>
	<u>45,198</u>			<u>36,017</u>

6. Due To Banks

	<u>2016</u>	<u>2015</u>
Checks Issued		
Cairo Amman Bank NIS 01	-	036,40
Cairo Amman Bank EURO	8	-
Cairo Amman Bank NIS 02	29	56
Cairo Amman Bank Dollar 01	25	-
	27	-
	<u>89</u>	<u>40,171</u>

7. Other Current Liabilities

	<u>2016</u>	<u>2015</u>
Accrued Salaries	3,878	1,497
Accrued Welfare Association expenses	117,168	24,948
Due salaries tax	1,332	-
Accrued Rent		1,500
Accrued Audit fees	880	880
Accrued miscellaneous expenses	234	-
Accrued Tel	181	464
Accrued Electricity exp.	33	111
	<u>123,706</u>	<u>29,400</u>

8. Grants and Project's Financing

	<u>2016</u>	<u>2015</u>
NDC remittances	10,350	55,500
The Supporting Education For Orphaned Children after the war 2014 – Ph.5 - (Welfare Association)	297,000	280,000
Activities And Program Costs For Wajd's Project – Welfare Association – Qatar Grant	320,000	243,574
	<u>627,350</u>	<u>579,974</u>

9. Local Revenues

	<u>2016</u>	<u>2015</u>
Tender's fee	1,200	1,350
Community's Donations	10,900	16,733
Memberships Fee	90	49
	<u>18,132</u>	<u>12,190</u>

10. Donations in kinds

	<u>2016</u>	<u>2015</u>
Donations in kind – community contributions	1,500	-
Donations in kind Furniture	1,500	-
	<u>3,000</u>	-

11. Projects and Programs Expenses

	<u>2016</u>	<u>2015</u>
Activities And Program Costs For Wajd`s Project - Welfare Association - Qatar Grant	189,815	213,317
Activities Costs Of The Supporting Education For Orphaned Children after the war - Ph.5 - (Welfare Association)	359,542	463,465
Activities Costs For The Supporting Education for Orphaned Children after the war - Ph.5 - (Welfare Association)	900	66,734
	<u>550,257</u>	<u>743,516</u>

12. Activities And Program Costs For Wajd`s Project - Welfare Association - Qatar Grant

	<u>2016</u>	<u>2015</u>
Project's Employees' Salaries	88,103	114,029
Trainers and Consultants	7,552	-
Activities, Trips, Celebrations and Hospitality	13,838	13,297
Stationary and Project`s Needs	12,758	12,436
Transportations, Communications and Others	67,564	73,555
	<u>189,815</u>	<u>213,317</u>

13. Activities Costs Of The Supporting Education For Orphaned Children after the war - Ph.5 - (Welfare Association)

	<u>2016</u>	<u>2015</u>
Employees' Salaries	177,548	248,651
Trainers And Consultants	9,450	-
Activities, Trips, Celebrations and Hospitality	29,479	28,860
Stationary and Project`s Needs	12,612	21,127
Other Project`s Expenses	1,750	580
Transportations, Communications and Others	128,703	164,247
	<u>359,542</u>	<u>463,465</u>

14. Cost Of Association`s Developments centers (NDC)

	<u>2016</u>	<u>2015</u>
Salaries of trainers and consultants	900	46,140
Rentals and places preparation	-	4,712
Trips, hospitalities and other activities	-	8,740
Stationary and education`s needs	-	6,392
Utilities and current expenses	-	441
Communications and others	-	309
	<u>900</u>	<u>66,734</u>

15. Administrative and Running Costs

	<u>2016</u>	<u>2015</u>
Salaries and Wages	7,459	4,497
Office Rent	4,250	3,000
Communications	2,728	2,425
Audit fees	880	880
Maintenance	1,832	-
Transportation	-	4,282
Hospitality and office needs	210	248
Stationary and Printings	-	305
Advertising and gifts	77	338
Utilities	158	734
Exchange rate	25	-
	<u>17,619</u>	<u>16,709</u>

16. Comparative Statements

Certain amounts from the prior year wear reclassified to confirm to the current year presentation.