

PALESTINE SAVE THE CHILDREN FOUNDATION
FINANCIAL STATEMENTS
AS OF DECEMBER 31, 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 Palestine Save the Children Foundation ("PSCF"), a non-for-profit organization, as of December 31, 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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الوفاء وشركاهم

محاسبون ومدققو حسابات

غزة - تل الهوى - مقابل وزارة التربية والتعليم

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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, 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. - Consultant and Audit

Salah Abu Watfa

Gaza on March 21, 2016



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

Exhibit A

	<u>Notes</u>	<u>2015</u>	<u>2014</u>
ASSETS			
Current Assets			
Cash on hand and at banks	3	122,951	242,674
Other Current Assets	4	1,250	1,250
Total Current Assets		<u>124,201</u>	<u>243,924</u>
Non Current Assets			
Fixed Assets, Cost	5	45,198	54,221
Total Non Current Assets		45,198	54,221
TOTAL ASSETS		<u>169,399</u>	<u>298,145</u>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Due to Banks	6	40,171	485
Other Current Liabilities	7	29,400	24,661
Total Current Liabilities		<u>69,570</u>	<u>25,146</u>
Net assets			
Net assets - During the year - Exhibit B		99,828	272,999
Total Net Assets		<u>99,828</u>	<u>272,999</u>
TOTAL LIABILITIES AND NET ASSETS		<u>169,399</u>	<u>298,145</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, 2015
(CURRENCY: U. S. DOLLAR)

Exhibit B

	Notes	<u>2015</u>	<u>2014</u>
REVENUES			
Grants	8	579,074	566,220
Local revenues	9	18,132	1,955
Donations in kind	10	-	1,500
Others	11	-	1,148
Total Revenues		<u>597,206</u>	<u>570,823</u>
EXPENSES			
Activities costs	12	743,516	525,341
Administrative and running costs	16	16,709	21,238
Depreciation	5	9,401	9,360
Banks fee and commissions		751	
Total Expenses		<u>(770,377)</u>	<u>(555,939)</u>
Net assets, During the year		<u>(173,171)</u>	<u>14,884</u>
Net assets - Beginning of the year		<u>272,999</u>	<u>258,115</u>
Net assets - Ending of the year		<u>99,828</u>	<u>272,999</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, 2015
(CURRENCY: U. S. DOLLAR)

Exhibit C

	<u>2015</u>	<u>2014</u>
Cash Flows from Operating Activities		
Net assets - During the year	<u>(173,171)</u>	<u>14,884</u>
Adjustment to reconcile net assets to net cash flows from operating activities		
Depreciation	9,401	9,360
other current assets		-
other current liabilities	44,424	(100,237)
<i>Net cash from operating activities</i>	<u>(119,346)</u>	<u>(75,993)</u>
Cash Flows from Investing Activities		
Sale & Purchase of fixed assets	(378)	-
<i>Net cash used by investing activities</i>	<u>(378)</u>	=
Net cash flow - During the year	<u>(119,724)</u>	<u>(75,993)</u>
Cash, beginning of year	<u>242,674</u>	<u>318,667</u>
Cash, ending of year	<u>122,950</u>	<u>242,674</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, 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	10
Furniture	8
Computers systems	25
Assets physical therapy	10
Computers & Printers	25
Imaging devices and cameras	10
Generator	10
Aluminum Partitions	10

- **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>2015</u>	<u>2014</u>
Cash on Hand	103	102
Cash on Tax	-	553
Cairo Amman Bank Dollar 00	414	229
Cairo Amman Bank NIS 00	68	197
Cairo Amman Bank Dollar 01	22	69
Cairo Amman Bank NIS 01	6	53
Cairo Amman Bank Dollar 02	1,348	241,257
Cairo Amman Bank Dollar 03	120,807	214
Cairo Amman Bank Dollar 04	183	-
	<u>122,951</u>	<u>242,674</u>

4. *Other Current Assets*

	<u>2015</u>	<u>2014</u>
Prepaid Rent	1,250	1,250
	<u>1,250</u>	<u>1,250</u>

5. *Fixed Assets*

Components of fixed assets as of December 31, 2015 and movement during the year follow:

	Balance, January 1, 2015	Additions	Retirements	Balance, December 31, 2015
<u>Costs:</u>				
Office Equipment's	20,094	46	-	20,140
Furniture	8,461	-	-	8,461
Computers systems	906	-	-	906
Assets physical therapy	60,000	-	-	60,000
Computers & Printers	10,504	-	-	10,504
Imaging devices and cameras	1,392	-	-	1,392
Generator	2,300	-	-	2,300
Aluminum Partitions	-	332	-	332
	<u>103,657</u>	<u>378</u>	<u>-</u>	<u>104,035</u>
<u>Accumulated Depreciation:</u>				
Office Equipment's	20,094	1	-	20,095
Furniture	4,556	844	-	5,400
Computers systems	906	-	-	906
Assets physical therapy	19,382	5,983	-	25,365
Computers & Printers	3,707	2,095	-	5,802
Imaging devices and cameras	365	208	-	573
Generator	426	230	-	656
Aluminum Partitions	-	40	-	40
	49,436	9,401	-	58,837
Net Book Value	54,221			45,198

6. *Due To Banks*

	<u>2015</u>	<u>2014</u>
Issued Checks	40,036	451
Cairo Amman Bank NIS 02	79	20
Cairo Amman Bank Euro	56	9
Cairo Amman Bank Dollar 04	-	5
	<u>40,171</u>	<u>485</u>

7. *Other Current Liabilities*

	<u>2015</u>	<u>2014</u>
Accrued Salaries	1,497	9,157
Accrued Expenses (Wajed Project)	24,948	12,299
Due salaries tax	-	553
Accrued Rent	1,500	1,500
Accrued Audit fees	880	880
Accrued Tel	464	196
Accrued Electricity exp.	111	76
	<u>29,400</u>	<u>24,661</u>

8. *Grant*

Donors' contributions during the year follow.

	<u>2015</u>	<u>2014</u>
Associations Development Projects (NDC)	55,500	-
Supporting Education for Orphaned Children 2014, (Wajed Project).	280,000	-
Supporting Education for Orphaned Children after the war- Ph.4(Welfare Association)	-	261,649
Supporting Education for Orphaned Children after the war - Ph.5(Welfare Association)	243,574	250,152
Supporting Education for Children Ph.3(NPA)	-	54,419
	<u>579,074</u>	<u>566,220</u>

9. *Local revenues*

	<u>2015</u>	<u>2014</u>
Tenders fees	1,350	1,400
Local Donations	16,733	500
Member Ship	49	55
	<u>18,132</u>	<u>1,955</u>

7. *Other Current Liabilities*

	<u>2015</u>	<u>2014</u>
Accrued Salaries	1,497	9,157
Accrued Expenses (Wajed Project)	24,948	12,299
Due salaries tax	-	553
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Supporting Education for Orphaned Children 2014, (Wajed Project).	280,000	-
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9. *Local revenues*

	<u>2015</u>	<u>2014</u>
Tenders fees	1,350	1,400
Local Donations	16,733	500
Member Ship	49	55
	<u>18,132</u>	<u>1,955</u>

10. *Donations in kind*

	<u>2015</u>	<u>2014</u>
Donations in kind Ph.4(cooperation)	-	1,500
	=	<u>1,500</u>

11. *Other Revenues*

	<u>2015</u>	<u>2014</u>
Other Revenues	-	1,148
Exchange rate	-	-
	=	<u>1,148</u>

12. *Activities Costs*

	<u>2015</u>	<u>2014</u>
Associations Development Project Expense	66,734	-
Wajed Project Expense	213,317	-
Supporting Education for Orphaned Children after the war - Ph.4(Welfare Association)	-	425,630
Supporting Education for Orphaned Children after the war- Ph.5 (Welfare Association)	463,465	23,487
Supporting Education for Children Ph.3(NPA)	-	66,524
Guarantees orphanage project Mothers Without Borders	-	9,700
	<u>743,516</u>	<u>525,341</u>

13. *Supporting Education For Orphaned Children after the war- Ph.5 (Welfare Association)*

	<u>2015</u>	<u>2014</u>
Salaries and Wages	248,651	7,591
Educational Materials and Technical Activities, Journeys and Hospitalities.	-	11,391
Stationary and Project Expenses	28,860	2,491
Other Expenses	21,127	255
Communications, Transportations And Other Expenses	580	-
	164,247	1,759
	<u>463,465</u>	<u>23,487</u>

14. Wajed Project Cooperation Association (Qatar Grant).

	<u>2015</u>	<u>2014</u>
Salaries and Wages	114,029	-
Activities, Journeys and Hospitalities.	13,297	-
Stationary and Project Expenses	12,436	-
Communications	1,077	-
Transportations And Other Expenses	72,478	-
	<u>213,317</u>	-

15. Association Development Project. (NDC)

	<u>2015</u>	<u>2014</u>
Salaries and Wages	46,140	-
Rents and other rent expenses	4,712	-
Activities, Journeys and Hospitalities.	8,740	-
Stationary	6,392	-
Utilities	441	-
Communications	309	-
	<u>66,734</u>	-

16. Administrative and Running Costs

	<u>2015</u>	<u>2014</u>
Salaries	4,497	12,206
Office Rent	3,000	3,000
Donations and gifts	-	1,500
Communication	2,425	1,401
Audit and legal fees	880	880
Bank exp.	-	776
Transportation	4,282	37
Office Maintenance	103	-
Hospitality	48	606
Printings and Stationary	305	-
Licensing and Insurance	-	-
Gifts	338	203
Advertising	-	-
Miscellaneous & others	200	475
Utilities	631	76
Magazine	-	42
Exchange rate	-	36
	<u>16,709</u>	<u>21,238</u>

17. Comparative Statements

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