

Association for Women and Child Protection (AISHA)
Gaza - Palestine

Financial Statements
and Independent Auditor's Report
for the Year Ended December 31, 2013

Talal Abu Ghazaleh & Co. International
Certified Public Accountants



Association for Women and Child Protection (AISHA)
Gaza - Palestine

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Independent Auditor's Report

**Messrs. Members of the General Assembly
Association for Women and Child Protection (AISHA)
Gaza - Palestine**

We have audited the accompanying financial statements of **Association for Women and Child Protection (AISHA)**, which comprise the statement of financial position as at December 31, 2013 and the statement of activities and statement of changes in net assets and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

The financial statements for the year ended December 31, 2012 were audited by other auditor whose report thereon dated February 28, 2013 was unqualified.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial and accounting policies described in note (2). 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 the 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 whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about 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 the financial statements 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 the entity's internal control.

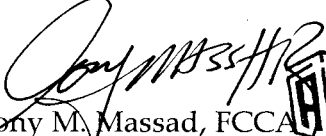
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.


We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Association for Women and Child Protection (AISHA), as of December 31, 2013 and its financial performance and changes in net assets and cash flows for the year then ended in accordance with the financial and accounting policies described in note (2).

For Talal Abu - Ghazaleh & Co. International


Tony M. Massad, FCCA
Certified Accountant License # (1/2011)
Gaza on April 28, 2014


طلال أبو غزالة وشركاه
Talal Abu-Ghazaleh & Co.
مكتب غزة
GAZA OFFICE

Association for Women and Child Protection (AISHA)
Gaza - Palestine
Statement of Financial Position as of December 31, 2013 **Exhibit (A)**

(Amounts are expressed in NIS)

		December 31	
	Note	2013	2012
<u>Assets</u>			
<u>Current Assets</u>			
Cash and Cash Equivalent	3	218,570.21	142,872.00
Accrued Revenues	4	167,765.41	-
Other Assets	5	16,746.73	5,171.00
Total Current Assets		403,082.35	148,043.00
 <u>Non-Current Assets</u>			
Property, Plant and Equipment, Net	6	132,323.36	137,899.00
Total Non-Current Assets		132,323.36	137,899.00
Total Assets		535,405.71	285,942.00
 <u>Liabilities and Net Assets</u>			
<u>Liabilities</u>			
Accrued Liabilities	7	63,052.16	13,194.00
Total Liabilities		63,052.16	13,194.00
 <u>Net Assets</u>			
Net Assets - Beginning of the Year		272,748.00	328,796.00
Net Assets for the Year - Exhibit (B)		199,605.55	(56,048.00)
Net Assets - End of The Year -Exhibit (C)		472,353.55	272,748.00
Total Liabilities and Net Assets		535,405.71	285,942.00

The accompanying notes constitute an integral part of these financial statements

Association for Women and Child Protection (AISHA)
Gaza - Palestine
Statement of Activities for the Year Ended December 31, 2013 **Exhibit (B)**
(Amounts are expressed in NIS)

	<u>Note</u>	<u>December 31</u>	
		<u>2013</u>	<u>2012</u>
<u>Revenues</u>			
Grants' and Projects' Revenues	8	3,848,996.27	746,466.00
Cash Donations		390,002.20	27,431.00
In-Kind Donations (Devices)		9,376.18	-
Other Revenues	9	28,705.50	24,766.00
Total Revenues		<u>4,277,080.15</u>	<u>798,663.00</u>
<u>Expenses</u>			
Grants' and Projects' Expenses	10	3,869,255.15	629,515.00
General and Administration Expenses	11	196,672.44	178,449.00
Depreciation of Property, Plant and Equipment	6	28,517.64	29,871.00
Total Expenses		<u>4,094,445.23</u>	<u>837,835.00</u>
Net Assets for the Year from Activity		182,634.92	(39,172.00)
Other Items:			
Prior Years Adjustments		16,970.63	(16,876.00)
Net Assets for the Year - Exhibit (A)		<u>199,605.55</u>	<u>(56,048.00)</u>

The accompanying notes constitute an integral part of these financial statements

Association for Women and Child Protection (AISHA)

Gaza - Palestine

Statement of Changes in Net Assets for the Year Ended December 31, 2013

Exhibit (C)

(Amounts are expressed in NIS)

	General Net Assets	Investment in Property, Plant and Equipment	Total
Net Assets on January 1, 2013	134,849.00	137,899.00	272,748.00
Net Assets for the Year - Exhibit (B)	199,605.55	-	199,605.55
Deprecation of Property, Plant and Equipment	28,517.64	(28,517.64)	-
Additions to Property, Plant & Equipment	(23,658.00)	23,658.00	-
Disposals from Property, Plant & Equipment	5,584.78	(5,584.78)	-
Disposals from Accumulated Depreciation	(4,868.78)	4,868.78	-
Net Assets on January 31, 2013 - Exhibit (A)	340,030.19	132,323.36	472,353.55
Net Assets on January 1, 2012	134,586.00	194,210.00	328,796.00
Net Assets for the Year - Exhibit (B)	(56,048.00)	-	(56,048.00)
Deprecation of Property, Plant and Equipment	29,871.00	(29,871.00)	-
Additions to Property, Plant & Equipment	(2,036.00)	2,036.00	-
Disposals from Property, Plant & Equipment	36,441.00	(36,441.00)	-
Disposals from Accumulated Depreciation	(7,965.00)	7,965.00	-
Net Assets on January 31, 2012 - Exhibit (A)	134,849.00	137,899.00	272,748.00

The accompanying notes constitute an integral part of these financial statements

Association for Women and Child Protection (AISHA)
Gaza - Palestine
Statement of Cash Flows for the Year Ended December 31, 2013 **Exhibit (D)**
(Amounts are expressed in NIS)

	December 31	
	2013	2012
<u>Cash Flows from Operating Activities</u>		
Net Assets for the Year	199,605.55	(56,048.00)
<u>Adjustments to Reconcile Net Assets for the Year to Net Cash Provided by Operating Activities</u>		
Depreciation of Property, Plant and Equipment	28,517.64	29,871.00
Change in Accrued Revenues	(167,765.41)	-
Change in Other Assets	(11,575.73)	2,259.00
Change in Accrued Liabilities	49,858.16	10,325.00
Net Cash Flows Generated by (Used in) Operating Activities	98,640.21	(13,593.00)
<u>Cash Flows from Investing Activities</u>		
Additions to Property, Plant and Equipment	(23,658.00)	(2,036.00)
Disposals From Property, Plant and Equipment	5,584.78	36,441.00
Accumulated Depreciation of Disposed Assets	(4,868.78)	(7,965.00)
Net Cash Flows (Used in) Generated by Investing Activities	(22,942.00)	26,440.00
Net Cash Flows Generated during the Year	75,698.21	12,847.00
Cash and Cash Equivalent, Beginning of the Year	142,872.00	130,025.00
Cash and Cash Equivalent, End of the Year - Exhibit (A) - Note (3)	218,570.21	142,872.00

The accompanying notes constitute an integral part of these financial statements

Association for Women and Child Protection (AISHA)

Gaza - Palestine

Notes to the Financial Statements

(Amounts are expressed in NIS)

1. General Information

1-1 Legal Status

Association for Women and Child Protection (AISHA) was established in Gaza Strip on September 15, 2009 and registered at the Ministry of Interior under registration no. (8136) according to the Non-Profit Societies Act. No. (1) for the year 2000. The Association is seeking at providing protection to the Palestinian families from the violence, establishing the principles at socialization and targeting of women and their children particularly.

1-2 Goals & Objectives

Association for Women and Child Protection (AISHA) seeks towards achieving and embodiment the following objectives:

1. Increase effectiveness and efficiency of women, participation in community development through enhanced access to support services and protection.
2. Create a sensitive environment to safeguard and support the development of the children and their families for better future.
3. Legislators and decision makers are participating in the process of empowering women and children through favorable laws and regulations.
4. AISHA is a capable organization in the administrative, professional and financial fields.

2. Summary of Significant Accounting Policies

2-1 Basis of Preparation

The financial statements have been prepared on historical cost basis and the accrual basis of accounting.

2-2 Foreign Currencies

The financial statements are presented in the currency of the primary economic environment in which the Society operates which is the Israeli Shekel (NIS). Transactions in currencies other than the Israeli shekel are converted to Israeli Shekel (NIS) according to the exchange rates prevailing on the date of transaction. At the date of each statement of financial position monetary items denominated in other currencies are translated to the Israeli Shekel (NIS) at rates prevailing at that date (closing date). The rates on December 31, 2013 were as follows:

US Dollar = 3.48 N.I.S

EURO = 4.90 N.I.S

Exchange differences arising are recognized in the statement of activities for the year.

2-3 Property, Plant and Equipment

Property, plant and equipment held for use in the production or supply of goods or services, or for administrative purposes, are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

After initial recognition, the property, plant and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment, Land is not depreciated. The depreciation charge for each year is recognized in the statement of activities. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the Society over the estimated useful life of the asset.

The Society follows the straight line method in depreciating fixed assets according to the depreciation ratios approved by the Ministry of Interior and listed in NGOs' financial and management procedures manual as specified in note (6).

Vehicles	%15	Furniture	%10	Electrical Devices & Equipment	%20
Computers & Printers	%20	Generator	%10		

2-4 Provisions

The Society's management did not established a provision for end of service indemnity for its employees at the end of the financial year December 31, 2013.

2-5 Projects' Expenses

The expenses of activities that resulted from the provision of services to beneficiaries and which is the main objective of the Society.

2-6 General and Administrative Expenses

The expenses which related to the management and not included within the projects' expenses.

2-7 Revenues and Expenses

- Revenues are recognized when earned.
- Expenses are recognized when incurred and recorded including V.A.T.

2-8 Cash and Cash Equivalent

For the purpose of the cash flows preparation the cash and cash equivalent on December 31, 2013 comprise cash on hand and current balances and short-term deposits which matures within three months.

2-9 Other Liabilities

Liabilities are recognized for amounts payable in the future for purchase or services received, whether or not claimed by the suppliers.

3. Cash and Cash Equivalent

	<u>December 31</u>	
	<u>2013</u>	<u>2012</u>
<u>Cash on Hand</u>		
Petty Cash	7.00	–
Cash on Hand	354.96	1,574.00
Total Cash on Hand	<u>361.96</u>	<u>1,574.00</u>
<u>Cash at Banks</u>		
<u>Bank of Palestine</u>		
A/C 1124744-0 Current NIS	4,689.90	13,899.00
A/C 1124744-0 Current USD	75,839.29	30,833.00
A/C 1124744-0 Current EURO	51,254.00	77,167.00
A/C 1124744-1 Current NIS	1,714.68	–
A/C 1124744-1 Current USD	33,171.22	16,444.00
A/C 1124744-3 Current USD	–	53,783.00
A/C 1124744-4 Current NIS	3,003.55	–
A/C 1124744-4 Current USD	17,635.42	–
A/C 1124744-5 Current NIS	27,015.00	–
A/C 1124744-5 Current USD	6.82	–
A/C 1124744-7 Current NIS	1,728.02	–
A/C 1124744-7 Current USD	2,465.20	–
A/C 1124744-6 Current USD	2,156.00	–
A/C 1124744-8 Current NIS	5.73	–
A/C 1124744-8 Current USD	59,239.66	–
Total Cash at Banks	<u>279,924.49</u>	<u>192,126.00</u>
<u>Postponed Checks</u>		
A/C 1124744-0 NIS	3,857.00	18,363.00
A/C 1124744-0 USD	31,041.60	23,863.00
A/C 1124744-1 USD	1,050.00	–
A/C 1124744-3 NIS	–	9,796.00
A/C 1124744-4 NIS	6,849.00	–
A/C 1124744-4 USD	7,979.64	–
A/C 1124744-5 NIS	1,000.00	–
A/C 1124744-7 NIS	3,658.00	–
A/C 1124744-7 USD	6,090.00	–
A/C 1124744-8 NIS	191.00	–
Total Postponed Checks	<u>(61,716.24)</u>	<u>(52,022.00)</u>
Checks Under Collection	–	1,194.00
Total Cash and Cash Equivalent - Exhibit (A)	<u>218,570.21</u>	<u>142,872.00</u>

4. Accrued Revenues

	<u>December 31</u>	
	<u>2013</u>	<u>2012</u>
Project of Alleviating Physical & Humiliating Punishment in the Gaza Strip (SCI)	32,353.56	-
Project for Providing Psychological Support for Displaced Women after the Israeli Aggression on Gaza (OCHA)	117,651.84	-
Project for 16 Day Campaign to Eliminate Violence against Women (UN Women), (OCHAR) & (UNRWA)	17,760.01	-
Total Accrued Revenues - Exhibit (A)	<u>167,765.41</u>	<u>-</u>

5. Other Assets

	<u>December 31</u>	
	<u>2013</u>	<u>2012</u>
Staff Advances	15,876.73	4,228.00
Cash Deposits	870.00	943.00
Total Other Assets - Exhibit (A)	<u>16,746.73</u>	<u>5,171.00</u>

6. Property, Plant and Equipment Net

	Vehicles	Furniture	Electrical Devices & Equipment	Computers & Printers	Generator	Total
<u>Cost</u>						
January 1, 2013	75,000.00	19,184.00	23,522.00	26,426.00	18,750.00	162,882.00
Additions	–	2,100.00	1,870.00	19,688.00	–	23,658.00
Disposals	–	(685.58)	(320.00)	(4,579.20)	–	(5,584.78)
December 31, 2013	75,000.00	20,598.42	25,072.00	41,534.80	18,750.00	180,955.22
<u>Accumulated Depreciation</u>						
January 1, 2013	11,774.00	2,380.00	4,028.00	4,839.00	1,962.00	24,983.00
This Year Depreciation	11,250.00	2,060.24	5,014.40	8,318.00	1,875.00	28,517.64
Disposals	–	(545.26)	(101.12)	(4,222.40)	–	(4,868.78)
December 31, 2013	23,024.00	3,894.98	8,941.28	8,934.60	3,837.00	48,631.86
<u>Net Book Value on</u>						
December 31, 2013	51,976.00	16,703.44	16,130.72	32,600.20	14,913.00	132,323.36
December 31, 2012	63,226.00	16,804.00	19,494.00	21,587.00	16,788.00	137,899.00

7. Accrued Liabilities

	December 31	
	2013	2012
Water & Electricity	325.75	2,501.00
Communications	1,145.23	1,145.00
Audit Fees	2,610.00	1,863.00
Accrued Insurance	1,740.00	–
Income Tax - Gender Initiative Project	55,851.78	–
Income Tax – Society’s Staff	1,379.40	–
Dues to Staff	–	7,685.00
Total Accrued Liabilities – Exhibit (B)	63,052.16	13,194.00

8. Grants’ and Projects’ Revenues

	December 31	
	2013	2012
Maria Fund Donation	37,156.90	3,725.00
Project to Protecting Women Victims of Violence and at Risk in Gaza and Northern Governorates (K.T.K)	151,629.24	156,135.00
Project for Legal Empowerment of Women (UNDP)	124,670.75	172,125.00
Project for 16 Day Campaign to Eliminate Violence Against Women (UN Women), (OCHAR) & (UNRWA)	40,385.01	–
Project for Gender Initiative Programme "Social and Recreational Spaces for Girls and Women in Gaza Strip (UNRWA)	2,471,844.00	–
Project for Providing Psychological Support for Displaced Women after the Israeli Aggression on Gaza (OCHA)	599,830.40	–
Functional Rehabilitation Treatment - Vocational Training (IMC)	4,112.73	–
Project for a Life Free of Violence (Italian Project)	49,291.02	–
Project of Alleviating Physical & Humiliating Punishment in the Gaza Strip (SCI)	55,645.20	–
Project For Empowerment Program for Female Heads of Household in Gaza Strip (UNRWA)	186,065.00	–
Vocational Training Initiative Donation (PFPPA)	9,479.42	–
Project for Capacity Building Training for the Teachers of Nuseirat Social and Training Rehabilitation (UNRWA)	9,483.00	–
Project for Protecting Children and Adolescents from Gender Based Violence through the Promotion of their Sexual and Reproductive Rights (SCI)	59,403.60	–
Youth Create Change Project (GTZ)	50,000.00	–
Project of Supporting Individual Empowerment for Women Victims of Violence (EMHRF)	–	126,060.00
Project for Improving Palestine Community Awareness and Ability to Address Gender Issues (UN Women)	–	210,846.00
Other Donations	–	77,575.00
Total Grants’ and Projects’ Revenues – Exhibit (B)	3,848,996.27	746,466.00

9. Other Revenues

	December 31	
	2013	2012
Vocational Training Center	9,434.65	1,785.00
Halls Rental	7,889.68	4,204.00
Membership Fee	2,080.00	6,460.00
Tender Fee	2,100.00	–
Training Fee	5,549.17	–
Miscellaneous	1,652.00	5,058.00
Currency Differences	–	7,259.00
Total Other Revenues - Exhibit (B)	28,705.50	24,766.00

10. Grants' and Activities' Expenses

	December 31	
	2013	2012
Maria Fund Donation	12,263.90	3,725.00
Project to Protecting Women Victims of Violence and at Risk in Gaza and Northern Governorates (K.T.K)	147,294.10	156,135.00
Project for Legal Empowerment of Women (UNDP)	149,619.00	147,177.00
Project for 16 Day Campaign Eliminate Violence against Women (UN Women), (OCHAR) & (UNRWA)	29,372.60	–
Project for Gender Initiative Programme "Social and Recreational Spaces for Girls and Women in Gaza Strip (UNRWA)	2,482,148.40	–
Project for Providing Psychological Support for Displaced Women after the Israeli Aggression on Gaza (OCHA)	594,522.85	–
Functional Rehabilitation Treatment - Vocational Training (IMC)	2,567.00	–
Project for a Life Free of Violence (Italian Project)	61,731.16	–
Project of Alleviating Physical & Humiliating Punishment in the Gaza Strip (SCI)	54,592.82	–
Project for Empowerment Program for Female Heads of Household in Gaza Strip (UNRWA)	185,312.53	–
Vocational Training Initiative Donation (PFPPA)	9,422.10	–
Project for Capacity Building Training for the Teachers of Nuseirat Social and Training Rehabilitation (UNRWA)	9,400.45	–
Project for Protecting Children and Adolescents from Gender Based Violence through the Promotion of their Sexual and Reproductive Rights (SCI)	18,072.99	–
Youth Create Change Project (GTZ)	23,977.00	–
Project of Supporting Individual Empowerment for Women Victims of Violence (EMHRF)	88,958.25	37,102.00
Project for Improving Palestine Community Awareness and Ability to Address Gender Issues (UN Women)	–	208,859.00
Others	–	76,517.00
Total Grants' and Activities' Expenses - Exhibit (B)	3,869,255.15	629,515.00

11. General and Administrative Expenses

	December 31	
	2013	2012
Salaries ,Wages and Remuneration	129,556.06	127,070.00
End of Service Expense	3,870.00	5,760.00
Electricity and Water	573.00	4,859.00
Hospitality	1,971.00	7,356.00
Stationery and Printings	411.00	377.00
Transfer & Transportation	2,187.00	2,806.00
Miscellaneous Expenses	10,516.80	9,282.00
Electronic Services and Programming	2,530.00	5,694.00
Commissions and Bank Interest	3,342.11	1,260.00
General Maintenance	1,513.50	8,040.00
Cash Loss	656.80	–
Insurance Expenses	1,740.00	–
Premises Rent	5,646.50	–
Audit Fees	5,235.00	–
Currency Exchange Differences	8,470.67	–
Training Services	2,784.00	–
Management Consulting (Project Proposals)	13,090.00	–
Telephone and Mobile	2,579.00	2,491.00
Fuel	–	3,454.00
Total General and Administrative Expenses - Exhibit (B)	196,672.44	178,449.00

12. Risk management

The Society's management monitors and manages the financial risks relating to its operations and activities. These risks include: foreign exchange risk, credit risk, and liquidity risk.

Foreign currency risk:

The Society's management undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The Society maintains policies and procedures to manage the exchange rate risk exposure.

Credit risk:

Credit risk refers to the risk that a debtor will default in its contractual obligations resulting in financial loss to the Society. The Society maintains a credit policy that states dealing with only creditworthy parties and obtaining sufficient collateral where appropriate.

Liquidity risk

The Board of Directors adopted an appropriate liquidity risk management framework as the responsibility of liquidity risk management rests with the Board of Directors.

13. Fair value of Financial Instruments

The carrying values of the financial assets and liabilities are not materially different from their fair values as at the financial position date.

14. Number of Employees

The number of employees at the Society in December 2013 was (24) Permanent employee, (3) projects employees and (2) volunteers.

15. Comparative Figures

Certain balances for the previous year were reclassified to conform to the current year presentation.