

Hanan for Cultural and Social Development Association

Statement of Financial

Year ended December 31,2013

With Financial Auditing Report

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Hanan for Cultural and Social Development Association

Financial Auditing Report

We have audited the attached Statement of Financial Position (**Hanan Association for Culture and Community Development - Nuseirat**), a non-profit, as at 31 December and the statement of income and expenditure for the year ended on that date. These financial statements are the responsibility of the association, but our responsibility is to express an opinion on these financial statements based on our audit, and what we got from the information and explanations we believe are necessary for the purposes of our audit.

We conducted our audit in accordance with International Standards on Auditing, which require that we plan and perform the audit in order to reach a reasonable degree of assurance that the financial statements do not contain any material misstatement. The audit also includes assessing the accounting principles used and significant estimates made by management, In addition to a comprehensive assessment of the presentation of the financial statements as a whole. We believe that what we have done audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly in all material respects, the financial position of the Assembly of Hanan for culture and community development Nuseirat as at 31 December 2013 and as a result of its work for the year ended on that date in accordance with international accounting standards.

Date: 2 March 2014

ALRAHMA For Accounting & Audit

Auditor
Husam N. ALnafar

Hanan for Cultural and Social Development Association
Statement of Financial Position
Year ended December 31, 2013

Item	Notes	NIS	
		<u>2012</u>	<u>2013</u>
Current Assets:			
Cash and Equivalents	3	7466.82	201.92
Account Receivable	4	598.00	791.00
Total of Current Assets		8064.82	992.92
Net Fixed assets	5	24068.88	18102.84
<u>Total of Assets</u>		<u>32133.70</u>	<u>19095.76</u>
Current Liabilities :			
Account payable	6	58874.51	7.60
Other Liabilities	7	22920.61	82452.59
Total of Current Liabilities		81795.12	82460.19
Net Assets		-49661.42	-63364.43
<u>Total of Liabilities and Net Assets</u>		<u>32133.70</u>	<u>19095.76</u>

See Notes to Financial Statement

Hanan for Cultural and Social Development Association

Statement of Activities
Year ended December 31, 2013

Item	Notes	NIS	
		<u>2012</u>	<u>2013</u>
Revenues	8	297181.17	460617.48
Expenses			
Programs Expenses	9	356441.12	432004.81
General and Admin Expenses	10	4886.97	36349.64
Depreciate Expenses		12403.25	5966.04
Total Expenses		<u>373731.34</u>	<u>474320.49</u>
Excess Revenues over(under)Expenses			
Change in Net Assets		-76550.17	-13703.01
Net Assets at Year End		<u>-49661.42</u>	<u>-63364.43</u>

See Notes to Financial Statement

Hanan Association for Culture and Community Development

NOTES TO THE FINANCIAL STATEMENTS

December 31, 2013

Currency: NIS

1- Establishment of the organization:

Hanan establishments:

With an initiative from qualified and prominent volunteer's persons in the middle camps whom in charge of an important governmental and civil organizations, shoulder a series responsibilities toward participant in the social positive interference. Improving the marginalized areas targeting (children - poverty women – families - and other categorizes) Hanan for cultural and social development has been founded to be a civil organization present a non traditional and discerning services to all Gaza geographic scope. Hanan for Cultural and Social Development Association was established in 2007 as Non-governmental organization and registered under the license number 7848 of the Ministry of Inferior in 10/02/2007.

Hanan goals and objectives:

- 1- Defense and protecting the children rights, through organizing and implementing programs, activities and the special interactive projects which meet the main target.
- 2- Mixing and encouraging the disable child in his society among practicing his general and special rights as (education – health – housing).
- 3- Developing and gaining the child the development and creation his own skills and talents in knowledge and qualifications.
- 4- Growing the social participating working to protect childhood particularly in the marginalized areas.
- 5- Improving the gifted child abilities also the disables one and the lack students who escapes from their schools.
- 6- Organizing the literate and training courses aiming to raise the society awareness towards the children.
- 7- Observing the whole current infringement against the children rights whatever civilization damage or war damage.
- 8- Cooperation and coordination among the civil and the official organization which related with the childhood defenses.
- 9- Participating in the society renovation to form the participant development in the local society.
- 10- Reinforcing and interactive the women role in the development society process and decision making.
- 11- Developing the youth and forth coming generation gift in the Palestinian society as cultural and aesthetics abilities.

The accounting system:

1. The Accrual basis Principle is used in the association, where all the receipts and payment concerning certain period are registered even them is actually implemented or not.
2. The Fixed Line Principle is used to account the depreciation of the fixed assets except the sport materials if are available, books, magazines and toys are completely depreciated and preparing a minute report for this purpose.
3. Donations are divided into 2 main parts:

A. Ordinary donations:

These donations which are gained from the local public directly and re-applied to the bank current account of organization and withdrawing from to running daily expenses of the organization.

B. Special Donations:

They are special and un-periodically donations, allocated for implementing certain activities and re-applied in special bank account, opened for this purpose and used to cover the expenses of the suggested activities.

- Forex: Currency price was calculated at the end of the period compared with the shekel, respectively, the dollar: (3.49) and the euro: (4.72)

3. Cash and Equivalents

	<u>2012</u>	<u>2013</u>
Palestine Bank – current Account \$	24.96	48.44
Palestine Bank – Euro	1.98	3.34
Palestine Bank – NIS	252.00	44.80
Palestine Bank – Gazala- \$	7187.88	25.09
Palestine Bank – Children's Parliament \$	0.00	80.21
Palestine Bank – Children's Parliament Nis	0.00	0.04
Total of Cash and Equivalents	7466.82	201.92

4. Account Receivable

	<u>2012</u>	<u>2013</u>
IMPREST	598.00	791.00
Total of Account Receivable	598.00	791.00

5. Fixed Assets:

	<u>2012</u>		
Asset	Cost	Addition	Book Value
Equipments-Pc-Printer	29206.30	0.00	29206.30
Furniture	25570.00	0.00	25570.00
Equipments electrical	26617.19	0.00	26617.19
Total Assets	81393.49	0.00	81393.49
Depreciation			
Equipment's-Pc-Printer 0.20	23849.21	2553.56	26402.77
Furniture 0.10	9500.45	2537.00	12037.45
Equipments electrical 0.20	23974.95	875.48	24850.43
Total Depreciation	57324.61	5966.04	63290.65
Net Book Value	24068.88	5966.04	18102.84

6. Account payable

	<u>2012</u>	<u>2013</u>
Ex - checks \$	38681.32	0.00
Ex - checks NIS	20111.43	0.00
Palestine Bank – Azala Us	0.00	7.60
Palestine Bank – Children's Parliament \$	53.19	0.00
Palestine Bank – Children's Parliament Nis	28.57	0.00
Total of Account payable	58874.51	7.60

7. Other Liabilities

payable expenses

	<u>2012</u>	<u>2012</u>
Telephone	312.53	397.16
Wage for audit	1885.00	1566.00
Water and electricity	881.64	357.96
Salaries payable	18898.94	33408.00
Accrued expenses	942.50	46723.47
Total	22920.61	82452.59

8. Revenues

	<u>20112</u>	<u>2013</u>
Membership fee	260.00	220.00
Incomes – Friendship Association	281794.64	339666.40
Incomes – Children's Parliament	0.00	59120.60
Incomes outcome – Others Association	9854.20	28547.38
Income currency variety	0.00	5533.78
Other income	5272.33	0.00
Benefaction	0.00	27529.32
Total	297181.17	460617.48

9. Programs Expenses

	<u>2012</u>	<u>2013</u>
Salaries	75419.28	55648.30
Rents	15438.08	9842.00
Telephone	5053.86	2437.81
Supplies	3042.00	7799.00
Stationary	2820.00	1845.00
Transportation	2819.00	7335.35
Help humanity and Cash	243911.72	315588.00
Printing cost	0.00	15446.00
Training	5968.10	0.00
Miscellaneous	1969.08	14613.35
Expenses of entertainments	0.00	1450.00
Total of Programs Expenses	356441.12	432004.81

10. General and Admin Expenses

	<u>2012</u>	<u>2013</u>
The salaries of administrative expenses	0.00	23625.75
Water and electricity services	816.12	392.44
Accountancy fee	1885.00	1566.00
Bank charges	1008.72	861.49
Admin Expenses	1177.13	4562.00
Phone and Internet expenses	0.00	4434.96
Maintenance expenses	0.00	907.00
Total	4886.97	36349.64