



AL SHAYEB

CERTIFIED PUBLIC ACCOUNTANTS

Auditors Consultants Tax Advisors



INDEPENDENT MEMBER

GENEVA GROUP INTERNATIONAL

Roles for Social Change Association-ADWAR

Independent Auditor's Report and Financial Statements

31 December 2017

Roles for Social Change Association-ADWAR

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Independent Auditor's Report

To the Board of Directors of
Roles for Social Change Association-ADWAR
Hebron – Palestine

Report on the financial statements

We have audited the accompanying statement of financial position of **Roles for Social Change Association-ADWAR (Not for Profit Association)** as of **31 December 2017** and the related statements of activities and changes in net assets, cash flows and functional expenses for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116, 117, and 124 related to financial statements of Not-For-Profit Associations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the 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 Association'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 internal control of the Association. 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 referred to above present fairly, in all material respects, the financial position of **Roles for Social Change Association-ADWAR (Not for Profit Association)** as of 31 December 2017 and the results of its operations, its cash flows and its functional expenses for the year then ended in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116, 117, and 124 related to financial statements of Not-For-Profit Associations.

AlShayeb Auditing & Accountancy Co.
Independent Member of Geneva Group International
Issa Abu Farha,
Engagement Partner

Bethlehem
17 February 2018

ISSA ABU FARHA
C.P.A.
LICENSE NO 34

Roles for Social Change Association-ADWAR
Statement of Financial Position
As of 31 December 2017

		31/12/2017	31/12/2016
	Note	NIS	NIS
Current Assets			
Cash on hand and at banks	3	416,813	235,436
Pledges Receivables		51,659	15,844
Accounts Receivables		2,500	-
Total Current Assets		470,972	251,280
Non - Current Assets			
Property, Plant & Equipment	4	160,585	187,590
Total Assets		631,557	438,870
Liabilities and Net Assets			
Liabilities:			
Payables and accruals	5	63,096	104,061
End of Service Indemnity	6	21,200	10,600
Total liabilities		84,296	114,661
Net Assets :			
Unrestricted		168,930	299,591
Temporarily restricted		378,331	24,618
Total net assets - (Statement - C)		547,261	324,209
Total liabilities and Net Assets		631,557	438,870

See Notes to Financial Statements

Chairman of Board Of Director

Treasurer



Roles for Social Change Association-ADWAR
Statement of Activities and Changes in Net Assets
Year Ended 31 December 2017

		Unrestricted	Temporarily Restricted	For The Period Ended 31/12/2017	For The Period Ended 31/12/2016
	Note	NIS	NIS	NIS	NIS
Operating revenues:					
Grants for projects	7	-	578,896	578,896	805,300
Donations & Local Contributions		59,355	-	59,355	389,991
Other Revenues	6	40,423	-	40,423	25,153
Membership Subscription Fees		2,500	-	2,500	4,300
Total operating revenues		102,278	578,896	681,174	1,224,744
Net assets released from restrictions	7	225,183	(225,183)	-	-
		327,461	353,713	681,174	1,224,744
Projects Expenses	8	223,940	-	223,940	869,388
Total Projects Expense		223,940	-	223,940	869,388
Operating and Administrative expenses :					
Management and general expenses	9	206,539	-	206,539	156,765
Depreciation	4	33,824	-	33,824	14,967
Total Operating and Administrative expenses		240,363	-	240,363	171,732
Total expenses		464,303	-	464,303	1,041,120
Gain (Loss) from Currency Variance		7,874	-	7,874	(838)
Increase (decrease) in net assets		(128,969)	353,713	224,744	182,786

See Notes to Financial Statements

Chairman of Board Of Director



Treasurer

Roles for Social Change Association-ADWAR
Statement of Changes in Net Assets
Year Ended 31 December 2017

	Unrestricted	Temporarily Restricted	Total
	NIS	NIS	NIS
Net Assets at beginning of 01/01/2017	299,591	24,618	324,209
Prior Period Adjustments - Depreciaton	(1,692)	-	(1,692)
Adjusted Net Assets at beginning of 01/01/2017	297,899	24,618	322,517
Increase in net assets during the year-Statement (B)	(128,969)	353,713	224,744
Net Assets as at 31 December 2017	168,930	378,331	547,261

See Notes to Financial Statements

Roles for Social Change Association-ADWAR

Statement of Cash Flows
Year Ended 31 December 2017

	31/12/2017	31/12/2016
	NIS	NIS
Cash flows from operating activities:		
Grants received from contributors	578,896	805,300
Donations & Other Revenues	102,278	419,444
Cash paid to employees and suppliers	(491,285)	(942,000)
<i>Cash flows provided (used in) operating activities</i>	189,889	282,744
Cash flows from investing activities:		
Procurement of fixed assets	(8,511)	(142,876)
<i>Cash flows (used in) investing activities</i>	(8,511)	(142,876)
Decrease in cash during the year	181,377	139,868
Cash on hand and at banks at beginning of year	235,436	95,568
Cash on hand and at banks at end of year	416,813	235,436
Adjustments to reconcile change in net assets		
to net cash provided from (used in) operating activities:		
Change in net assets	224,744	182,786
Depreciation	33,824	14,967
Net Prior year Adjustment	-	(24,264)
(Increase) in Payables and others	(40,965)	82,601
(Increase) in Pledges Receivables	(35,815)	16,054
(Increase) in Accounts Receivables	(2,500)	
(Increase) in End Of Service	10,600	10,600
Total cash (used in) operating activities	189,889	282,744

See Notes to Financial Statements

The Palestinian Association For Empowerment and Local Development- REFORM

Notes to Financial Statements Year Ended 31 December 2017

1. The Association Overview:

Roles for Social Change Association-ADWAR is a non-profit and independent Palestinian Association established in 2010 by a group of students from different universities in Hebron district. In which they volunteered and worked effectively believing that reaching social justice goes through gender approach. it has been licensed under No. HB-4156-C with the ministry of Interior in 13/12/2010.

General and Sub - Strategic Objectives:

- To improve Capacity building of Palestinian women along with empowering them socially, to reduce violence against women so they will be capable of active, civic participation and living in a society characterized by social justice.
- Contributing in empowering the Palestinian women economically, to reduce unemployment as well as providing job opportunities and eliminating all the types of discrimination and gaps based on gender.
- Contributing in raising the political awareness of the Palestinian women, in addition to encourage them to participate in civil democratic life and to involve in advocacy and lobby decision makers, to ensure fair laws for women.
- To improve the Palestinian society Awareness and capacity building for governmental and nongovernmental organizations about gender's policies and procedures as well as the importance of gender's contribution towards Palestinian society welfare.

2. Summary of Significant Accounting Policies:

The financial statements of Roles for Social Change Association-ADWAR have been prepared on accrual basis of accounting using the historical cost convention, and in conformity with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116, 117, and 124 related to financial statements of Not-For-Profit Associations.

2. Summary of Significant Accounting Policies: (Continued)

2.1 Adoption of new and revised International Financial Reporting Standards (IFRSs):

In the current year, The Association management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ending on 31 December 2017. The application of the new standards and interpretations has no effect on the financial position or the results of operations of the Association.

2.2 Significant accounting policies followed are as described below:

a. ADWAR maintains its accounts in accordance with principles of fund accounting under which the net assets of the Association and changes there in are classified and reported as follows:

- **Unrestricted net assets** - Net assets whose use by the Association is not subject to donor-imposed restrictions.
- **Temporarily Restricted Net Assets** - Net assets whose use by the Association is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of the Association pursuant to those donor-imposed stipulations.
- **Grants Receivables** - represents amounts due from funding Associations for expenses incurred through 31 December 2017.
- **Revenues** - are reported as increase in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decrease in unrestricted net assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported as net assets released from restrictions.

b. Fixed Assets

Fixed assets are stated at cost net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets ranging from 7% to 20%.

The useful lives of fixed assets are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being as a change in estimate.

Fixed Assets are disposed off when there is no expected future benefit from the use of that asset.

2. Summary of Significant Accounting Policies: (Continued)

c. Functional Expenses:

The Association allocates its expenses on a functional basis among its various programs and general administration. Expenses that can be identified with a specific program or administration are charged directly. Other expenses that are common to several functions are allocated between functions based on the best estimates and judgment of management.

d. Foreign Currency Transactions:

- The books of accounts are maintained in Shekel. Transactions which are denominated in foreign currencies other Shekel currencies are converted into N.I.S. equivalent at the spot exchange rate prevailing at the date of each transaction.
- Transactions and balances which are denominated or expressed in Shekel are presented at the actual Shekel received or paid.
- Fixed assets and related depreciation are translated at historical rates. Additions to cost were translated using the average rate of exchange prevailing during the year.

e. Estimates and assumptions:

The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the date of the statement of financial position, and the reporting of revenue, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by the Association's management.

f. Reserve for Staff Benefits:

Severance Pay:

The Association Calculate employees' severance pay according to Adwar's Policy by paying a one month Salary for every year service.

3. Cash at Hands and at Banks

Composition:

	31/12/2017	31/12/2016
	NIS	NIS
Cash At Banks - NIS	361,389	47,213
Cash At Banks - Dollar	2,199	6,589
Cash At Banks - EURO	-	71,634
Cash At Banks - NIS - Savings	53,225	110,000
	416,813	235,436

4. Office furniture and equipment – Net of accumulated depreciation:

Composition: 31 December 2017:

	<u>Furniture & Fixtures</u>	<u>Electrical Equipment</u>	<u>Computers & Printers</u>	<u>Vehicles</u>	<u>Total</u>
<u>Cost:</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>	<u>NIS</u>
Balance at beginning of 01/01/2017	33,977	3,202	51,233	133,476	221,888
Additions in 2017	7,450	-	2,753	-	10,203
Disposal in 2017	(2,000)	-	(1,500)	-	(3,500)
Balance at end of year 2017	39,427	3,202	52,486	133,476	228,591
<u>Accumulated Depreciation:</u>					
Balance beginning of 01/01/2017	10,784	687	19,152	3,675	34,298
Prior Period Adjustments	1,165	-	527	-	1,692
Disposal in 2017	(308)	-	(1,500)	-	(1,808)
Depreciation expenses	3,831	640	9,332	20,021	33,824
Balance at end of year 2017	15,472	1,327	27,511	23,696	68,006
Net Book Value at end of year 2017	23,955	1,875	24,975	109,780	160,585
Net Book Value at end of year 2016	23,193	2,515	32,081	129,801	187,590

5. Payables and others

Composition:

	<u>31/12/2017</u>	<u>31/12/2016</u>
	<u>NIS</u>	<u>NIS</u>
Outstanding checks	58,946	99,405
Accrued Audit fees	4,000	4,000
Payroll Tax Liability	150	656
	63,096	104,061

6. Other Revenues

	<u>31/12/2017</u>	<u>31/12/2016</u>
	<u>NIS</u>	<u>NIS</u>
Other Revenues - Travel	230	-
Other Revenues - Wool Sale	24,503	14,598
Other Revenues - Workshops & Training	15,690	10,555
	40,423	25,153

7. Releases from Temporarily restricted assets by funding source for the year ended 31 December 2017 is as follows:

Composition:

	Balance Beginning of the year	Grants Received in Year 2017	Available Grants for 2017	Released Grants in 2017	Balance Ending 2017
	NIS	NIS	NIS	NIS	NIS
Temporarily Restricted:					
GIZ					
Increasing Women's Political Participation Through Effective local election	10,398	72,122	82,520	(82,520)	(0)
Netherlands Government					
Empowering Bedouin women in decision-making within local councils	14,220	31,895	46,115	(46,116)	(0)
Women Empowerment	-	311,640	311,640	(11,500)	300,140
PMDP					
Supporting disadvantage to Generate income	-	20,732	20,732	(20,880)	(148)
UN Women					
Supporting Women Protection Committee	-	36,000	36,000	(36,000)	-
EPJP USAID					
Protect Women Legal Rights	-	45,174	45,174	(28,167)	17,007
UNDP Project					
Palestinian Environment Guards	-	61,333	61,333	-	61,333
	24,618	578,896	603,514	(225,183)	378,331

7. Releases from Temporarily restricted assets by funding source for the year ended 31 December 2016 is as follows:

Composition:

	Balance Beginning of the year	Grants Received in Year 2016	Available Grants for 2016	Released Grants in 2016	Balance Ending 2016
	NIS	NIS	NIS	NIS	NIS
Temporarily Restricted:					
US Consulate - MEPI					
Women advocate against the concept of (Divorced)	-	24,264	24,264	(24,264)	-
UK Government					
Supporting gender equality regarding access to education in Hebron	-	29,900	29,900	(29,900)	-
EU - ACF					
Promotion of the local democracy and economic activity	15,762	4,035	19,797	(19,797)	-
UN Women					
Bedouin women protection committee to activate 1325 resolution in area C	-	150,298	150,298	(150,298)	-
GIZ					
Initializing Palestinian Bedouin Communities of Hebron Governorate	59,616	113,010	172,626	(172,626)	-
Increasing Women's Political Participation Through Effective local election	-	178,611	178,611	(168,213)	10,398
Netherlands Government					
Empowering Bedouin women in decision-making within local councils	-	278,144	278,144	(263,924)	14,221
Operation Blessing-Jerusalem					
Supporting women in access to business market through sweets business	-	8,000	8,000	(8,000)	-
AMAN - Coalition for Accountability and Integrity					
Raising awareness and capacity Building activities for Palestinian Youth	-	19,039	19,039	(19,039)	-
Consulat General De France					
ADWAR Association Blog for gender issue awareness	19,264	-	19,264	(19,264)	-
	94,642	805,300	899,942	(875,324)	24,618

8. Project Expenses - 2017:

Expenses Titles	GIZ-Increasing Women		Empowering Bedouin women		Women Empowerment		PMDP		UN Women		EPIP USAID		For The Period Ended 2017		For The Period Ended 2016	
	NIS		NIS		NIS		NIS		NIS		NIS		NIS		NIS	
1 Fixed Assets	-		-		-		-		-		-		0		2,000	
2 Salaries	25,095		5,950		10,600		13,136		-		6,906		61,687		89,552	
3 Stationary Expense	2,331		1,548		-		2,816		2,520		-		9,215		52,989	
4 Telecommunication Expense	-		3,317		-		-		883		-		4,200		5,252	
5 Printing & Design Expense	1,033		-		-		-		6,580		18,339		25,953		73,956	
6 Utilities Expense	-		1,013		-		-		588		-		1,601		2,298	
7 Transportation Expense	4,993		10,359		900		2,112		1,700		1,584		21,648		101,033	
8 Media & TV Broadcasting	3-5758		-		-		-		5,000		-		40,758		106,542	
9 Lunch & Refreshment Expense	2,720		10,013		-		2,816		6,100		-		21,649		139,512	
10 Office Supplies	-		1,000		-		-		1,500		-		2,500		16,494	
11 Office Rent	-		-		-		-		-		-		0		25,105	
12 Hall Rents & Other	2,183		1,548		-		-		-		986		4,716		52,900	
13 Training & Consulting Expense	8,159		3,482		-		-		6,300		352		18,293		166,141	
14 Volunteering Expense	-		-		-		-		900		-		900		16,984	
15 Internet & Web Design Expense	-		3,022		-		-		-		-		3,022		628	
16 Capacity Building	-		-		-		-		3,900		-		3,900		16,200	
17 Material Expenses	-		3,900		-		-		-		-		3,900		3,800	
Total Projects Expenses	82,270		45,152		11,500		20,880		35,971		28,167		223,940		869,388	
18 Released to Unrestricted	250		964		-		-		29		-		1,243		3,936	
Grand Total Released	82,520		46,116		11,500		20,880		36,000		28,167		225,183		875,324	

8. Project Expenses – 2016 :

Assets	MEPI Project		UK-Supporting Gender		ACF Project		UN Women		GIZ-Initializing Palestinian		GIZ-Increasing Women		Netherland		Operation Blessing		AMAN- Rasing Awareness		Consulat General De France		For The Period Ended 2016		For The Period Ended 2015	
	NIS		NIS		NIS		NIS		NIS		NIS		NIS		NIS		NIS		NIS		NIS		NIS	
Assets							2,000														2,000			
ies	-		-		13,625		18,038		25,650		21,814		10,425		-		-		-		89,552		89,435	
onary Expense	-		1,000		419		8,264		12,750		14,056		14,450		-		760		1,290		52,989		14,007	
ommunication Expense	-		-		-		-		-		-		5,252		-		-		-		5,252		4,559	
ing & Design Expense	-		3,200		-		20,857		28,110		7,770		13,600		-		419		-		73,956		12,535	
ies Expense	-		-		-		2,298		-		-		-		-		-		-		2,298		1,206	
portation Expense	-		-		949		10,335		20,780		9,900		50,737		1,200		3,236		3,896		101,033		26,056	
id Radio Advertising	-		-		-		37,932		19,600		-		45,199		-		3,811		-		106,542		9,910	
1 & Refreshment Expense	-		2,000		2,400		11,454		25,000		30,600		59,435		-		3,430		5,194		139,512		21,120	
Supplies	-		9,900		-		6,314		-		-		280		-		-		-		16,494		1,940	
Rent	24,155		-		-		-		-		-		-		-		950		-		25,105		6,393*	
Rents & Other	-		-		1,800		5,637		15,800		20,020		8,500		-		1,143		-		52,900		11,010	
ning & Consulting Expense	-		3,800		-		21,780		21,375		63,840		38,185		3,000		5,289		8,872		166,141		22,225	
ntering Expense	-		-		-		1,689		-		-		15,295		-		-		-		16,984		2,659	
est & Bank Charges	109		-		14		-		227		213		65		-		-		-		628		708	
city Building	-		10,600		-		3,700		-		-		2,500		-		-		-		16,200		7,458	
erial Expenses	-		-		-		-		-		-		-		3,800		-		-		3,800		-	
al Projects Expenses	24,264		29,900		19,207		148,298		169,292		168,213		263,924		8,000		19,039		19,252		869,388		231,221	
ised to Unrestricted	-		-		590		-		3,334		-		-		-		-		12		3,936		6,859	
Total Released	24,264		29,900		19,797		150,298		172,626		168,213		263,924		8,000		19,039		19,264		875,324		238,080	

9. Management and general expenses:

	31/12/2017	31/12/2016
	NIS	NIS
Salaries	88,656	66,168
Office Rent	17,985	8,132
Initiative & activities Expense	3,197	5,343
Internet & Web Design Expense	1,276	2,992
Hospitality & Training Expense	2,297	6,462
Transportation Expense	35,957	10,143
Professional Fees	5,500	4,000
Telecommunication Expense	6,915	6,035
Office Supplies	2,406	1,066
Other Expense	1,929	6,656
Beverage & Cleaning Expense	2,256	1,909
Accounting Software Expense	-	1,350
Interest & Bank Charges	1,532	449
Hall Rent & Other	1,079	2,100
Utilities Expense	3,037	2,500
Travel & Per Diem Expense	7,314	-
Stationary Expense	880	155
Maintenance Expense	715	1,655
End of Service Expense	10,600	10,600
Vehicle Expense	7,044	4,200
Donation Expense	5,964	13,850
TV and Radio Advertising	-	1,000
Total	206,539	156,765

10. Contingent liabilities

There are no contingent liabilities that have been incurred by the Institution in relation to the year 2017 or 2016.

11. Post-reporting date events

No adjusting or significant non-adjusting events have occurred between the reporting date and the date of authorization.

12. Comparative figures

Certain comparative figures have been reclassified to conform with the current presentation of the financial statements for the year.