



AL SHAYEB

CERTIFIED PUBLIC ACCOUNTANTS

Abna'a Al-Quds Club - Jerusalem

Independent Auditor's Report and Financial Statements

31 December 2018

Auditors Consultants Tax Advisors



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INDEPENDENT PROFESSIONAL FIRMS

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Abna'a Al-Quds Club - Jerusalem

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Independent Auditor's Report

**To the Board of Directors of
Abna'a Al-Quds Club - Jerusalem**

Report on the financial statements

We have audited the accompanying statement of financial position of **Abna'a Al-Quds Club - Jerusalem** (Not for Profit Association) as of 31 December 2018 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. 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 **Abna'a Al-Quds Club - Jerusalem** (Not for Profit Association) as of 31 December 2018 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.

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

Bethlehem
30 December 2019

ISSA ABU FARHA
C.P.A
LICENSE NO 34





Abna'a Al-Quds Club - Jerusalem
Statement of Financial Position
As of 31 December 2018

| | Note | 31/12/2018 NIS | 31/12/2017 NIS |
|---|------|---------------------|-------------------|
| Current Assets | | | |
| Cash on hand and at banks | 3 | 14,861.76 | 7,914.93 |
| Accounts Receivables & Pledges | | 48,652.00 | 56,347.89 |
| Non - Current Assets | | | |
| Property, Plant & Equipment | 4 | 89,395.00 | 94,462.70 |
| Total Assets | | 152,908.76 | 158,725.52 |
| Liabilities and Net Assets | | | |
| Liabilities: | | | |
| Payables and accruals | 5 | 350,939.00 | 58,476.33 |
| Total liabilities | | 350,939.00 | 58,476.33 |
| Net Assets : | | | |
| Unrestricted | | (198,030.24) | 100,249.19 |
| Total net assets - (Statement - C) | | (198,030.24) | 100,249.19 |
| Total liabilities and Net Assets | | 152,908.76 | 158,725.52 |

See Notes to Financial Statements

Chairman of Board Of Director

Treasurer

Abna'a Al-Quds Club - Jerusalem
Statement of Activities and Changes in Net Assets
Year Ended 31 December 2018

| | Note | For The Period | | For The Period |
|---|------|---------------------|---------------------|---------------------|
| | | Unrestricted | Ended 31/12/2018 | Ended 31/12/2017 |
| | | NIS | NIS | NIS |
| Operating revenues: | | | | |
| Project Donation & Local Contribution | 6 | 865,480.36 | 865,480.36 | 1,180,953.57 |
| In-kind Contribution - Players Benefit | 7 | - | - | 270,591.66 |
| Summer Camp Subscription Revnue | | 179,693.12 | 179,693.12 | - |
| Subscription Revnue | | 68,915.20 | 68,915.20 | 30,000.00 |
| Other Revenues | | - | - | 20,000.00 |
| Total operating revenues | | 1,114,088.68 | 1,114,088.68 | 1,501,545.23 |
| Operating and Adminstrative expenses : | | | | |
| Program Costs | 8 | 73,132.00 | 73,132.00 | 717,070.82 |
| Management and Activities expenses | 9 | 1,335,680.71 | 1,335,680.71 | 699,026.31 |
| Depreciation | 4 | 22,067.70 | 22,067.70 | 9,575.74 |
| Total Operating and Adminstrative expenses | | 1,430,880.41 | 1,430,880.41 | 1,425,672.87 |
| Grain (Loss) from Currency Varriance | | 20,724.85 | 20,724.85 | 1,698.87 |
| Increase (decrease) in net assets | | (296,066.88) | (296,066.88) | 77,571.23 |

See Notes to Financial Statements

Chairman of Board Of Director

Treasurer

Abna'a Al-Quds Club - Jerusalem
Statement of Changes in Net Assets
Year Ended 31 December 2018

| | Temporarily | | Total |
|---|---------------------|------------|---------------------|
| | Unrestricted | Restricted | |
| | NIS | NIS | NIS |
| Net Assets at beginning of 01/01/2018 | 100,249.19 | - | 100,249.19 |
| Prior Period Adjustments - Pledge | (2,212.55) | | (2,212.55) |
| Adjusted Net Assets at beginning of 01/01/2018 | 98,036.64 | - | 98,036.64 |
| Increase in net assets during the year-Statement (B) | (296,066.88) | - | (296,066.88) |
| Net Assets as at 31 December 2018 | (198,030.24) | - | (198,030.24) |

See Notes to Financial Statements

Abna'a Al-Quds Club - Jerusalem

Statement of Cash Flows
Year Ended 31 December 2018

| | 31/12/2018 | 31/12/2017 |
|--|--------------------|--------------------|
| | NIS | NIS |
| Cash flows from operating activities: | | |
| Project Donation & Local Contribution | 865,480.36 | 1,180,953.57 |
| Other Revenues | 248,608.32 | 50,000.00 |
| Cash paid to employees and suppliers | (1,090,142.00) | (1,212,802.00) |
| Cash flows provided (used in) operating activities | 23,946.68 | 18,151.57 |
| Cash flows from investing activities: | | |
| Procurement of fixed assets | (17,000.00) | (82,533.94) |
| Cash flows (used in) investing activities | (17,000.00) | (82,533.94) |
| Decrease in cash during the year | 6,946.68 | (64,382.37) |
| Cash on hand and at banks at beginning of year | 7,914.74 | 72,297.11 |
| Cash on hand and at banks at end of year | 14,861.42 | 7,914.74 |
| Adjustments to reconcile change in net assets to net cash provided from (used in) operating activities: | | |
| Change in net assets | (296,066.88) | 77,571.23 |
| Depreciation | 22,067.70 | 9,575.74 |
| Net Prior year Adjustment | (2,212.55) | - |
| (Increase) in Payables and others | 292,462.67 | (16,488.64) |
| (Increase) in Pledges Receivables | 7,695.89 | (56,347.89) |
| (Increase) in Prepaid Expense | - | 3,841.32 |
| Total cash (used in) operating activities | 23,946.83 | 18,151.76 |

See Notes to Financial Statements

Abna'a Al-Quds Club - Jerusalem

Notes to Financial Statements Year Ended 31 December 2018

1. The Association Overview:

- ABNA AL Quds organization was established in 1976. As a response of the 1967 war, to deliver sports, social and cultural activities for the Jerusalemite Society (children, youth, elderly and women)
- ABNA AL Quds organization is located in a very sensitive location in the Old City next to Jerusalem Wall, over a space of 5 acres (football and basketball court, sport hall, lecture hall, computer lab and administrative offices)
- On January 2016 A.A.Q Board of Director developed a three year strategic plan to fill the community gaps and lead the vulnerable Jerusalemite Palestinians for a better life, where individuals have the ability to decide for their future and practice their role in the community.

Vision

A free learning space for the Jerusalemite Palestinians, working together for sustainable development .

General and Sub - Strategic Objectives:

- Working with the vulnerable community members.
- Combat gender based violence .
- Gender equity and equality.
- Increase access for awareness and education.
- Combat community stigma and discrimination.
- Practice good governance.

2. Summary of Significant Accounting Policies:

The financial statements of Abna'a Al-Quds Club - Jerusalem 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 2018. 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. Abnaa Al-Quds 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 2018.
- **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.

3. Cash at Hands and at Banks

| | <u>31/12/2018</u> | <u>31/12/2017</u> |
|---------------------|-------------------|-------------------|
| | NIS | NIS |
| Arab Bank 570 - NIS | (30.54) | (45.50) |
| Arab Bank 571 - NIS | 11,047.97 | 1,828.15 |
| Arab Bank 510 - USD | (0.42) | 4,878.73 |
| Arab Bank 511 - USD | 1,069.25 | - |
| Cash | 2,775.50 | |
| Checks Box | - | 1,253.55 |
| | <u>14,861.76</u> | <u>7,914.93</u> |

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

| | <u>Computers & Printers</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|-------------------|
| <u>Cost:</u> | NIS | NIS |
| of 01/01/2018 Balance at beginning | 105,981.44 | 105,981.44 |
| Additions in 2018 | 17,000.00 | 17,000.00 |
| year 2018 Balance at end of | <u>122,981.44</u> | <u>122,981.44</u> |
| <u>Accumulated Depreciation:</u> | | |
| 2018/01/01 Balance beginning of | 11,518.74 | 11,518.74 |
| Depreciation expenses | 22,067.70 | 22,067.70 |
| year 2018 Balance at end of | <u>33,586.44</u> | <u>33,586.44</u> |
| Net Book Value at end of year 2018 | <u>89,395.00</u> | <u>89,395.00</u> |
| Net Book Value at end of year 2017 | <u>94,462.70</u> | <u>94,462.70</u> |

5. Payables and others

| | <u>31/12/2018</u> | <u>31/12/2017</u> |
|------------------------------|-------------------|-------------------|
| | NIS | NIS |
| Outstanding checks | 40,187.00 | 31,535.49 |
| Account Payable - Vendors | 23,752.00 | 21,717.73 |
| Short Loan - Munieb AL Masri | 269,500.00 | - |
| Accrued Expenses | 17,500.00 | 5,223.11 |
| | <u>350,939.00</u> | <u>58,476.33</u> |

6. Donations & Local Contributions

| | <u>31/12/2018</u> | <u>31/12/2017</u> |
|-----------------------------------|-------------------|---------------------|
| | NIS | NIS |
| Dear Foundation | - | 584,720.21 |
| Subhi Siam | 163,746.56 | 41,800.00 |
| Jawad Abo Gharbyeh | 75,000.00 | 8,410.00 |
| Ahmad Khamis | 35,506.00 | - |
| National Paintings | 86,144.00 | - |
| GIZ | 104,252.00 | - |
| Munieb Al Masri | 68,915.20 | - |
| Higher Council for Youth & Sports | 86,144.00 | - |
| Qerish For Trading Cars | 10,000.00 | - |
| Palestinian Football Association | - | 87,793.24 |
| Other local Contribution | 84,550.00 | 24,095.98 |
| Ramadan Irar | 25,000.00 | - |
| Osma Salah - Alwatni Hotel | 5,000.00 | - |
| Jerusalem Club Foundation | - | 13,800.32 |
| Jerusalem Fund | 121,222.60 | 57,844.00 |
| Palestinian Vision Association | - | 49,570.66 |
| Paltel | - | 68,000.00 |
| Jerusalem Endowment | - | 186,309.16 |
| Jerusalem Government | - | 33,000.00 |
| Qatar Donation | - | 25,610.00 |
| | <u>865,480.36</u> | <u>1,180,953.57</u> |

7. In-kind Contributions - Players Benefit

| | <u>31/12/2018</u> | <u>31/12/2017</u> |
|---------------------|-------------------|-------------------|
| | NIS | NIS |
| Subhi Siam | - | 85,833.03 |
| Jawwad Abu Gharibeh | - | 184,758.63 |
| | <u>-</u> | <u>270,591.66</u> |

8. Program Costs:

| Expenses Tites | Endowment Project | friendly spaces for vulnerable for a better future-GIZ | For The Period Ended 2018 |
|--|-------------------|--|------------------------------|
| | NIS | NIS | NIS |
| Fixed Assets | 8,000.00 | 9,000.00 | 17,000.00 |
| Salaries | - | 24,000.00 | 24,000.00 |
| Stationary Expense | - | 2,650.00 | 2,650.00 |
| Electricity Expense | - | - | - |
| Cleaning Expense | - | - | - |
| Printing & Advertising Expense | - | 1,340.00 | 1,340.00 |
| Fuel Expense | - | - | - |
| General Supplies Expense | - | - | - |
| Hospitality Expense | - | - | - |
| Medical Expense | - | - | - |
| Transportation expense | - | - | - |
| Equipment and Furniture expenses | - | - | - |
| Training Expense for players | - | 10,000.00 | 10,000.00 |
| Training Expense | - | 1,600.00 | 1,600.00 |
| Summer Camp Expense | - | - | - |
| Renting Expense | - | - | - |
| Soccer Program Costs | - | 8,742.00 | 8,742.00 |
| Voluntary Expenses | - | - | - |
| Consultancy Services | - | - | - |
| Table Tennis Program cost | - | - | - |
| Tikwando Program Supplies expense | - | 10,000.00 | 10,000.00 |
| Activities , events , Festivals and exhibitior | - | 3,800.00 | 3,800.00 |
| Basketball program supplies expense | - | 500.00 | 500.00 |
| Football Players Benefits & Supplies | 4,500.00 | 3,000.00 | 7,500.00 |
| Table tennis Players Benefits & Supplies | - | 1,300.00 | 1,300.00 |
| Medicative wage | - | - | - |
| Other Expense | - | - | - |
| Coordination Expense | - | - | - |
| Filming Expense | - | 1,700.00 | 1,700.00 |
| Travel & Accomodation Expense | - | - | - |
| Total Projects Expenses | 4,500.00 | 68,632.00 | 73,132.00 |
| Grand Total Released | 12,500.00 | 77,632.00 | 90,132.00 |

9. Management and general expenses

| | <u>31/12/2018</u> | <u>31/12/2017</u> |
|---|----------------------------|--------------------------|
| | NIS | NIS |
| Salaries | 8,591.52 | 33,586.91 |
| Consultancy Services | 27,891.52 | 27,879.92 |
| Football Players Purchase | 5,168.64 | 22,330.50 |
| Football Players Benefits | 1,046,154.09 | 438,729.77 |
| Training Expense for players | 50,676.23 | 23,264.96 |
| Rent Expense | 2,325.89 | - |
| Contribution Expense | - | 4,650.00 |
| Accounting & Audit Fees | 16,418.64 | 5,761.98 |
| General Supplies Expense | 6,171.00 | 6,635.04 |
| Maintenance Expense | - | 200.00 |
| Hospitality Expense | 8,438.50 | 13,093.00 |
| Soccer & Table Tennis Program Costs | 4,680.00 | 86,592.00 |
| Tikwando Program Supplies expense | 4,760.00 | - |
| General Gymnastics Sports training expenses | 3,266.00 | - |
| Basketball program supplies expense | 1,320.00 | - |
| Stationary Expense | 124.00 | 7,215.00 |
| Interest & Bank Charges | 20,827.04 | 2,001.22 |
| Postal & Telephone Expense | - | 1,124.00 |
| Transportation expense | 12,405.00 | 4,602.07 |
| Medical Expense | 598.00 | 2,832.94 |
| Travel Expense | 49,846.96 | - |
| Equipment and Furniture expenses | - | - |
| Printing & Advertising Expense | 10,800.00 | 330.00 |
| Gift expense | 400.00 | - |
| Fuel Expense | 400.00 | 3,011.00 |
| Other Expense | - | 1,100.00 |
| Championship subscription fees | 13,258.22 | 8,175.00 |
| Activities , events , Festivals and exhibitions | 37,245.00 | 1,044.00 |
| Program & Software Expense | 3,914.46 | 4,867.00 |
| Total | <u>1,335,680.71</u> | <u>699,026.31</u> |

10. Contingent liabilities

There are no contingent liabilities that have been incurred by the Institution in relation to the year 2018 or 2017.

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.