

STATEMENT OF FINANCIAL POSITION
As of December 31, 2019
 (All amounts in New Israeli Shekel)

	Note	December 31, 2019	December 31, 2018
ASSETS			
Current assets			
Cash and cash equivalents	(3)	152,396	167,418
Due from Employees and others		1,100	27,011
Inventory		16,850	4,249
Total current assets		170,346	198,678
Non-current assets			
Fixed assets, net	(4)	5,755,130	5,803,923
Total non-current assets		5,755,130	5,803,923
Total assets		5,925,476	6,002,601
 NET ASSETS AND LIABILITIES			
Current liabilities			
Other current liabilities	(5)	228,114	410,878
Total current liabilities		228,114	410,878
Non-current liabilities			
Provision for end-of-service indemnity		145,043	155,729
Total non-current liabilities		145,043	155,729
Net assets			
Unrestricted net assets		(202,811)	(367,929)
Unrestricted net assets used for fixed assets		5,755,130	5,803,923
Total net assets		5,552,319	5,435,994
Total net assets and liabilities		5,925,476	6,002,601

- The notes are an integral part of these financial statements.

 Chairman of the BOD

 Treasurer

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
For the year ended December 31, 2019
 (All amounts in New Israeli Shekel)

	Note	December 31, 2019	December 31, 2018
Revenues			
Donations	(6)	1,334,163	1,787,473
Activity income	(7)	166,069	89,893
Membership fees		920	960
In Kind Contributions		-	36,800
Gain from currency variances		-	25,406
Total revenues		1,501,152	1,940,532
Expenses			
Projects and Administration expenses	(8)	1,088,800	1,366,914
Depreciation expenses	(4)	283,847	287,381
Loss from currency variances		12,180	-
Total expenses		1,384,827	1,654,295
Changes in unrestricted net assets for the year		116,325	286,237
Prior years adjustments		-	-
Unrestricted net assets at beginning of the year		5,435,994	5,149,757
Unrestricted net assets at end of the year		5,552,319	5,435,994

- The notes are an integral part of these financial statements.

STATEMENT OF CASH FLOWS
For the year ended December 31, 2019
(All amounts in New Israeli Shekel)

	<u>December 31, 2019</u>	<u>December 31, 2018</u>
Cash flows from operating activities		
Changes in unrestricted net assets for the year	116,325	286,237
Prior period adjustment		-
Adjustments:		
Depreciation	283,847	287,381
Adjustments to reconcile changes in net assets to net cash provided by / (used in) operating activities:		
Decrease (increase) in Due from Employees and others	25,911	11,311
Decrease (increase) in inventory	(12,601)	7,642
Increase (decrease) in Payables and accruals	(182,764)	92,449
Increase in reserve for severance pay	(10,686)	(30,697)
Net cash (used in)/provided by operating activities	<u>220,032</u>	<u>654,323</u>
Cash flows from investing activities		
Purchase of property, plant and equipment	(235,054)	(1,579,922)
Net cash used in investing activities	<u>(235,054)</u>	<u>(1,579,922)</u>
(Decrease) increase in cash and cash equivalents	(15,022)	(925,599)
Cash and cash equivalents, beginning of the year	167,418	1,093,017
Cash and cash equivalents, end of the year	<u>152,396</u>	<u>167,418</u>

- The notes are an integral part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

(All amounts in New Israeli Shekel)

NOTE (1) GENERAL INFORMATION

ALROWWAD (Pioneers for Life) Cultural and Arts Society (ACTs) was established under law Number 1 of Charitable Societies and Non-governmental Associations, 2000, by the Ministry of Interior of the Palestinian National Authority under the License Number BL-360-CU. ALROWWAD, initiator of “Beautiful Resistance,” is an independent, dynamic, community-based not-for-profit organization which strives to empower children and women by targeting behaviour, knowledge, concepts and practices through creative means.

Vision:

A Palestinian Society free of violence and respectful of human rights and values, in which women, youth and children are empowered on an educational and artistic level in a spirit of social entrepreneurship and innovation through self-expression and a shared respect of human values and rights.

Mission:

ACTs is an independent, not-for-profit, non-governmental organization, distinguished by its philosophy of “Beautiful Resistance,” working in the spirit of social entrepreneurship, to deepen the notion of belonging, volunteering, creativity and self-expression for children, youth and women, regardless of origin or religion. Beautiful Resistance against the ugliness of occupation and violence.

Mandate – Target groups:

ACTs targets the Palestinian community while focusing on women, youth and children in the local community of Aida Camp and the Bethlehem district. Additionally, ACTs targets the international community at large to fracture stereotypes and project a more honest depiction of the Palestinian people and culture. The ALROWWAD organization strives to have the full capacity to mobilize human, technical and financial resources to achieve dynamic and effective change in the long term.

Developmental Objectives:

- Empower local community capacities, with a focus on children, youth and women through creative means to achieve and enhance constructive and peaceful ways of self-confidence and self-expression, openness and a sense of belonging through exposure to technology and awareness campaigns.
- Challenge media stereotypes about Palestinians using performing and visual arts, Media, international artistic tours, and local and international “Friends of ALROWWAD” support groups.
- Build the institutional and human capacity of ALROWWAD.

NOTE (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements are prepared according to International Financial Reporting Standards based on the historical cost convention and presented in New Israeli Shekel (NIS). Currently, international financial reporting standards do not include any specific requirements regarding not-for-profit organizations in connection with the accounting policies or the presentation of the financial statements.

The financial statements for 2013 were prepared in USD, starting 2014, Management of ALROWWAD decided to translate the opening balances to NIS using an exchange rate of 3.47 NIS / USD and start using NIS as the main currency starting 1 January 2014.

Following is a summary of the significant accounting policies:

a) Cash and cash equivalents:

Cash and cash equivalents includes cash at banks, cash on hand and short term deposits with a maturity of three months or less.

b) Fixed Assets - net:

Property, plant and equipment are stated at cost net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets based on the following annual rates:

	%
Land	-
Building	2%
Vehicles	15%
Furniture & Equipment	10-20%
Computers	33%

The cost of the fixed assets as of 1 January 2014 was adapted as per the 2013 financial statements and depreciation was calculated starting 1 January 2014. The cost of these assets were registered based on the management estimates during 2013.

c) Revenues and expenses recognition:

The financial statements have been prepared in accordance with the modified accrual basis of accounting. Revenues recognized when received from the donor, and expenditures are recognized when incurred.

d) Provision for end of service indemnity:

Benefits payable to the employees at the end of their services which are provided for in accordance with the guidelines set by the local labour laws, by accruing one month compensation for each year of service based on the last salary paid. Severance pay till end of 2013 was paid to the majority of the staff and the balance recorded in the statement of Financial Position represents the severance from the beginning of 2014 till the date of financial statements.

e) Translation of foreign currencies:

The accompanying financial statements are denominated in NIS. Transaction in other currencies is accounted for at the exchange rates prevailing at the date of each

ALROWWAD Cultural and Arts Society
Financial statements for the year ended December 31, 2019

transaction. Monetary assets and liabilities denominated in foreign currencies are translated into NIS by applying the exchange rates prevailing at the reporting date. Exchange gains or losses arising from the transactions are reflected in the statement of activities and changes in net assets. The exchange rates against NIS as of December 31 were as follows:

Currency	December 31, 2019	December 31, 2018
USD	3.455	3.746
EURO	3.877	4.292

NOTE (3) CASH AND CASH EQUIVALENTS

Details-

	December 31, 2019	December 31, 2018
Cash on hands	-	2,136
Balances in NIS	125,064	15,186
Balances in USD	6,836	80,967
Balances in Euro	496	69,129
Checks under collection	2,0000	-
	152,396	167,418

NOTE (4) – FIXED ASSETS, NET

Details-

	Balance 1/1/2019	Additions	Disposals	Balance 31/12/2019
Land	201,260	-	-	201,260
Building	1,328,999	-	-	1,328,999
Furniture & Equipment	1,174,669	8,210	-	1,182,879
Computers	222,932	52,776	-	275,708
Books	173,500	-	-	173,500
Museum	145,740	-	-	145,740
Musical and sports tools	72,863	-	-	72,863
Vehicles	75,000	-	-	75,000
	3,394,963	60,986	-	3,455,949
Accumulated depreciation				
Land	-	-	-	-
Building	129,241	119,463	-	248,704
Furniture & Equipment	662,236	110,948	-	773,184
Computers	207,717	11,735	-	219,452
Books	86,750	17,250	-	104,000
Museum	40,150	11,729	-	51,879
Musical and sports tools	69,833	1,472	-	71,305
Vehicles	56,250	11,250	-	67,500
	1,252,176	283,847	-	1,536,023
Construction in progress	3,661,136	174,068	-	3,835,204
Net Book Value	5,803,923			5,755,130

ALROWWAD Cultural and Arts Society

Financial statements for the year ended December 31, 2019

NOTE (5) OTHER CURRENT LIABILITIES

Details-

	December 31, 2019	December 31, 2018
Accrued expenses	10,365	63,507
Post-dated checks	32,848	282,634
Due to Suppliers	184,901	64,737
	-	-
	228,114	410,878

NOTE (6) GRANTS AND DONATION

Details-

	December 31, 2019	December 31, 2018
ALROWWAD Friends – Norway ***	206,187	226,640
ALROWWAD Friends – USA ***	573,897	1,060,798
ALROWWAD Friends – France ***	18,912	56,521
ALROWWAD Friends – Britain ***	-	64,999
ALROWWAD Friends - Switzerland	3,446	-
Grizzli	-	36,543
Action Solidarite Tiers Monde	210,437	215,437
Trustees of the Amos Trust	31,687	12,481
university of Chester Park Gate	-	22,996
La Maison International	160,300	-
EducAaid	10,000	-
Holy Land Trust	31,387	-
United Palestinian Appeal	14,320	-
Others	73,590	90,998
	1,334,163	1,787,473

*** These associations (ALROWWAD Friends) are considered sister associations and individuals for ALROWWAD Culture and Arts Society where they are supporting the Center's Projects and administrative expenses. According to the ALROWWAD Management, no formal agreements were signed between the Society and its sister societies or individual friends. Audit confirmations were sent to all sister associations and we didn't receive responses from these societies. Revenues have been recorded based on the amounts transferred to the Society's bank account.

NOTE (7) ACTIVITY INCOME

Details-

	December 31, 2019	December 31, 2018
Donation from visitors	100,161	66,795
Gift Shop sales	29,508	8,760
Training courses	936	800
Other activity income	12,720	13,538
Income for scholarships	22,744	-
	166,069	89,893

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NOTE (8) PROJECTS' EXPENSES

Details-

	December 31, 2019	December 31, 2018
Salaries and Related Expenses	621,465	716,221
Provision for end of service indemnity	49,096	165,242
Communications	23,286	19,060
Stationery and publicity	12,712	46,479
Rent	7,601	7,977
Utilities	98,334	69,194
Professional Fees	10,365	11,239
Transportation and Travel	62,827	105,349
Maintenance	95,086	19,729
Activities expenses	56,314	130,536
Hospitality	26,433	40,059
Donations	1,200	2,500
Bank charges	2,323	2,497
Insurance	15,588	27,272
Others	6,170	3,560
	<u>1,088,800</u>	<u>1,366,914</u>