



**Independent Auditor's Report  
To the Board of Directors of NGO Development Center (NDC)  
Jerusalem - Palestine**

**Report on the financial statements**

We have audited the accompanying financial statements of the NGO Development Center ("NDC") which comprise the statement of financial position as of December 31, 2011, the statement of activities, and cash flow statement 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 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

**Auditors' 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 of 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 auditors' 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 on the financial statements**

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of NDC as of December 31, 2011 and the results of its activities and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

PRICEWATERHOUSECOOPERS 



Ramallah  
April 18, 2012

**NGO Development Center (NDC)**  
 Financial statements for the year ended December 31, 2011

**STATEMENT OF FINANCIAL POSITION**  
 (All amounts in U.S Dollars)

	<u>Note</u>	<u>2011</u>	<u>2010</u>
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property plant and equipment	(3)	91,783	89,744
<b>Current assets</b>			
Pledges receivable	(4)	11,436,164	21,692,174
Other current assets	(5)	67,717	28,934
Cash and cash equivalents	(6)	5,222,969	4,447,855
<b>Total current assets</b>		<b>16,726,850</b>	<b>26,168,963</b>
<b>Total assets</b>		<b>16,818,633</b>	<b>26,258,707</b>
 <b>NET ASSETS AND LIABILITIES</b>			
<b>Net assets</b>			
Unrestricted net assets		1,179,273	1,217,584
Temporarily restricted net assets	(7)	15,278,706	24,702,103
<b>Total net assets</b>		<b>16,457,979</b>	<b>25,919,687</b>
<b>Non-current liabilities</b>			
Provision for end-of-service indemnity	(8)	208,825	181,395
Provident fund liability	(9)	55,059	31,147
<b>Total non-current liabilities</b>		<b>263,884</b>	<b>212,542</b>
<b>Current liabilities</b>			
Current liabilities	(10)	96,770	126,478
<b>Total net assets and liabilities</b>		<b>16,818,633</b>	<b>26,258,707</b>

- The notes on pages 6 to 29 are an integral part of these financial statements.
- The financial statements on page 3 to 29 were authorized for issue by the Board of directors on April 9, 2012 and were signed on its behalf.

  
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Mr. Ghassan Kasabreh  
Director

  
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Mr. Shadi Qara'  
Finance & Admin Manager

**NGO Development Center (NDC)**

Financial statements for the year ended December 31, 2011

**STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**

(All amounts in U.S Dollars)

	<u>Note</u>	<u>2011</u>	<u>2010</u>
<b>Changes in unrestricted net assets</b>			
Interest income		12,961	9,925
Other revenues		107,585	68,674
<b>Total unrestricted revenues</b>		<b>120,546</b>	<b>78,599</b>
Released from temporarily restricted net assets	(7)	9,236,503	8,133,652
<b>Total unrestricted revenues</b>		<b>9,357,049</b>	<b>8,212,251</b>
<b>Expenses and losses</b>			
Projects' expenses	(11)	9,172,924	7,915,873
Depreciation		63,295	54,599
Currency variances		60,309	93,280
Other expenses		98,832	12,228
<b>Total expenses</b>		<b>9,395,360</b>	<b>8,075,980</b>
Net change in unrestricted net assets		<b>(38,311)</b>	<b>136,271</b>
<b>Changes in temporarily restricted net assets</b>			
Grants and donations	(7,4)	-	24,700,000
Net assets released from restriction	(7)	(9,236,503)	(8,133,652)
Written off during the year	(7)	(100,031)	(437,430)
Currency variances	(7)	(86,863)	142,855
<b>Net changes in temporarily restricted net assets</b>		<b>(9,423,397)</b>	<b>16,271,773</b>
Changes in net assets for the year		(9,461,708)	16,408,044
Net assets, beginning of the year		25,919,687	9,511,643
<b>Net assets, end of the year</b>		<b>16,457,979</b>	<b>25,919,687</b>

- The notes on pages 6 to 29 are an integral part of these financial statements.