

Women for Life Society

**Financial Statements
and
Independent Auditor's Report
31 December 2011**

Women for Life Society

Table of Contents

	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities and Change in Net Assets	4
Statement of Cash Flows	5
Statement of Functional Expenses	6
Notes to Financial Statements	7-11

INDEPENDENT AUDITOR'S REPORT

**To the Board of Trustees' / Director of
Women for Life Society**

We have audited the accompanying financial statements of the **Women for Life Society "WFL" (Not for Profit Entity)**, which comprise of the statement of financial position as at 31 December 2011, the statement of activities and changes in net assets, and cash flows 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 and the United States of America Statements on Financial Accounting Standards No. 116 and 117, applicable to not for profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free of material misstatement, whether due to fraud or error.

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 Society'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 Society'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

In our opinion, the financial statements give a true and fair view of the financial position of **Women for Life Society "WFL"** as of 31 December 2011, its financial performance and its cash flows 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 and 117, applicable to not for profit organizations.

Saba & Co.

Deloitte & Touche (M.E)/Saba & Co.

Ramallah,
15 March 2012

Women for Life Society
Statement of Financial Position
As of December 31, 2011

	Note	December 31,	
		2011 U.S. \$	2010 U.S. \$
Assets			
Cash on hand and deposits with banks	3	62,096	15,730
Grants receivable	4	11,238	8,479
Prepaid expenses and advances to staff		331	2,324
Total Current Assets		73,665	26,533
Office Furniture and Equipment, Net	5	15,815	7,558
Total Assets		89,480	34,091
Liabilities and Net Assets			
Liabilities:			
Payables and accruals		2,798	3,990
Reserve for employees' severance pay	6	25,739	19,226
Total Liabilities		28,537	23,216
Net Assets:			
Unrestricted (Deficit)		12,167	(30)
Temporary restricted fund		48,776	10,905
Total Net Assets (Statement - B)		60,943	10,875
Total Liabilities and Net Assets		89,480	34,091

The Accompanying Notes Constitute an Integral Part of These Statements

Women for Life Society
Statement of Activities and Change in Net Assets
Year Ended December 31, 2011

	Note	Unrestricted Temporary		Total	
				Year Ended December 31,	
		U.S. \$	U.S. \$	2011	2010
		U.S. \$	U.S. \$	U.S. \$	U.S. \$
Grants and Revenues :					
Restricted Grants	8	-	277,576	277,576	164,192
Other Revenues\Subscriptions and sales of products		5,609	-	5,609	5,354
Total Grants and Revenues		5,609	277,576	283,185	169,546
Net assets released from restrictions	8	239,705	(239,705)	-	-
		245,314	37,871	283,185	169,546
Expenses:					
Personnel Costs		148,228	-	148,228	115,704
Program Expenses		57,931	-	57,931	37,031
Administrative and Management		24,056	-	24,056	10,199
Total Expenses (Statement-D)		230,215	-	230,215	162,934
Depreciation expense		2,765	-	2,765	2,369
(Gain) loss from foreign currency		137	-	137	(190)
Total Expenses		233,117	-	233,117	165,113
Increase (Decrease) in Net Assets					
During the Year		12,197	37,871	50,068	4,433
Net Assets at Beginning of Year		(30)	10,905	10,875	6,442
Net Assets at End of Year (Statement - A)		12,167	48,776	60,943	10,875

The Accompanying Notes Constitute an Integral Part of These Statements

Women for Life Society

Statement of Cash Flows

Year Ended December 31, 2011

	Year Ended December 31, 2011 U.S. \$	Year Ended December 31, 2010 U.S. \$
Cash Flows from Operating activities:		
Grants received from contributors	274,817	165,713
Other Revenues	5,609	5,354
Cash paid to employees and suppliers	(223,038)	(163,007)
Cash Flows provided by Operating Activities	57,388	8,060
Cash Flows from Investment activities:		
Purchases of fixed assets	(11,022)	(1,690)
Cash Flows (used in) Investment Activities	(11,022)	(1,690)
Increase in Cash and Deposits with Banks During the Year	46,366	6,370
Cash on hand and deposits with banks at beginning of year	15,730	9,360
Cash on Hand and Deposits with Banks at End of Year	62,096	15,730
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Change in net assets	50,068	4,433
Depreciation	2,765	2,369
Decrease (increase) in grants receivable	(2,759)	1,521
(Increase) decrease prepaid expense	1,993	(1,594)
Increase (decrease) in payables and accruals	(1,192)	(5,692)
Provision for Employees' Severance pay, Net of payments	6,513	7,023
Cash Provided by Operating Activities	57,388	8,060

The Accompanying Notes Constitute an Integral Part of These Statements

Women for Life Society
Statement of Functional Expenses
Year Ended 31 December 2011

	UNIFE		UNIFE		Welfare	NDC	Australian		Italian		FAO	WCLAC	Quds Bank	Bank of Palestine	Ministry of Finance	PWVSD	Total 2011		Core	Total 2010			
	M.2010		M.2011				Consulate		consulate								USD			USD		USD	
	USD	USD	USD	USD			USD	USD	USD	USD							USD	USD		USD	USD	USD	USD
Personnel Costs																							
Salaries	20,640	37,850	4,405	10,197	50,349	2,850	11,024	-	-	-	-	-	-	-	-	-	137,315	-	-	137,315	-	105,520	
Severance Pay	-	3,900	-	592	5,267	-	654	-	-	-	-	-	-	-	-	-	10,413	-	-	10,413	-	8,466	
Staff Development	-	-	-	-	500	-	-	-	-	-	-	-	-	-	-	-	500	-	-	500	-	1,718	
	20,640	41,750	4,405	10,789	56,116	2,850	11,678									148,228			148,228		115,704		
Program Expenses																							
Consultancies, Training, and Workshops	-	-	-	4,900	1,910	2,640	2,000	1,054	-	-	-	-	-	-	-	-	12,504	219	-	12,723	-	6,341	
Hospitality and Hall Rent	2,096	1,001	-	791	1,745	605	210	379	3,560	150	-	-	-	-	-	797	11,334	50	-	11,384	-	4,277	
Transportation, External Travel, Per diems	1,774	779	105	2,067	2,117	1,170	520	997	316	130	-	-	-	-	-	212	10,187	207	-	10,394	-	9,072	
Printing, Stationery	2,377	640	-	658	486	-	279	88	-	-	-	-	-	-	-	-	4,528	80	-	4,608	-	2,471	
Legal Case	1,550	4,987	-	-	209	-	198	-	-	-	-	-	-	-	-	-	6,944	164	-	7,108	-	1,776	
Communication	3,108	1,141	124	271	637	233	425	99	-	50	-	-	-	-	-	-	6,088	-	-	6,088	-	5,165	
Media and translation	-	-	-	-	-	296	-	-	-	-	-	-	-	-	-	-	296	-	-	296	-	2,171	
Training material	-	-	-	413	-	979	-	-	-	-	-	-	-	-	-	-	1,392	-	-	1,392	-	1,869	
Coordination	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	74	-	74	-	1,144	
Summer Camp	-	-	-	-	-	-	-	-	-	-	-	52	3,528	-	-	-	3,580	284	-	3,864	-	2,745	
	10,905	8,548	229	9,100	7,104	5,923	3,632	2,617	3,876	330	330	52	3,528	-	1,009	56,853	1,078	-	57,931	-	37,031		
Administrative and Management																							
Rent and insurance	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utilities	-	438	-	-	1,700	362	-	-	-	20	-	-	-	-	-	-	2,520	17	-	2,537	-	2,542	
Office Supplies	-	-	328	-	2,441	42	-	-	300	-	178	-	-	-	8,993	-	12,282	198	-	12,480	-	3,167	
Local Transportation	-	-	-	-	2,294	-	-	-	1,449	-	-	-	-	-	-	-	3,743	135	-	3,878	-	600	
Communication	-	-	-	-	1,780	-	-	-	-	-	-	-	-	-	-	-	1,780	-	-	1,780	-	600	
Audit and Accounting Fees	-	-	-	-	1,293	358	1,212	-	-	-	-	-	-	-	-	-	2,863	-	-	2,863	-	2,863	
Bank Charges	-	16	31	-	357	-	-	3	-	-	-	-	-	-	7	-	414	104	-	518	-	427	
	-	454	359	-	9,865	762	1,212	3	1,749	20	178	-	-	-	9,000	-	23,602	454	-	24,056	-	10,199	
Total Expenditures	31,545	50,752	4,993	19,889	73,085	9,535	16,522	2,620	5,625	350	230	3,528	9,000	1,009	228,683	1,532	230,215	1,532	230,215	-	162,934		

The Accompanying Notes Constitute an Integral Part of These Statements

Women for Life Society

Notes to Financial Statements 31 December 2011

1. Organization:

The objectives of **Women for Life Society** include building the administrative, organizational and policy-making capacities of women, empowering the women within the various Palestinian parties through developing their mobilization and organizational skills.

2. Summary of Significant Accounting Policies:

2.1 Summary of Significant Accounting and Policies:

The financial statements have been prepared on the accrual basis of accounting, cost convention and in conformity with relevant International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards No. 116 and 117, applicable to not for profit organizations.

In the current year, the management of WFL applied 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 2011. The application of the new standards and interpretations has no effect on the financial position or the results of operations of WFL.

Significant accounting policies followed are as described below:

Net assets of WFL and changes therein are classified and reported as follows:

- **Unrestricted net assets** - Net assets whose use by WFL is not subject to donor-imposed restrictions.
- **Temporarily restricted net assets** - Net assets whose use by WFL is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of WFL pursuant to those donor-imposed stipulations.
- **Grants receivables** – represents amounts due from funding organizations for expenses incurred through 31 December 2011.
- **Deferred Grants** – represents amounts of grants received in advance of the project activities.

2. Summary of Significant Accounting Policies: (continued)

- **Revenues** - are reported as an increase in unrestricted net assets unless their use is limited by donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are classified as unrestricted net assets and reported as net assets released from restrictions.

- **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%-15%.

When the expected recoverable amount is less than the net book value, the fixed assets amount is reduced to the lower of the cost or net realizable value and the difference (if any) is included in the statement of activities.

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.

- **Severance Pay:**

In compliance with labor law prevailing in the area of the Palestinian National Authority, the Society provides for severance pay by accruing for one month compensation for each year of service based on the last salary paid during the year.

- **Estimates and assumptions:** The financial statements include certain estimates and assumptions made by management relating to reporting of assets, liabilities, at the statement of financial position date, and the reporting of revenue, expenses, gains, and losses during the year. Actual results may differ from those estimates adopted by WFL's management. Estimates used in the preparation of the financial statements include the assessment of useful lives of fixed assets and all other provisions.

- **Foreign Currency Transactions:**

The books of accounts are maintained in U.S. Dollar. Transactions which are denominated in local currency (Israeli Shekel) are converted into U.S. Dollar as follows:

- Transactions which are expressed or denominated in local currency are converted into U.S. Dollar equivalent at the exchange rate prevailing on the date of the transaction.
- Assets and liabilities which are denominated or expressed in local currency are presented at their U.S. \$ equivalent using the exchange rate prevailing on December 31, 2011 of NIS 3.77.
- All other Assets and liabilities are presented in their U.S. \$ equivalent at their historical values.
- Exchange differences arising from the translation of local currency balances is charged to the statement of activities.

3. Cash on Hand and at Banks:

Composition:

	December 31,	
	2011	2010
Cash at hand	86	2
Deposits with banks in U.S Dollar	31,181	15,105
Deposits with banks in Other Currencies	30,829	623
Total	62,096	15,730

4. Grants receivable:

Composition:

	December 31,	
	2011	2010
NGO Development Center	5,585	3,300
WCLAC (Drosos)	3,555	3,870
FAO	-	875
Welfare Association	1,089	-
The Palestinian Working Women Society for Development	1,009	-
Others	-	434
	11,238	8,479

5. Office Furniture and Equipment, Net:

Composition:

	2011	2010
	USD	USD
Office Furniture	5,280	4,397
Office Equipment	20,224	10,085
Books	1,303	1,303
	26,807	15,785
Accumulated Depreciation	(10,992)	(8,227)
Book Value	15,815	7,558

6. Reserve for Employees' Severance Pay:

Composition:

	December 31,	
	2011	2010
Balance as of 1 January	19,226	12,203
Provision charged for the current year	10,413	8,378
Provision paid during the current year	(3,900)	(1,355)
Balance as of 31 December	25,739	19,226

7. Financial Instruments, Fair values and Risks Management:

- **Fair Values of Financial Assets and Liabilities:**

The carrying book value of financial assets and liabilities are not materially different from their fair values at the date of the statement of financial position.

- **Operational Risk:**

The costs of programs, administrative as well as fixed assets procurement are fully financed by donors through donations. The management believes that the funding level in the year 2012 will be sufficient to finance all of its disbursements and will be consistent with the funding level in the prior years.

- **Credit Risk:**

WFL credit risk is primarily attributable to its liquid funds and receivables. The credit risk on liquid funds is limited because liquid assets are placed with reputable financial institutions.

- **Currency Risk:**

Currency Risk arises from the possibility that changes in the exchange rates may affect negatively the value of the financial assets and liabilities in case WFL does not hedge its currency exposure by means of hedging instruments. The management usually distributes its liquid assets over its functional currencies to minimize any possible loss from currency rates fluctuation.

8- Disposition of grants funds during 2011 is as follows :

	Unexpended	Pledges	Grants	Available	Unexpended	Disposed	Activities	Capital
	Grants as of 31-Dec-10	Receivable 2011	Received & Pledged 2011	Grants 2011	Grants as of 31-Dec-11	Grants in 2011	in 2011	Additions in 2011
	USD	USD	USD	USD	USD	USD	USD	USD
Grants:								
Drosos-WCLAC	-	3,555	27,990	31,545	-	31,545	31,545	-
Australian Consulate	-	-	15,000	15,000	-	15,000	9,535	5,465
UNIFEM 2010-2011	10,905	-	42,700	53,605	2,853	50,752	50,752	-
UNIFEM 2011-2014	-	-	34,768	34,768	29,775	4,993	4,993	-
Italian Consulate	-	-	2,620	2,620	-	2,620	2,620	-
FAO	-	-	5,625	5,625	-	5,625	5,625	-
Welfare	-	1,089	18,800	19,889	-	19,889	19,889	-
WCLAC	-	-	350	350	-	350	350	-
UNDP	-	-	35,000	35,000	16,148	18,852	16,522	2,330
Bank of Palestine	-	-	6,400	6,400	-	6,400	3,528	2,872
Quds Bank	-	-	585	585	-	585	230	355
NGO Development Center	-	5,585	67,500	73,085	-	73,085	73,085	-
The Palestinian Working Woman Society for Development	-	1,009	-	1,009	-	1,009	1,009	-
Total Grants	10,905	11,238	257,338	279,481	48,776	230,705	219,683	11,022
Special								
Ministry of Finance	-	-	9,000	9,000	-	9,000	9,000	-
Total Special	-	-	9,000	9,000	-	9,000	9,000	-
Total Grants	10,905	11,238	266,338	288,481	48,776	239,705	228,683	11,022