

**Women for Life Society**

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**Financial Statements  
and  
Independent Auditor's Report  
31 December 2009**

# Women for Life Society

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## **INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors' of / Director of  
Women for Life Society  
Ramallah,**

We have audited the accompanying financial statements of **Women for Life Society "WFL" (Not for Profit Entity)**, which comprise of the statement of financial position as at 31 December 2009, 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, 117, and 124 applicable to not for profit organizations. 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.

### ***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 2009, 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, 117, and 124 applicable to not for profit organizations.

A handwritten signature in blue ink, reading "Peter Husary", written over the company name.

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

**Ramallah,  
15 April 2010**

**Women for Life Society**  
**Statement of Financial Position**  
**As of December 31, 2009**

		December 31,	
		2009	2008
	Note	U.S. \$	U.S. \$
<b>Assets</b>			
Cash on hand and deposits with banks	3	9,360	12,625
Grants receivable	4	10,000	-
Prepaid expenses		730	2,099
<b>Total Current Assets</b>		<b>20,090</b>	<b>14,724</b>
Office Furniture and Equipment, Net	5	8,236	9,874
<b>Total Assets</b>		<b>28,326</b>	<b>24,598</b>
<b>Liabilities and Net Assets</b>			
<b>Liabilities:</b>			
Payables and accruals		9,681	1,489
Reserve for employees' severance pay	6	12,203	9,670
<b>Total Liabilities</b>		<b>21,884</b>	<b>11,159</b>
<b>Net Assets:</b>			
Unrestricted		6,442	11,689
Temporary restricted fund		-	1,750
<b>Total Net Assets (Statement - B)</b>		<b>6,442</b>	<b>13,439</b>
<b>Total Liabilities and Net Assets</b>		<b>28,326</b>	<b>24,598</b>
<b>The Accompanying Notes Constitute an Integral Part of These Statements</b>			



**Women for Life Society**  
**Statement of Activities and Change in Net Assets**  
**Year Ended December 31, 2009**

	Note	Unrestricted Fund U.S. \$	Temporary Restricted U.S. \$	Total	
				Year Ended December 31,	
				2009	2008
				U.S. \$	U.S. \$
<b>Grants and Revenues :</b>					
Restricted Grants	8	-	91,163	91,163	110,797
Other Revenues		3,801	-	3,801	2,663
<b>Total Grants and Revenues</b>		<b>3,801</b>	<b>91,163</b>	<b>94,964</b>	<b>113,460</b>
Net assets released from restrictions	8	92,913	(92,913)	-	-
		<b>96,714</b>	<b>(1,750)</b>	<b>94,964</b>	<b>113,460</b>
<b>Expenses:</b>					
Personnel Costs		62,734	-	62,734	74,679
Program Expenses		23,315	-	23,315	35,894
Administrative and Management		15,679	-	15,679	13,524
<b>Total Expenses (Statement-D)</b>		<b>101,728</b>	<b>-</b>	<b>101,728</b>	<b>124,097</b>
Depreciation expense		2,077	-	2,077	2,077
(Gain) loss from foreign currency		(1,844)	-	(1,844)	116
<b>Total Expenses</b>		<b>101,961</b>	<b>-</b>	<b>101,961</b>	<b>126,290</b>
<b>Increase (Decrease) in Net Assets</b>					
<b>During the Year</b>		<b>(5,247)</b>	<b>(1,750)</b>	<b>(6,997)</b>	<b>(12,830)</b>
Net Assets at Beginning of Year		11,689	1,750	13,439	26,269
<b>Net Assets at End of Year ( Statement - A )</b>		<b>6,442</b>	<b>-</b>	<b>6,442</b>	<b>13,439</b>

The Accompanying Notes Constitute an Integral Part of These Statements

			Statement - C
<b>Women for Life Society</b>			
<b>Statement of Cash Flows</b>			
<b>Year Ended December 31, 2009</b>			
	<b>Year Ended</b>	<b>Year Ended</b>	
	<b>December 31,</b>	<b>December 31,</b>	
	<b>2009</b>	<b>2008</b>	
	<b>U.S. \$</b>	<b>U.S. \$</b>	
<b>Cash Flows from Operating activities:</b>			
Grants received from contributors	81,163	114,344	
Other Revenues	3,801	2,663	
Cash paid to employees and suppliers	(87,790)	(121,066)	
<b>Cash Flows from Operating Activities</b>	<b>(2,826)</b>	<b>(4,059)</b>	
<b>Cash Flows from Investment activities:</b>			
Purchases of fixed assets	(439)	-	
<b>Cash Flows from Investment Activities</b>	<b>(439)</b>	<b>-</b>	
<b>Decrease in Cash and Deposits with Banks During the Year</b>	<b>(3,265)</b>	<b>(4,059)</b>	
Cash on hand and deposits with banks at beginning of year	12,625	16,684	
<b>Cash on Hand and Deposits with Banks at End of Year</b>	<b>9,360</b>	<b>12,625</b>	
<b>Adjustments to Reconcile Change in Net Assets</b>			
<b>to Net Cash Provided by Operating Activities:</b>			
Change in net assets	(6,997)	(13,408)	
Depreciation	2,077	2,770	
Decrease (increase) in grants receivable	(10,000)	3,547	
(Increase) decrease prepaid expense	1,369	(202)	
Increase (decrease) in payables and accruals	8,192	(5,088)	
Provision for Employees' Severance pay	2,533	8,322	
<b>Cash Provided by Operating Activities</b>	<b>(2,826)</b>	<b>(4,059)</b>	
<b>The Accompanying Notes Constitute an Integral Part of These Statements</b>			

## Women for Life Society

Statement of Functional Expenses  
Year Ended 31 December 2009

	NGO Development Center USD	Global Fund USD	WCLAC USD	Donation for camp USD	Shashat USD	Total 2009 USD	Others USD	Total 2009 USD	Total 2008 USD
<b>Personnel Costs</b>									
Salaries	44,873	7,204	2,000	-	-	54,077	-	54,077	65,924
Severance Pay	1,003	1,223	-	-	-	2,226	4,604	6,830	8,322
Ets staff development	1,333	494	-	-	-	1,827	-	1,827	433
	<b>47,209</b>	<b>8,921</b>	<b>2,000</b>	<b>-</b>	<b>-</b>	<b>58,130</b>	<b>4,604</b>	<b>62,734</b>	<b>74,679</b>
<b>Program Expenses</b>									
Consultancies	1,000	1,394	-	-	-	2,394	990	3,384	2,460
Workshops	2,197	368	-	-	-	2,565	-	2,565	3,322
Etc. Transportation	3,758	561	196	-	679	5,194	89	5,283	11,512
Printing, Stationery	345	27	-	-	-	372	693	1,065	2,458
Legal Case	688	-	-	-	-	688	-	688	1,178
Communication	3,136	558	-	-	-	3,694	350	4,044	4,603
Media and translation	1,660	558	-	-	71	2,289	-	2,289	3,581
Training material	1,234	371	-	-	-	1,605	39	1,644	697
Capital cost	-	53	-	-	-	53	200	253	1,108
Summer Camp	-	-	-	2,100	-	2,100	-	2,100	4,975
	<b>14,018</b>	<b>3,890</b>	<b>196</b>	<b>2,100</b>	<b>750</b>	<b>20,954</b>	<b>2,361</b>	<b>23,315</b>	<b>35,894</b>
<b>Administrative and Management</b>									
Rent and insurance	4,181	1,085	-	-	1,117	6,383	-	6,383	5,883
Utilities	1,020	789	-	-	-	1,809	516	2,325	1,549
Office Supplies	1,592	248	-	-	-	1,840	649	2,489	3,357
Ets stationary	-	-	-	-	-	-	-	-	123
Local Transportation	-	-	-	-	-	-	-	-	715
Communication	-	-	-	-	-	-	-	-	513
Audit and Accounting Fees	1,980	-	-	-	-	1,980	2,290	4,270	1,106
Bank Charges	-	67	-	-	-	67	145	212	278
	<b>8,773</b>	<b>2,189</b>	<b>-</b>	<b>-</b>	<b>1,117</b>	<b>12,079</b>	<b>3,600</b>	<b>15,679</b>	<b>13,524</b>
<b>Total Expenditures</b>	<b>70,000</b>	<b>15,000</b>	<b>2,196</b>	<b>2,100</b>	<b>1,867</b>	<b>91,163</b>	<b>10,565</b>	<b>101,728</b>	<b>124,097</b>

The Accompanying Notes Constitute an Integral Part of These Statements



# Women for Life Society

## Notes to Financial Statements 31 December 2009

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### 1. Organization:

**Women for Life Society** objectives 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:

The significant accounting policies followed are described below:

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

The accounting policies adopted are consistent with those of the previous financial year except as follows:

The Society has adopted the following relevant and amended IFRS and IFRIC interpretations as of 1 January 2009:

- IFRS 2 Share-based Payment: Vesting Conditions and Cancellations effective 1 January 2009,
- IFRS 2 Share-based Payment: Cash-settled Share-based Payment Transactions effective 1 January 2010 (early adoption is permitted)
- IFRS 3 Business Combinations (Revised) and IAS 27 Consolidation and Separate Financial Statements (Amended) effective 1 July 2009 (early adoption is permitted) including consequential amendments to IFRS 7, IAS 21, IAS 28, IAS 31 and IAS 39.
- IFRS 7 Financial Instruments: Disclosures effective 1 January 2009,
- IFRS 8 Operating Segments effective 1 January 2009,
- IAS 1 Presentation of Financial Statements effective 1 January 2009,
- IAS 23 Borrowing Costs (Revised) effective 1 January 2009,
- IAS 32 Financial Instruments: Presentation and IAS 1 Puttable Financial Instruments and Obligations Arising on Liquidation effective January 1 2009,
- IAS 39 Financial Instruments: Recombination and Measurement – Eligible Hedged Items effective 1 July 2009 (early adoption is permitted),

## 2. Summary of Significant Accounting Policies: (continued)

- IFRIS 9 Re-measurement of Embedded Derivatives and IAS 39 Financial Instruments: Recognition and Measurement effective for periods ending on or after 30 June 2009,
- IFRIC 31 Customer Loyalty Programs effective 1 July 2008,
- IFRIC 16 Hedged of a Net Investment in a Foreign Operation effective 1 October 2008,
- IFRIC 18 *Transfers of Assets From Customers* effective 1 July 2009 (early adoption is permitted),
- Improvements to IFRSs (May 2008),
- Improvements to IFRSs (April 2009, (Early adoption is permitted)).

Those amendments to the standards had no effect on the performance or the financial position of the Society.

### 2.2 Standards issued but not yet effective

- Standards issued but not effective up to the date of issuance of the Society's financial statements are listed below.
- IFRIC 17 *Distributions of Non-Cash Assets to Owners*.
- This Interpretation is effective for annual periods beginning on or after 1 July 2009 with (early adoption is permitted). It provides guidance on how to account for non-cash distributions to owners. The interpretation clarifies when to recognize a liability, how to measure it and the associated assets, and when to derecognize the asset and the liability. The Society does not expect IFRIC 17 to have an impact on its financial statements as the Society has not made non-cash distributions to owners in the past.

#### a. Summary of Significant Accounting and Policies:

The financial statements have been prepared on the accrual basis of accounting, cost convention and in conformity with International Financial Reporting Standards and the Statement on the Financial Accounting Standard # 117 applicable to not for profit organizations.

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 the Society 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 2009.
- **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.

**b. Contributions:**

Contributions are recognized as revenues when received.

**c. 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 property, plant and equipment 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 property, plant and equipment 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. Property, plant and equipment are disposed off when there is no expected future benefit from the use of that asset.

**d. 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.

- e. 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 the Society's management. Estimates used in the preparation of the financial statements include the assessment of useful lives of fixed assets and all other provisions.

**f. 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, 2009 of NIS 3.770.
- 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 and change in net assets.



### 3. Cash on Hand and at Banks:

#### Composition:

	December 31,	
	2009	2008
Deposits with banks in Shekel	2,850	1,677
Deposits with banks in U.S Dollar	6,510	10,948
	<u>9,360</u>	<u>12,625</u>

### 4. Grants receivable:

#### Composition:

	December 31,	
	2009	2008
NGO Development Center	10,000	--
	<u>10,000</u>	<u>--</u>

### 5. Office Furniture and Equipment, Net:

#### Composition:

	2009	2008
	USD	USD
Office Furniture	4,282	4,082
Office Equipment	8,510	8,457
Books	1,303	1,303
	<u>14,095</u>	<u>13,842</u>
Accumulated Depreciation	(5,859)	(3,968)
<b>Book Value</b>	<u>8,236</u>	<u>9,874</u>

### 6. Reserve for Employees' Severance Pay:

#### Composition:

	December 31,	
	2009	2008
Balance as of 1 January	9,670	--
Provision charged for the current year	4,259	
Provision paid during the current year	(1,726)	9,670
<b>Balance as of 31 December</b>	<u>12,203</u>	<u>9,670</u>

## **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 the 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 2010 will be sufficient to finance all of its disbursements and will be consistent with the funding level in the prior years. Furthermore, the management believes that the political and economical conditions prevailing in the area will not materially affect its operations.

- **Credit Risk:**

WFL Institution 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.



