

## **Husam Wahhab**

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## **حسام و هاب**

مادقق حسابات قانوني  
عمارة خمشتا – باب الزقاق  
ص.ب. 585 بيت لحم – فلسطين  
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### **JEMIMA FOUNDATION**

**BEIT JALA**

**PALISTINE**

**Financial Statement**

**As of December 31,2014/2013**

**Together With The Auditors' Report**

**Husam Wahhab**

**Certified Public Accountant**

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### Independent Auditors' Report

To: Board of Directors  
Jemima Foundation  
Beit Jala

We have audited the accompanying financial statements of the **Jemima Foundation** which comprise the financial position as at December 31, 2014/2013, the statement of activities and changes in net assets and cash flow for the years 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.

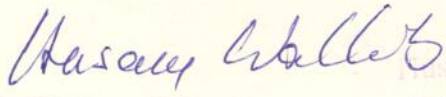
#### *Auditor's Responsibility*

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 Foundation 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 Foundation 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 present fairly, in all material respects, the financial position of the **Jemima Foundation** as of December 31, 2014/2013, the results of its activities and cash flow and the statement of changes in net assets for the year then ended in accordance with International Financial Reporting Standards.

**Husam Wahhab CPA**



Bethlehem, Palestine  
June 10, 2015

Husam Wahhab/CPA  
Certified Public Accountant  
Bethlehem



**Jemima Foundation**  
**Financial Position**  
**As at December 31, 2014/2013**  
*(Currency: NIS)*

<u>Assets</u>	<u>Note</u>	<u>2014</u>	<u>2013</u>
		NIS	NIS
<b>Current assets</b>			
Cash on hand and at banks	3	90,406	516,809
Checks for collection		1,300	-----
Receivables and prepayments	4	23,642	31,150
<b>Total current assets</b>		<b>115,348</b>	<b>547,956</b>
Property, plant, and equipment (Net)	5	4,773,115	4,953,657
<b>Total assets</b>		<b>4,888,463</b>	<b>5,501,613</b>
 <u>Liabilities and net assets</u>			
<b>Liabilities</b>			
Bank overdraft/ Checks		30,877	138,469
Accrued expenses		36,192	194,412
Account Payable		19,593	60,980
<b>Total current liabilities</b>		<b>86,662</b>	<b>393,861</b>
Reserve for end of service benefits	6	687,116	708,297
<b>Total liabilities</b>		<b>773,778</b>	<b>1,102,158</b>
 <b>Net Assets</b>			
Unrestricted		4,064,046	4,377,433
Temporarily restricted		50,639	22,022
<b>Total net assets</b>		<b>4,114,685</b>	<b>4,399,455</b>
<b>Total liabilities and net assets</b>		<b>4,888,463</b>	<b>5,501,613</b>

*The accompanying notes form an integral part of these financial statements*

**Jemima Foundation**  
**Statement of Activities and Change in net assets**  
**For the Year Ended December 31, 2014/2013**  
*(Currency: NIS)*

	Note	Net assets		2014	2013
		Unrestricted	Temporarily restricted	Total	Total
<b><u>Revenues</u></b>					
Grants and Donations	7	1,576,110	39,978	1,616,088	2,565,78
Other Operating Revenues	8	263,204		263,204	91,61
Net Assets Released from Restriction:					
Satisfaction of Program Restrictions	9	<u>11,361</u>	<u>(11,361)</u>	<u>-----</u>	<u>-----</u>
<b>Total REVENUES</b>		<b>1,850,675</b>	<b>28,617</b>	<b>1,879,292</b>	<b>2,657,40</b>
<b>Operating Expenses</b>					
General and Administrative	10	2,197,324		2,197,324	2,411,59
Change in Net Assets before Currency Differentials & Capital gain and Loss		<b>(346,649)</b>	<b>28,617</b>	<b>(318,032)</b>	<b>245,80</b>
From Currency Differentials gain (loss)	11	(1,738)		(1,738)	9,02
Gain( Loss) from Disposal of Assets		35,000		35,000	
<b>Change in net assets</b>		<b>(313,387)</b>	<b>28,617</b>	<b>(284,770)</b>	<b>254,82</b>
Net Assets at the Beginning of the year		4,377,433	22,022	4,399,455	4,144,63
<b>Net Assets at the End of the year</b>		<b>4,064,046</b>	<b>50,639</b>	<b>4,114,685</b>	<b>4,399,45</b>

*The accompanying notes form an integral part of these financial statements*

**Jemima Foundation**  
**Statement of Cash Flow**  
**For the Year Ended December 31, 2014/2013**  
*(Currency: NIS)*

	<u>Note</u>	<u>2014</u>	<u>2013</u>
		NIS	NIS
<b>OPERATING ACTIVITIES</b>			
Change in net assets		(284,770)	<b>254,825</b>
Depreciation		219,075	207,981
(Gain) from Disposal of Assets		(35,000)	-----
Increase (decrease) in Accrued expenses		(158,220)	(24,841)
Decrease (increase) end of service benefit		(21,181)	135,754
Increase(decrease)in Bank Overdraft		(107,592)	93,438
Decrease (increase) Checks for collection		(1,300)	
Decrease (increase) in receivable /prepayments		7,508	(10,553)
Increase(decrease)in account payable		(41,387)	(197,622)
		<u>(422,867)</u>	<u>450,982</u>
<b>INVESTING ACTIVITIES</b>			
Procurement of property & equipment		(38,536)	(109,861)
Proceeds from sales of fixed assets		<u>35,000</u>	-----
Net cash used in investing activities		(3,536)	(109,861)
Increase (decrease) in cash during the year		(426,403)	349,121
Cash at beginning of the year		516,809	167,688
Cash at the end of the year		<u>90,403</u>	<u>516,809</u>

*The accompanying notes form an integral part of these financial statements*



**Jemima Foundation**  
**Notes to the Financial Statements**  
**December 31, 2014/2013**  
(Currency: NIS)

**1. The Foundation and its Activities**

JEMIMA Foundation was established in 1984 in Netherlands, as a not for profit organization.

JEMIMA has been registered in West Bank with the Israeli Civil Administration on June 6, 1986 as a foreign institution. Jemima also was registered at the Ministry of Social Affairs of the Palestinian Authority on May 26, 1997. And in the Ministry of Interior of the Palestinian Authority as a foreign institution on May 12, 2010 number QR-0156-F.

JEMIMA is working in Bethlehem and employed 38 and 39 employees as of 31 December 2014, and 2013 respectively.

JEMIMA's objectives are to receive or cause to receive nurse and education to, as large as possible measure of independence, children who are handicapped in any form whatsoever - in particular the children in and around Bethlehem in West bank, Palestine.

Jemima endeavors to attain these objectives by:

- Supporting persons, juridical and natural, organizations and activities to the implementation of its objectives.
- Running, maintaining and if necessary by purchasing, building and/ or extending one or more homes with appurtenant institutions.
- Cooperating with other institutions of an identical or similar objective.
- Any other lawful means which may be conducive to the attainment of the aforesaid objectives.
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**2. Summary of Significant Accounting Policies**

The financial statements have been prepared under the historical cost convention. The significant accounting policies follow:

**a. Revenues and Expenses Recognition**

Revenues and expenses are recognized on the accrual basis of accounting.

**b. General**

Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are those whose use by the Foundation is not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Foundation has been limited by donors

specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained by the Foundation in perpetuity.

**c. Donors' Contributions**

Unconditional promises to give cash and other assets to the Foundation are recorded at the fair market value at the date promises to give are made. Conditional promises to give and indications of intention to give are recorded at the fair market value at the date contribution is received. Unconditional promises to give are promises that depend only on passage of time and certain performance demanded by the promising donors. Restricted contributions are recorded as either temporarily or permanently restricted revenues. When donors' restricted contributions expire, 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 in the statement of activities as net assets released from restriction. Restricted revenues are recorded as unrestricted revenues if restriction expires in the same year.

**d. Use of Estimates**

The presentation of financial statements in conformity with accounting principles requires management to make estimates that may affect assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

**e. Fixed Assets**

Fixed assets are stated at cost (or market value if the fixed assets are received as a donation) and depreciated over their estimated useful lives using the straight-line method, at the following annual rates:

	%
Building	<u>2</u>
Furniture	10
Equipment	10-25
Improvements	10-15

**f. Foreign Currency Translation**

The Foundation maintains its records in New Israeli Shekel (NIS). Transactions expressed or denominated in other currencies are translated to NIS using exchange rates prevailing at the time of each transaction. Assets and liabilities denominated in other currencies are translated to NIS using exchange rates prevailing at the balance sheet date. Gains and losses arising from the translation are reflected in the statement of activities.

Foreign currency exchange rates against NIS at December 31, 2014/2013 were as follows:

	<u>2014</u>	<u>2013</u>
One U.S. Dollar	3.9000	3.4600
One Euro	4.7800	4.7600



### 3. Cash on Hand and at Banks

Cash on hand and at banks comprise:

	2014	2013
	NIS	NIS
Cash on hand	15,240	10,338
Cash at banks in NIS	69,817	445,260
Cash at banks in USD	5,344	4,044
Cash at banks in EURO	5	57,167
	<u>90,406</u>	<u>516,809</u>

### 4. Receivables and Prepayments:

	2014	2013
	NIS	NIS
Receivables/ Prepayments	23,642	31,150
	<u>23,642</u>	<u>31,150</u>

### 5. Fixed Assets, Net

Components of fixed assets costs and related accumulated depreciation as of December 31, 2014 and movement thereon during the year follow:

	Balance, beginning of year	Additions	Disposals	Balance, end of year
<b>Cost</b>				
Land	600,581	-	-	600,581
Building	5,513,386	17,293		5,530,679
Equipment	635,403	11,240		646,643
Furniture	333,302	10,000		343,302
Cars	323,504			323,504
	<u>7,406,176</u>	<u>38,533</u>		<u>7,444,709</u>
<b>Accumulated depreciation</b>				
Building	1,589,887	134,372		1,724,259
Equipment	425,066	40,114		465,180
Furniture	302,766	9,923		312,689
Cars	134,800	34,666		169,466
	<u>2,452,519</u>	<u>219,075</u>		<u>2,671,594</u>
<b>Net book value</b>	<u>4,953,657</u>			<u>4,773,115</u>

## 6. Reserve for End of Service Benefits

End of service benefits due to employees are provided for in accordance with labor laws prevailing in Palestine. End of service benefits at December 31, 2014 and movements thereon during the year follow:

	NIS
Balance, beginning of year	708,297
Additions during the year	4,488
Payments during the year	25,669
Balance, end of year	<u>687,116</u>

## 7. Grants and Donations

	2014	2013
	NIS	NIS
Jemima Holland - Unrestricted	1,464,261	1,566,454
Jemima Holland - Temporary restricted		-----
Pontifical Mission - Temporary restricted		-----
Home Based Intervention - Temporary restricted	39,978	-----
Others	35,691	223,603
Donation in kind	25,915	15,676
Ministry of Social Affairs	-----	582,550
Local Donation	50,243	177,501
	<u>1,616,088</u>	<u>2,565,784</u>

## 8. Other Operating Revenues

	2014	2013
	NIS	NIS
School fees	57,015	59,750
Sales	16,517	11,800
Others	22,372	20,067
Other Maintenance Provision	167,300	-----
	<u>263,204</u>	<u>91,617</u>

9. A) HBI Project

Jemima has established a program started in 2006 called HBI project that is aimed to help the students at their homes, this project revenues are restricted, and its expenditures were as follows:

	2014	2013
	NIS	NIS
Salaries and related benefits	6,060	21,402
Utilities	80	487
Travel	714	4,804
Medical treatment	3,429	1,762
Resident needs	537	224
Others	450	37
Food	66	94
Recreation	25	770
	<u>11,361</u>	<u>29,580</u>

10. General and Administrative Expenses

General and administrative expenses comprise:

	2014	2013
	NIS	NIS
Salaries	1,218,180	1,265,412
Personnel Other Costs	4,489	160,574
Volunteers Cost	74,745	77,724
Food	158,819	131,516
Rent and maintenance	60,742	95,361
Depreciation	219,075	207,981
Utilities	166,206	151,832
Cars insurance and fuel	48,551	57,405
Medical treatment	68,929	56,215
Professional expenses	18,311	6,817
Heat fuel and gas	26,000	22,480
Residents needs	126,500	115,137
Others	6,777	63,143
	<u>2,197,324</u>	<u>2,411,597</u>

11. Foreign Currency Gain (Loss)

Foreign currency transactions generated NIS 9,021 gain, and NIS 1,738 loss for the years ended 2013 and 2014 respectively.