

A. M. QATTAN FOUNDATION - PALESTINE

FINANCIAL STATEMENTS

For the fiscal year ended March 31, 2015

AND INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF TRUSTEES OF A. M. QATTAN FOUNDATION

Report on the financial statements

We have audited the accompanying financial statements of A.M. Qattan Foundation - Palestine (hereinafter the "Foundation"), which comprise the statement of financial position as of March 31, 2015, statement of activities, statement of changes in net assets, and statement of cash flows for the fiscal 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 for such internal control as management determines is necessary to enable the preparation of financial statements that are free from 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 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 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 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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the foundation as of March 31, 2015 and the results of its activities and its cash flows for the fiscal year then ended in accordance with International Financial Reporting Standards.

PricewaterhouseCoopers Palestine Limited
June 10, 2015
Ramallah, Palestine

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

STATEMENT OF FINANCIAL POSITION

(All amounts are in US Dollars)

	<u>Note</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
<u>ASSETS</u>			
Non-current assets			
Property, plant and equipment	(4)	3,855,024	3,918,444
Projects in progress	(5)	1,988,958	521,713
Assets limited as to use	(6)	1,986,026	1,581,624
Total non-current assets		<u>7,830,008</u>	<u>6,021,781</u>
Current assets			
Contributions receivable	(7)	2,490,883	2,371,538
Prepayments and other current assets	(8)	131,547	486,352
Cash and cash equivalents	(9)	5,156,152	5,997,427
Total current assets		<u>7,778,582</u>	<u>8,855,317</u>
Total assets		<u>15,608,590</u>	<u>14,877,098</u>
<u>NET ASSETS AND LIABILITIES</u>			
Net assets			
Temporarily restricted net assets	(10)	6,128,668	7,214,382
Unrestricted net assets		7,344,810	5,164,819
Total net assets		<u>13,473,478</u>	<u>12,379,201</u>
Non-current liabilities			
Provision for severance pay	(11)	1,077,108	835,704
Provision for provident fund	(12)	911,500	745,920
Total non-current liabilities		<u>1,988,608</u>	<u>1,581,624</u>
Current liabilities			
Accrued expenses and other current liabilities	(13)	146,504	916,273
Total current liabilities		<u>146,504</u>	<u>916,273</u>
Total liabilities		<u>2,135,112</u>	<u>2,497,897</u>
Total net assets and liabilities		<u>15,608,590</u>	<u>14,877,098</u>

- The notes on pages 7 to 20 are an integral part of these financial statements.

- The financial statements on page 3 to 20 were authorized for issue by the Board of Trustees on June 4, 2015 and were signed on its behalf.

Mr. Omar Al-Qattan
Chairman of the Board of Trustees

Mr. Ziad Khalaf
Director General

Mr. Bashar Idkaidek
Director of Finance

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

STATEMENT OF ACTIVITIES

(All amounts are in US Dollars)

	<u>Note</u>	<u>March 31, 2015</u>	<u>March 31, 2014</u>
<u>Changes in unrestricted net assets:</u>			
Grants, revenues and gains			
Unrestricted donations	(14)	4,241,479	3,258,244
In kind donations	(15)	24,000	29,000
Other revenues	(16)	209,076	74,384
Finance income	(17)	12,486	37,453
Total grants, revenues and gains		4,487,041	3,399,081
Net assets released from restrictions	(10)	4,120,847	2,380,175
Total unrestricted grants, revenues, gains and other support		8,607,888	5,779,145
Expenditures and losses			
General and administrative expenditures	(18)	648,433	634,566
Depreciation	(4)	331,663	351,846
Programs expenditures	(19)	5,447,801	4,756,373
Total expenditures and losses		6,427,897	5,742,785
Net change in unrestricted net assets		2,179,991	36,471
<u>Changes in temporarily restricted net assets:</u>			
Grants and donations	(10)	3,854,461	5,942,245
Net assets released from restrictions	(10)	(4,120,847)	(2,380,175)
Currency exchange	(10)	(199,655)	(8,498)
Amounts written off	(10)	(619,673)	(615,837)
Net changes in temporarily restricted net assets		(1,085,714)	2,937,735
Net changes in net assets for the fiscal year		1,094,277	2,974,206

- The notes on pages 7 to 20 are an integral part of these financial statements.

A. M. QATTAN FOUNDATION - PALESTINEFinancial statements for the fiscal year ended March 31, 2015

STATEMENT OF CHANGES IN NET ASSETS

(All amounts are in US Dollars)

	Unrestricted net assets	Temporarily restricted net assets	Total
Balance March 31, 2013	5,128,348	4,276,647	9,404,995
Changes during the fiscal year	36,471	2,937,735	2,974,206
Balance March 31, 2014	5,164,819	7,214,382	12,379,201
Changes during the fiscal year	2,179,991	(1,085,714)	1,094,277
Balance March 31, 2015	7,344,810	6,128,668	13,473,478

- The notes on pages 7 to 20 are an integral part of these financial statements.

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

STATEMENT OF CASH FLOWS

(All amounts are in US Dollars)

	March 31, 2015	March 31, 2014
Cash flows from operating activities		
Changes in net assets for the fiscal year	1,094,277	2,974,206
Adjustments:		
Depreciation	331,663	351,846
Provision for severance pay	269,219	149,110
Provision for provident fund	207,480	138,922
(Gain) losses from property, plant and equipment disposal	(1,295)	1,111
Interest received	(45,325)	(32,507)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Contributions receivable	(119,345)	1,070,939
Prepayments and other current assets	354,805	(427,956)
Accrued expenses and other current liabilities	(769,769)	830,985
Severance pay - paid	(27,815)	(43,216)
Provident fund - paid	(41,900)	(41,480)
Net cash flow provided by operating activities	1,251,995	4,971,960
Cash flows from investing activities		
Purchase of property, plant and equipment	(269,048)	(162,352)
Proceed from disposal of property, plant and equipment	2,100	-
Projects in progress	(1,467,245)	(203,431)
Assets limited as to use	(404,402)	(203,335)
Interest received	45,325	32,507
Net cash used in investing activities	(2,093,270)	(536,611)
Net change in cash and cash equivalents	(841,275)	4,435,349
Cash and cash equivalents, beginning of the fiscal year	5,997,427	1,562,078
Cash and cash equivalents, end of the fiscal year	5,156,152	5,997,427

- The notes on pages 7 to 20 are an integral part of these financial statements.

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (1) GENERAL

The A. M. Qattan Foundation – Palestine (hereinafter the "Foundation") is a branch of a charitable company in the United Kingdom. The Foundation was legally registered on May 9, 1998 with the Palestinian Ministry of Interior as a not-for-profit organization under registration number (5056). Pursuant to charity societies and non-governmental organizations Palestinian law number 1 issued in 2000, the Foundation was re-registered with the Ministry of Interior as not-for-profit organization on December 7, 2004 under registration number (QR-0035-F).

The Foundation is committed to the advancement of education and cultural development and awareness as well as the preservation of the cultural heritage of the Arab people in general and the Palestinian people in particular.

Currently, the Foundation operates mainly through three programs; the Qattan Centre for Educational Research and Development Program, the Qattan Centre for the Child Program and the Culture and Arts Program.

NOTE (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set below. These policies have been consistently applied to all fiscal years presented, unless otherwise stated.

BASIS OF PREPARATION

The financial statements are prepared according to International Financial Reporting Standards (IFRS) based on the historical cost convention and presented in US Dollars.

The preparation of the financial statement in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the entity's accounting policies.

Changes in accounting policies and disclosures

The accounting policies adopted are consistent with those of the previous fiscal year. Furthermore, several standards and interpretations have been issued but are not yet mandatory. Management believes that the new standards and interpretations will have no significant impact on disclosures, financial position or performance when applied at a future date.

Property plant and equipment:

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 percentage rates:

	<u>Depreciation Percentages</u>
Building and renovation	5%
Furniture, fixtures and light fittings	15%
Office equipment	15%
Electrical and mechanical equipment	20%
Computers	30%
Vehicles	20%
Books and music resources	10%

The cost of the property, plant and equipment includes all of the expenditures incurred so as to make the assets ready for use. Expenditures incurred to replace a component of an item of property and equipment that are accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditures are capitalized only when they increase future economic benefits of the related item of property, plant and equipment. All other expenditures are recognized in the statement of activities as expense when incurred.

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

Projects in progress:

Projects in progress consist of the costs incurred on incomplete projects, which include design and construction costs, direct wages and a portion of the indirect costs. After completion, all project costs are capitalized and transferred to property, plant and equipment.

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.

Net assets:

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

- Unrestricted net assets – net assets whose use by the Foundation, is not subject to donor-imposed restrictions.
- Temporarily restricted net assets – net assets whose use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and released by actions of the Foundation pursuant to those donor-imposed stipulations.

Contribution receivables:

Contribution receivables are stated at the original amount of the signed agreement less the amount received or impaired.

Impairment of assets:

The carrying values of the assets are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. If any such indications exist and when the carrying values exceed the estimated recoverable amounts the values of the assets are decreased to the recoverable amount, and the difference is recognized in the statement of activities.

Revenue recognition:

Donors' unconditional pledges are those pledges where donors do not specify prerequisites that have to be carried out by the recipient before obtaining the fund.

Donations' revenue from unconditional pledges is recognised as follows:

- i. Unconditional pledges that are not restricted for a specific purpose or time are recognised as revenue when the pledge is obtained.
- ii. Unconditional pledges that are temporarily restricted by the donor for a specific purpose or time are recognised as revenues when the purpose or time is satisfied.

Expenditures:

Expenditures are recognized when incurred based on the accrual basis of accounting.

Accrued expenses and other current liabilities:

Accrued expenses and other current liabilities are recognized for the amounts to be paid in the future for goods and services received, whether billed by the suppliers or not.

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

Provision for severance pay, provident fund and assets limited as to use:

Benefits payable to the employees of the Foundation at the end of their services 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 last salary paid.

The Foundation deducts 8% from the employees' monthly basic salaries for the provident fund and contributes a similar amount. Both contributions are deposited in a separate bank account and presented on the statement of financial position as "assets limited as to use".

Translation of foreign currencies:

The accompanying financial statements are denominated in US Dollars. Transactions in other currencies are accounted for at the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US Dollars by applying the exchange rates prevailing at the reporting date. Exchange gains or losses arising from the above transactions are reflected in the statements of activities. The exchange rates of other currencies against the US dollar as of March 31, 2015 and 2014 are as follows:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
NIS	0.2525	0.286
EURO	1.1317	1.366

NOTE (3) RISK MANAGEMENT

The Foundation activities are exposed to a variety of financial risks: market risk, liquidity risk and credit risk. The Foundation overall risk management program focuses on unpredictability of financial markets and seeks to minimize potential adverse effect on the Foundation financial performance.

3.1) Market risk

The Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices.

The main market risk faced by the Foundation is currency risk. Currency risk is defined as the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The main currencies that are used by the Foundation are the US Dollar, the New Israeli Shekel (NIS) and the Euro. The exchange rates of other currencies against the US dollar as of March 31, 2015 and 2014 are as follows:

	<u>March 31, 2015</u>	<u>March 31, 2014</u>
Year end rate – NIS	0.2525	0.286
Year end rate – Euro	1.1317	1.366
Average rate – NIS	0.269	0.280
Average rate – Euro	1.249	1.336

These fluctuations in the exchange rates resulted in a losses of US Dollars 32,839 for the fiscal year ended March 31, 2015 (gain of US Dollars 4,946 during the fiscal year ended March 31, 2014).

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

3.2) Liquidity risk

The risk that the foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation expects to pay an amount of US Dollars 146,504 of current liabilities as of March 31, 2015 within six months from that date.

Items	Expected timing of cash outflow				
	Carrying amounts	0-6 Month	7 Month -1 Year	1-2 Years	More than 2 Years
Accounts payable	67,323	67,323	-	-	-
Accrued expenses	21,725	21,725	-	-	-
Outstanding checks	57,456	57,456	-	-	-
	146,504	146,504	-	-	-

3.3) Credit risk

Credit risk is defined as the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The following are the financial assets as of 31 March 2015:

Item	Carrying amount
Contributions receivable	2,490,883
Cash and cash equivalents	5,156,152

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (4) PROPERTY, PLANT AND EQUIPMENT

Details:

<u>March 31, 2015</u>	<u>April 1, 2014</u>	<u>Additions</u>	<u>Disposals</u>	<u>March 31, 2015</u>
Cost:				
Land	1,681,901	-	-	1,681,901
Buildings and renovations	2,997,147	-	-	2,997,147
Furniture, fixtures and light fittings	518,542	6,327	(7,153)	517,716
Office equipment	224,965	20,887	(2,899)	242,953
Electrical and Mechanical equipment	452,075	57,969	(8,540)	501,504
Computers	363,317	45,223	(8,799)	399,741
Vehicles	23,000	102,632	-	125,632
Books and Music resources	492,631	23,910	(183)	516,358
Art Works	33,600	12,100	-	45,700
	6,787,178	269,048	(27,574)	7,028,652
Accumulated depreciation				
Buildings and renovations	1,343,263	149,112	-	1,492,375
Furniture, fixtures and light fittings	468,964	13,013	(6,652)	475,325
Office equipment	143,456	24,216	(2,899)	164,773
Electrical and Mechanical equipment	292,500	60,651	(8,416)	344,735
Computers	264,051	55,069	(8,799)	310,321
Vehicles	19,358	1,799	-	21,157
Books and Music resources	337,142	27,803	(3)	364,942
	2,868,734	331,663	(26,769)	3,173,628
Net book value	3,918,444			3,855,024
<u>March 31, 2014</u>	<u>April 1, 2013</u>	<u>Additions</u>	<u>Disposals</u>	<u>March 31, 2014</u>
Cost:				
Land	1,681,901	-	-	1,681,901
Buildings and renovations	2,997,147	-	-	2,997,147
Furniture, fixtures and light fittings	517,100	8,128	(6,686)	518,542
Office equipment	215,624	15,305	(5,964)	224,965
Electrical and Mechanical equipment	407,388	47,844	(3,157)	452,075
Computers	349,649	58,170	(44,502)	363,317
Vehicles	23,000	-	-	23,000
Books and Music resources	466,726	25,905	-	492,631
Art Works	26,600	7,000	-	33,600
	6,685,135	162,352	(60,309)	6,787,178
Accumulated depreciation				
Buildings and renovations	1,192,660	150,603	-	1,343,263
Furniture, fixtures and light fittings	457,474	17,458	(5,968)	468,964
Office equipment	122,829	26,515	(5,888)	143,456
Electrical and Mechanical equipment	236,354	58,990	(2,844)	292,500
Computers	257,002	51,547	(44,498)	264,051
Vehicles	14,758	4,600	-	19,358
Books and Music resources	295,009	42,133	-	337,142
	2,576,086	351,846	(59,198)	2,868,734
Net book value	4,109,049			3,918,444

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (5) PROJECTS IN PROGRESS

This amount represents construction costs incurred during the fiscal year to construct a new building for the Foundation in Ramallah.

NOTE (6) ASSETS LIMITED AS TO USE

This amount represents restricted deposits against employees' severance pay and provident fund. These deposits are with an average interest rate of 1% to 2% for years ended March 31, 2015 and March 31, 2014 and represent 99.87 % at March 31, 2015 (100 % March 31, 2014) of provision for severance pay and provident fund.

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (7) CONTRIBUTIONS RECEIVABLE

Details:

	Beginning Balance	Additions	Amount Received	Currency Variance	Amount Written Off	Ending Balance
Centre for Culture and Development (CKU)-Supporting Contemporary art Productions and Practices in Gaza 2015-2016	-	74,935	-	-	-	74,935
Drosos Foundation - Partnership for Development Project	32,900	-	(27,900)	-	-	5,000
Swiss Agency for Development and Cooperation-SDC- Create Ibdaa: a Culture and Arts Project in Gaza (QCC)	20,000	100,000	(100,000)	-	-	20,000
Swiss Agency for Development and Cooperation-SDC- Create Ibdaa: a Culture and Arts Project in Gaza (GMS)	20,000	25,000	(45,000)	-	-	-
Prince Claus Fund- Selat: Links Through the Arts	43,358	-	(43,358)	-	-	-
(SIDA)- Performing Arts Network Program (PAN)	-	1,918,285	(874,465)	-	-	1,043,820
Welfare Association - Comprehensive Development of KG's in Jerusalem	42,000	-	(22,400)	-	(19,600)	-
Welfare Association- Animation in Education- Phase 2	99,595	-	(99,595)	-	-	-
Save the Children-UK - Read & Enjoy Together in Gaza Strip	9,305	-	(9,305)	-	-	-
Mr. Abdel Mohsin Al-Qattan - New Building	-	38,176	(38,176)	-	-	-
Mr. Omar Al-Qattan - New Building	-	917,965	(917,965)	-	-	-
Mr. Walid Kattan -The Walid & Helen Kattan Science Education Project	1,200,000	-	-	-	(600,000)	600,000
European Commission - Performing Arts Project	763,347	-	(551)	(130,668)	-	632,128
Norwegian Refugee Council (NRC) - Our Communities Our Schools	58	-	(58)	-	-	-
Norwegian Refugee Council (NRC) - Our Communities Our Schools – Phase 2	-	20,000	(20,000)	-	-	-
Norwegian Refugee Council (NRC) - Psychological Support & Recreational Activities	-	15,100	(15,100)	-	-	-
American Near East Refugee Aid (ANERA) - The Walid & Helen Kattan Science Education Project	-	600,000	(600,000)	-	-	-
Bank of Palestine - Mobile Library Project	115,000	-	-	-	-	115,000
Welfare Association - Lamsat Hanan for Gaza Children After the War	7,638	-	(7,638)	-	-	-
Save the Children-UK - Improving Early Childhood Care and Development Centers in Gaza	18,337	-	(18,264)	-	(73)	-
Save the Children-UK – Healing and Learning for Gaza’s conflict affected Children	-	145,000	(145,000)	-	-	-
	2,371,538	3,854,461	(2,984,775)	(130,668)	(619,673)	2,490,883

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Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (8) PREPAYMENTS AND OTHER CURRENT ASSETS

Details:

	March 31, 2015	March 31, 2014
Due from employees	12,342	11,933
Advance payment to partners	35,710	446,512
Advances to suppliers	63,503	-
Accounts receivable	14,436	22,351
Prepaid expenses	5,556	5,556
	<u>131,547</u>	<u>486,352</u>

NOTE (9) CASH AND CASH EQUIVALENTS

Details:

	March 31, 2015	March 31, 2014
Cash on hand	2,000	2,500
Cash at banks (current accounts)	424,352	1,799,148
Cash at banks (time deposit) *	4,729,800	4,195,779
	<u>5,156,152</u>	<u>5,997,427</u>

*Time deposits are USD deposits, with an average interest rate of 1% to 3.5% for the fiscal years ended March 31, 2015 and March 31, 2014.

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (10) TEMPORARILY RESTRICTED NET ASSETS

Details:

	Beginning Balance	Additions	Released from restriction	Currency Variance (Loss)/ Gain	Amounts Written Off	Ending Balance
Drosos Foundation - Partnership for Development Project	41,724	-	(41,724)	-	-	-
Welfare Association -Animation in Education Project- Phase 2	85,793	-	(85,793)	-	-	-
Swiss Agency for Development and Cooperation-SDC- Create Ibdad: a Culture and Arts Project in Gaza (GMS)	-	25,000	(20,000)	-	-	5,000
Swiss Agency for Development and Cooperation-SDC- Create Ibdad: a Culture and Arts Project in Gaza(QCC)	-	100,000	(100,000)	-	-	-
Prince Claus Fund- Selat- Links Through the Arts	89,159	-	(49,896)	(7,384)	-	31,879
The Swedish International Development Agency (SIDA)- Performing Arts Network Program (PAN)	29,874	1,918,285	(888,454)	-	-	1,059,705
Welfare Association - Comprehensive Development of KG's in Jerusalem	160,824	-	(141,224)	-	(19,600)	-
Mr. Walid Kattan - The Walid & Helen Kattan Science Education Project	1,834,459	-	-	-	(600,000)	1,234,459
European Commission - Performing Arts Project	1,317,708	-	(497,590)	(192,271)	-	627,847
Norwegian Refugee Council (NRC) - Our Communities Our Schools	5,210	-	(5,210)	-	-	-
Norwegian Refugee Council (NRC) - Our Communities Our Schools- phase 2	-	20,000	(15,435)	-	-	4,565
Norwegian Refugee Council (NRC) - Psychological Support & Recreational Activities	-	15,100	(15,100)	-	-	-
American Near East Refugee Aid (ANERA) - The Walid & Helen Kattan Science Education Project	156,010	600,000	(537,303)	-	-	218,707
Bank of Palestine - Mobile Library Project	172,500	-	(104,000)	-	-	68,500
Save the Children for Promoting Healing & Learning for Gaza's Children project	-	145,000	(145,000)	-	-	-
Mr. Abdel Mohsin Al-Qattan - New Building	2,796,569	38,176	(903,432)	-	-	1,931,313
Mr. Omar Al-Qattan - New Building	517,605	917,965	(563,812)	-	-	871,758
Save the Children-UK - Improving Early Childhood Care and Development Centers in Gaza	6,947	-	(6,874)	-	(73)	-
Centre for Culture and Development (CKU)-Supporting Contemporary art Productions and Practices in Gaza 2015-2016	-	74,935	-	-	-	74,935
Total	7,214,382	3,854,461	(4,120,847)	(199,655)	(619,673)	6,128,668

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Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (11) PROVISION FOR SEVERANCE PAY

Details:

	March 31, 2015	March 31, 2014
Balance, beginning of the fiscal year	835,704	729,810
Add: provision made during the fiscal year	269,219	149,110
Less: payments made during the fiscal year	(27,815)	(43,216)
Balance, end of the fiscal year	1,077,108	835,704

NOTE (12) PROVISION FOR PROVIDENT FUND

Details:

	March 31, 2015	March 31, 2014
Balance, beginning of the fiscal year	745,920	648,478
Add: provision made during the fiscal year	207,480	138,922
Less: payments made during the fiscal year	(41,900)	(41,480)
Balance, end of the fiscal year	911,500	745,920

NOTE (13) ACCRUED EXPENSES AND OTHER CURRENT LIABILITIES

Details:

	March 31, 2015	March 31, 2014
Accounts payable	67,323	18,089
Advance received from Al-Qattan Charitable Trust (Guernsey)	-	800,000
Accrued expenses	21,725	12,468
Postdated checks	57,456	85,716
	146,504	916,273

NOTE (14) UNRESTRICTED DONATIONS

During the fiscal year, the Foundation received unrestricted donations in the amount of US Dollars 4,241,479 from Al-Qattan Charitable Trust (Guernsey).

NOTE (15) IN KIND DONATIONS

Details:

	March 31, 2015	March 31, 2014
A.M. Qattan contribution rent	24,000	24,000
Other	-	5,000
	24,000	29,000

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NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (16) OTHER REVENUES

Details:

	March 31, 2015	March 31, 2014
Contribution from others to EC project	102,524	-
Equipment rental	21,473	31,709
Other revenues*	26,246	9,249
Administration service provided to projects	58,833	33,426
	209,076	74,384

* This figure represents miscellaneous income that does not fit in any of the normal revenue categories, such as library fees, subscriptions fees, individuals donations , tender fees and others.

NOTE (17) FINANCE INCOME

Details:

	March 31, 2015	March 31, 2014
Currency exchange (losses) gains	(32,839)	4,946
Interest revenue	45,325	32,507
	12,486	37,453

NOTE (18) GENERAL AND ADMINISTRATIVE EXPENDITURES

Details:

	March 31, 2015	March 31, 2014
Salaries	345,962	319,987
Employee Bonus	-	7,000
Casual wages	5,213	3,192
Insurance	6,407	4,969
Severance pay & Provident fund	85,704	51,285
Transportation, travel & accommodation	28,199	21,675
Utilities	10,722	12,117
Maintenance & Consumables	4,659	3,455
Grants	83,826	46,054
Rent	9,491	8,960
Professional fees	33,327	56,655
Office expenses	9,750	11,914
Staff training courses	1,012	2,683
Subscriptions & Membership fees	4,806	4,123
Strategic planning workshops	-	54,788
Website development	5,182	15,101
Miscellaneous expenses	3,450	1,735
Advertisement & Promotion	7,577	6,193
Others	3,146	2,680
	648,433	634,566

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (19) PROGRAMS EXPENDITURES

The details of the programs expenditures were divided into two schedules A and B as follows:

Schedule A

	Animation in Education- (Phase 2)	CAP	Comp. Dev. Of KGs in Jerusalem- Welfare	Creat- Ibdaa- QCC	Audio – Visual Unit (AVU)	Improving Early Childhood Care in Gaza	Mobile Library - BoP	NRC- Psychological support & Recreational Activity	NRC- Our Communities- Our Schools	NRC- Our Communities- Our Schools - 2	Partnership for Development - Drosos	Total
Salaries	-	136,662	-	-	21,558	2,149	-	1,531	1,185	1,081	31,204	195,370
Employee Bonus	-	-	-	-	-	-	-	-	-	-	-	-
Casual wages	750	5,200	735	18,000	-	-	-	3,000	1,500	500	4,365	34,050
Insurance	-	2,006	-	-	1,367	-	-	-	-	-	-	3,373
Severance pay & Provident fund	-	34,872	-	-	-	-	-	-	-	-	7,271	42,143
Transportation, travel & accommodation	-	9,230	-	9,500	-	1,467	-	2,151	623	434	-	23,405
Utilities	-	12,481	-	1,006	-	-	-	253	-	-	819	14,559
Maintenance & Consumables	-	1,506	-	-	1,541	-	-	-	-	-	-	3,047
Grants	30,012	305,298	-	43,724	15,000	-	-	-	-	9,952	10,638	414,624
Rent	-	8,777	-	-	-	-	-	-	-	-	-	8,777
Research costs	-	-	1,350	-	-	-	-	-	-	-	-	1,350
Professional fees	1,500	4,300	11,565	-	-	-	-	-	-	-	-	17,365
Office expenses	-	7,574	-	-	-	-	2,741	432	-	-	-	10,747
Workshops' expenses	6,382	29,970	50,360	20,242	13,549	750	-	3,721	-	2,671	-	127,645
Staff training courses	-	1,572	-	-	-	-	-	1,000	-	-	268	2,840
Honorarium & Remuneration	44,550	4,350	64,440	-	-	-	-	-	-	-	-	113,340
Events & Activities	-	122,523	1,571	5,547	4,000	2,508	-	2,862	1,902	-	6,193	147,106
Publications	1,600	-	3,452	-	-	-	-	-	-	-	-	5,052
Subscriptions & Membership fees	-	720	-	-	-	-	-	-	-	-	-	720
Website development	1,000	-	2,000	-	-	-	-	-	-	-	-	3,000
Residencies	-	7,874	-	-	-	-	-	-	-	-	-	7,874
Miscellaneous Expenses	-	200	-	-	83	-	-	-	-	-	-	283
Advertisement & Promotion	-	1,770	-	1,981	-	-	460	150	-	-	667	5,028
Administrative costs	-	-	-	-	-	-	-	-	-	-	-	-
Others	-	3,289	-	-	-	-	-	-	-	-	-	3,289
Subtotal (A)	85,794	700,174	135,473	100,000	57,098	6,874	3,201	15,100	5,210	14,638	61,425	1,184,987

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Schedule B

	Performing Arts - European Commission (EC)	Performing Arts Network (PAN)	Promoting Healing and Learning for Gaza's Children	QCC	QCERD _Gaza	QCERD_ Ramallah	Selat: Links Through the Arts	Supporting contemporary Art Production in Gaza - CKU	Walid & Helen Kattan Science Edu. Project	Total 2015	Total 2014
Salaries	29,804	29,822	7,000	530,807	35,170	355,444			195,294	1,183,341	1,160,174
Employee Bonus				6,000						6,000	20,100
Casual wages			23,600	51,297	900	17,113			14,050	106,960	107,040
Insurance	592	592		5,808	198	5,681	54		3,639	16,564	24,796
Severance pay & Provident fund	464	4,573		132,529	8,558	88,665			10,378	245,167	152,047
Transportation, travel & accommodation	906	1,279	1,727	3,564	330	18,027	1,540		24,230	51,603	61,171
Utilities		3,263	3,880	75,896	9,478	32,582	343		12,589	138,031	146,610
Maintenance & Consumables		288		26,754	3,947	19,297			5,471	55,757	53,364
Grants		760,840	99,432	2,997		34,462	90,520			988,251	843,429
Rent		1,319		1,333	14,444	30,766			33,333	81,195	79,981
Research costs					73	35,580				35,653	26,746
Professional fees	28,167	21,617		3,971	199	41,805	16,364		50,417	162,540	119,902
Retreats						3,769				3,769	
Office expenses	470	1,193		12,352	1,784	16,967	397		14,465	47,628	47,798
Workshops' expenses	5,151	19,449	9,361	7,783	2,701	179,272	1,940		61,034	286,691	257,231
Staff training courses				1,540		1,294			13,743	16,577	11,564
Honorarium & Remuneration						21,420	2,428		13,902	37,750	37,341
Events & Activities	512,622	15,621		33,396		35,832			70,141	667,612	157,969
Publications						29,035			5,699	34,734	39,867
Subscriptions & Membership fees				68	242	4,690			1,912	6,912	7,467
Website development	3,101									3,101	3,364
Miscellaneous Expenses				2,877	38	1,129			1,120	5,164	5,181
Advertisement & Promotion				9,467	56	3,219		242	816	13,800	14,195
Administrative costs	32,127	26,706								58,833	31,726
Others		360		4,503	165	2,728	710		715	9,181	8,097
Total (B)	613,404	886,922	145,000	912,942	78,283	978,777	114,296	242	532,948	4,262,814	3,417,160
Total (A)										1,184,987	1,339,213
Total (A & B)										5,447,801	4,756,373

A. M. QATTAN FOUNDATION - PALESTINE

Financial statements for the fiscal year ended March 31, 2015

NOTES TO THE FINANCIAL STATEMENTS

(All amounts are in US Dollars)

NOTE (20) RELATED PARTIES

This item represents transactions and balances with related parties, i.e., trustees, directors (management) and organizations over which they exercise control.

a) Transactions with related parties are as follows:

Details:

	March 31, 2015	March 31, 2014
Key management salaries and related benefits	429,469	369,138
Unrestricted contribution from Al-Qattan Charitable Trust - Guernsey	4,241,479	3,258,244
Released from restriction for Walid & Helen Kattan Science Education Project	-	19,385

b) Balances with related parties are as follows:

Details:

	March 31, 2015	March 31, 2014
Payable in respect of key management salaries and related benefits	492,674	368,967
Advance received from Al-Qattan Charitable Trust (Guernsey)	-	800,000
Contribution receivable from Walid & Helen Kattan	600,000	1,200,000
Due to A.M. Qattan Foundation - London	13,828	-