

Rebat Office for Accountancy & Scrutiny

مكتب الرباط للمحاسبة والتدقيق

Managed By The Canonical Accountant :

إدارة المحاسب القانوني: نائل فتحي النديم

Nael Fathei El-Nadem

ميزانيات - مسك دفاتر محاسبية - مراجعة حسابات

**Basma Society for culture & Arts**

**PALESTINE**

**فلسطين**

**Financial Statements  
Auditors Report  
For The Ended Year  
31-December-07**

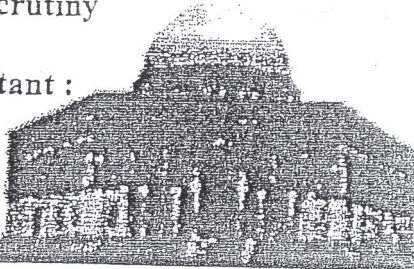
**Auditor**

**Nael Fathei El-Nadem**

Rebat Office for Accountancy & Scrutiny

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**Board of Directors**  
**Basma society for culture & Arts**

**Report**  
**Independent Auditor's report**  
**Basma Society for Culture And Arts**  
**Gaza – Palestine**

We have audited the attached financial position of the Society (Clarification 1), and the statement of activities (Clarification 2) as of December 31, 2007, where the audit included the society's account for the year 2007, and that the financial data are the responsibility of Basma management, and that our responsibility is to express an opinion based on our audit.

We conducted our audit in accordance with recognized auditing rules that generally accepted, which require that we plan and perform the audit to obtain reasonable assurance whether the financial statement does not include any fundamental error.

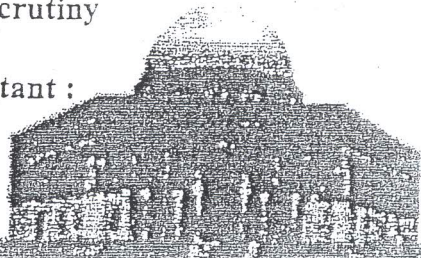
This audit includes examining on a basis of random sample of documents that supporting the financial statements and disclosures. Also, includes assessing the accounting principles used, and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

The society follows the modified accrual principle for recording receipt and expenditures. Accordingly, revenues are recorded when received not when earned, and expenses are recorded when it paid.

In our opinion, the financial data fairly show the society financial position in all fundamental respects, as set out in the December 31, 2007 in accordance with accounting principles generally accepted, and applied on consistent basis, and the results of it's activities for fiscal year (the scope of examination), as well as receipts and disbursements for the period.

Gaza – October 12, 2008





**Basma Society for culture &Arts**

**Gaza-Palestine**

**Balance Sheet 31-December 2007**

**Amounts listed by Israeli Shekels & U.S Dollars**

**List(A)**

**31-Dec.**

	Notes	NIS	U.S dollars
<b>Assets</b>			
Cash on hand& banks	3	150.01	38.17
<b>Total Current Assets</b>		<b>150.01</b>	<b>38.17</b>
Surplus or Deficit in the Budget list(B)		32767.88	8302.89
<b>Total Fixed Assets</b>		<b>32917.89</b>	<b>8341.06</b>
<b>Liabilities &amp; Net assets</b>			
Account payables	4	24613.59	6263
Other payables	5	5915.9	1505.3
Surplus from previous years		2388.4	572.76
<b>Total Liabilities &amp; Net assets</b>		<b>32917.89</b>	<b>8341.06</b>

**Basma Society for culture & Arts  
Gaza-Palestine**

**Activities for the year ended 31/12/2007  
Amounts listed by Israeli Shekels & U.S Dollars**

**List(B)**

**31-Dec.**

	Notes	NIS	U.S dollars
Revenue			
<b>Revenue</b>	<b>6</b>	<b>30798.02</b>	<b>7871.64</b>
<b>Total Revenue</b>		<b>30798.02</b>	<b>7871.64</b>
Expenses			
<b>Running Cost</b>		<b>63565.9</b>	<b>16174.53</b>
<b>Total Expenses</b>		<b>63565.9</b>	<b>16174.53</b>
<b>Net Increase (Decrease) in Revenue over Expenditure</b>		<b>32767.88</b>	<b>8302.89</b>



## **Basma Society for culture &Arts Gaza-Palestine**

### **Clarifications about the financial statement**

**31-December 2007**

#### **(1) Configuration and activity**

Basma Society for Culture and Arts is a Palestinian non-governmental and non for profit organization. It is a cultural and arts NGO provides interactive cultural, educational, recreational and psychosocial support, as well as other creative programs and activities.

#### **(2) Significant accounting Polices**

##### **A- Foreign Currency Exchange**

Currencies are converted to the New Israeli Shekel at the time of the financial process.

##### **B-Accounting Basis**

The society follows the modifies accrual principle in recording receipts and expenditures. Accordingly, revenues are recognized when received, and expenses recognized when it is due.

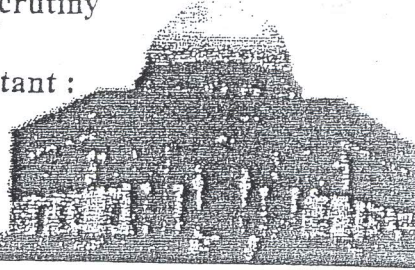
##### **c-Financial Documents**

The society use sequential and signed by Ministry of Internal receipt and payment vouchers.

##### **D-Accounting System**

The society is using automatic accounting system and the golden Assel program of accounting and finance to prove the financial operations of the society in US dollars.





**(3) Cash on hand & banks**

31-December

	NIS	U.S Dollars
Cairo Amman Bank NIS	56.75	14.44
Cairo Amman Bank U.S dollars	93.26	23.73
<b>Cash on hand &amp; banks</b>	<b>150.01</b>	<b>38.17</b>

**(4) Accounts payable**

	NIS	U.S Dollars
Loan of (Nahed Hanona)	11790	3000
Rafee al- Maleh	88.43	22.5
Palestine Telecommunications Company	178.81	45.5
Rebat Office for Accountancy & Scrutiny	786	200
Maha Rezaq	98.25	25
Accrued salaries (Nahed Hanona)	11672.1	2970
<b>Accounts payable</b>	<b>24613.59</b>	<b>6263</b>

**(5) other payable**

31-December

	NIS	U.S Dollars
Office rent	3537	900
Cairo Amman Bank	17.68	4.5
Water expense	375	95.41
Electricity expense	1986.22	505.39
<b>other payable</b>	<b>5915.9</b>	<b>1505.3</b>

(5) Revenue

31-December

	NIS	U.S dollars
Membership fees and subscriptions	280	71.24
Local donations and grants	4385.13	1115.81
Give Gaza organization	9825	2500
Palestinian Cultural Fund - the Norwegian government	15720	4000
Differences commissions	587.89	184.59
<b>Revenue</b>	<b>30798.02</b>	<b>7871.64</b>

(7) Running Cost

31-December

	NIS	U.S dollars
Capacity building project	10375.2	2640
Wages of the society	21544.77	5482.13
Stationary cost	4047.9	1030
Mobile & phone expenses	1891.07	481.19
Rent cost	7074	1800
Transportation and fuel expenses	7649.98	1946.56
Hospitality Cost	2210.62	562.5
Expenses of maintenance and Assembly programming site on the net	1689.9	430
Expenses accounting fees - audit	786	200
Expenses of maintenance of equipment	721.23	183.52
Bank fees	290.42	73.9
Other expenses	779.04	198.23
Advertising expenses s	196.5	50
Net expenses	2420.29	615.85
Water Cost	300	76.33
Electricity cost	1588.98	404.32
<b>Total expenditure</b>	<b>63565.9</b>	<b>16174.53</b>