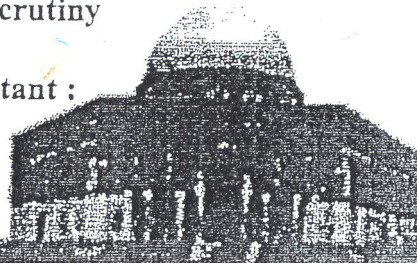


Rebat Office for Accountancy & Scrutiny

Managed By The Canonical Accountant :

Nael Fathei El-Nadem



مكتب الرباط للمحاسبة والتدقيق

إدارة المحاسب القانوني: نائل فتحي النديم

ميزانيات - مسك دفاتر محاسبية - مراجعة حسابات

Basma Society for culture & Arts

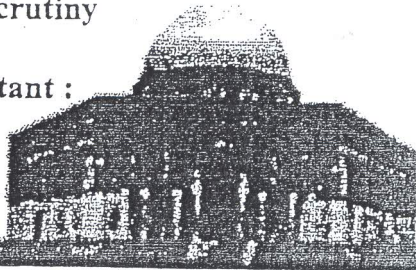
PALESTINE

فلسطين

Financial Statements  
Auditors Report  
For The Ended Year  
31-December-08

Auditor  
Nael Fathei El-Nadem

Handwritten signature of Nael Fathei El-Nadem in blue ink, overlaid on a circular purple stamp. The stamp contains the text 'مكتب الرباط للمحاسبة والتدقيق' and 'إدارة المحاسب القانوني' around the perimeter, and the number '48109' at the bottom.



جدول المحتويات

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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, 2008, where the audit included the society's account for the year 2008, 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, 2008 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 – February 12, 2009



Basma Society for culture & Arts

Gaza-Palestine

Balance Sheet 31-December 2008

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	64663.61	18435.47
Insurance of Jawal Company		604	148.41
<b>Total Current Assets</b>		<b>65267.61</b>	<b>18583.88</b>
<b>Fixed Assets</b>			
Net Fixed Assets	9	50258.95	15237.8
<b>Total Fixed Assets</b>		<b>50258.95</b>	<b>15237.8</b>
Deficit from previous years	8	30379.48	7730.13
<b>Total Assets</b>		<b>145906.04</b>	<b>41551.81</b>
<b>Liabilities &amp; Net Assets</b>			
Other payables	4	2338.26	597.17
Surplus or Deficit in the Budget list(B)	5	17443.28	4880.7
<b>Total Liabilities &amp; Net assets</b>		<b>126124.5</b>	<b>36073.94</b>
		<b>145906.04</b>	<b>41551.81</b>



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

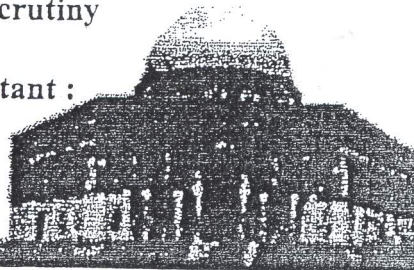
**Activities for the year ended 31/12/2008  
Amounts listed by Israeli Shekels & U.S Dollars**

**List(B)**

**31-Dec.**

	Notes	NIS	U.S dollars
Revenue			
Revenue	6	416909.53	119632.89
<b>Total Revenue</b>		<b>416909.53</b>	<b>119632.89</b>
Expenses			
Running Cost	7	290785.03	83558.95
<b>Total Expenses</b>		<b>290785.03</b>	<b>83558.95</b>
<b>Net Increase (Decrease) in Revenue over Expenditure</b>		<b>126124.5</b>	<b>36073.94</b>





## Basma Society for culture & Arts Gaza-Palestine

### Clarifications about the financial statement

31-December 2008

#### (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 Asseal 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
Cash on hand	312.5	80.75
Cairo Amman Bank NIS	4729.7	1222.13
Cairo Amman Bank U.S dollars	59621.41	17132.59
<b>Cash on hand &amp; banks</b>	<b>64663.61</b>	<b>18435.47</b>

**(4) Accounts payable**

	NIS	U.S Dollars
Palestine Telecommunications Company	410	100.74
Jawal company	148.26	36.43
Bahloul Petroleum Company	1780	460
<b>Accounts payable</b>	<b>2338.26</b>	<b>597.17</b>

**(5) other payable**

31-December

	NIS	U.S Dollars
Accrued salaries ( Nahed)	3265.35	938.32
Accrued salaries (Mona)	1044	300
Accrued salaries (Yehya)	6612	1900
Accrued salaries (Ayman)	556.8	160
Accrued salaries (Rewaa)	1044	300
Accrued audit fees expense	696	200
Water expense	675	172.92
Electricity expense	3550.13	909.46
<b>other payable</b>	<b>17443.28</b>	<b>4880.7</b>



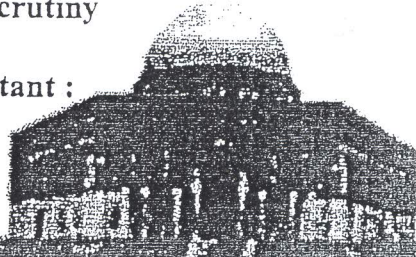
(5) Revenue

31-Decemer

	NIS	U.S dollars
Membership fees and subscriptions	40	11.2
Local donations and grants	15693	4506.19
Save the Children grants	101168	29200
Middle East Partnership Initiative (MEPI) grant	66028.33	18805.5
Grant of Amidest	11887.2	3510
NGO Development Center grant	219975	63000
Revenue of plays (ARD-USAD)	2118	600
<b>Revenue</b>	<b>416909.53</b>	<b>119632.89</b>







(7)Running Cost

31-December

	NIS	U.S dollars
Wages of the society	39672	11400
Audit fees, expenses	696	200
Rent cost	6264	1800
Mobile & phone expenses	8110.07	2330.48
Stationary cost	14256.3	4096.64
Transportation and fuel expenses	13711.58	3940.11
Insurance Expense	1959.1	562.96
Water Cost	269.7	77.5
Electricity cost	1406.16	404.46
Hospitality Cost	1605.18	461.26
Society wages	175022.7	50293.8
Bank fees	464.96	133.61
Maintenance and repair of vehicles	5239.38	1505.57
Differences commissions	2402.48	690.37
Advertising expenses	128.27	36.86
Net expenses	474.56	136.37
Expenses of maintenance of equipment	213.91	61.47
Generator Rent	1392	400
Expenses contributions to the Union and the Organization	290.71	83.54
General expenses to host the site on the net	213.77	61.43
Expenses Decorative & Accessories	2075.54	596.12
Expenses to write the text of the projects	4872	1400
Depreciation expenses	5645.25	1622.2
Other expenses	4399.416	1264.2
<b>Total expenditure</b>	<b>290785.03</b>	<b>83558.95</b>

مكتب الرباط للمحاسبة والتدقيق  
إدارة / المحاسب القانوني  
نائل فتحي النديم  
46109