

PALESTINE TRADE CENTER (PALTRADE)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

FOR THE YEAR ENDED DECEMBER 31, 2009

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Independent Auditor's Report

Independent Auditor's Report

**To the General Assembly
Palestine Trade Center (PalTrade)
Ramallah - Palestine**

Report on the Financial Statements

We have audited the accompanying financial statements of **Palestine Trade Center (Paltrade)**, which comprise of the statement of financial position as of December 31, 2009, the statement of activities and the statement of cash flows 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 relevant 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 Center'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 Center'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 **Paltrade** as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with relevant International Financial Reporting Standards.

Ramallah:

June 15, 2010

Deloitte & Touche – M.E

Statement of Financial Position

Palestine Trade Center (Paltrade)
Statement of Financial Position
As of December 31, 2009

	<u>Note</u>	<u>31/12/2009</u> <u>USD</u>	<u>31/12/2008</u> <u>USD</u>
<u>Assets</u>			
Current Assets:			
Cash in Hand and at Banks	3	1,075,254	687,946
Accounts Receivable - Net	4	155,791	169,734
Advances	5	41,789	239,933
Prepaid Rent		--	4,680
Total Current Assets		1,272,834	1,102,293
Property, Plant & Equipment:			
Land	6	122,085	122,085
Furniture and Equipment - Net	7	167,988	192,578
		290,073	314,663
Total Assets		1,562,907	1,416,956
<u>Liabilities and Net Assets</u>			
Current Liabilities:			
Banks' Overdraft	8	11,909	18,696
Accounts Payable and Accruals	9	478,505	332,438
Unearned Revenue		7,750	20,170
Deferred Revenue	10	755,061	572,360
Total Current Liabilities		1,253,225	943,664
Provision for Employees' Indemnity	11	226,892	198,455
Net Assets:			
Unrestricted Net Assets		82,790	233,578
Temporarily Restricted Net Assets		--	41,259
Total Net Assets		82,790	274,837
Total Liabilities and Net Assets		1,562,907	1,416,956

The Accompanying Notes Constitute an Integral Part of These Statements

Statement of Activities

Palestine Trade Center (Paltrade)
Statement of Activities
For the Year Ended December 31, 2009

	<u>Note</u>	<u>Unrestricted</u> <u>Fund</u> <u>USD</u>	<u>Temporary</u> <u>Restricted</u> <u>USD</u>	<u>Total</u> <u>Year Ended</u> <u>31/12/2009</u> <u>USD</u>	<u>Total</u> <u>Year Ended</u> <u>31/12/2008</u> <u>USD</u>
Grants and Revenues:					
Grants from Donors	12	--	1,546,142	1,546,142	1,884,242
Membership Fees		72,869	--	72,869	65,630
Services and Participation Fees	13	524,607	--	524,607	318,600
Service Revenue	14	130,937	--	130,937	71,177
Other Revenues	15	212,633	--	212,633	171,585
Total Grants and Revenues		941,046	1,546,142	2,487,188	2,511,234
Net Assets Released From Restriction	12	1,546,142	(1,546,142)	--	--
Total Revenues, Gains and Other Supports		2,487,188	--	2,487,188	2,511,234
Expenses:					
Trade Promotion		578,610	--	578,610	415,098
Trade Development		661,213	--	661,213	1,033,831
Administration and Finance		563,895	--	563,895	486,024
Trade Policy		731,109	--	731,109	655,349
Membership		86,073	--	86,073	66,115
Trade Information		58,941	--	58,941	28,673
Total Expenses	17	2,679,841	--	2,679,841	2,685,090
Net (Decrease) in Net Assets		(192,653)	--	(192,653)	(173,856)
Net Assets at Beginning of the Year		233,578	41,259	274,837	557,076
Net Adjustments to Net Assets at Beginning of the Year	16	41,865	(41,259)	606	(108,383)
Net Assets at End of The Year		82,790	--	82,790	274,837

Statement of Cash Flows

Palestine Trade Center (Paltrade)
Statement of Cash Flows
For the Year Ended December 31, 2009

	<u>31/12/2009</u>	<u>31/12/2008</u>
	<u>USD</u>	<u>USD</u>
Operating Activities:		
(Decrease) in net assets	(192,653)	(173,856)
Adjustments:		
Net adjustments to net assets at the beginning of the year	606	(108,383)
Depreciation	38,026	37,965
Provision for bad debts	28,188	--
Provision for employees' indemnity	59,114	70,344
	(66,719)	(173,930)
(Increase) Decrease in Current Assets:		
Accounts receivable	(14,245)	192,900
Advances	198,144	(187,446)
Other current assets	4,680	(4,680)
Increase (Decrease) in Current Liabilities:		
Accounts payable and accruals	146,067	132,640
Unearned revenue	(12,420)	20,170
Deferred revenue	182,701	588,962
Net cash provided from operating activities before indemnity payment	438,208	568,616
Indemnity paid	(30,677)	(16,677)
Net cash provided from operating activities after indemnity payment	407,531	551,939
Investing Activities:		
Purchase of fixed assets	(13,436)	(93,783)
Net cash (used in) investing activities	(13,436)	(93,783)
Financing Activities:		
(Decrease) in overdrawn bank balances	(6,787)	(33,941)
Net cash (used in) m financing activities	(6,787)	(33,941)
Net Increase in Cash for the Year	387,308	424,215
Cash and cash equivalents at beginning of the year	687,946	263,731
Cash and cash equivalents at end of the year	1,075,254	687,946

The Accompanying Notes Constitute an Integral Part of These Statements