

***Atfaluna Society for Deaf
Children (ASDC)***

Financial Statements for the Year ended
31 December 2019

Atfaluna Society for Deaf Children - ASDC

Financial statements for the year ended 31 December 2019

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Independent auditor's report to the Board of Directors of Atfaluna Society for Deaf Children - ASDC

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Atfaluna Society for Deaf Children (hereinafter the "Society" or "ASDC") as at 31 December 2019 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS").

What we have audited

The Society's financial statements comprise:

- the statement of financial position as at 31 December 2019;
- the statement of activities and changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Society in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA code.

Management's responsibility and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease its operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Independent auditor's report to the Board of Directors of Atfaluna Society for Deaf Children - ASDC (continued)

Auditor's responsibilities for the audit of the financial statements

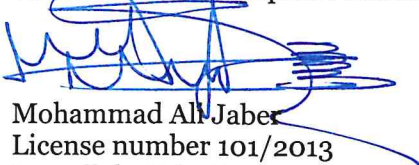
Our objectives are to obtain a reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of the audit made in accordance with the International Auditing Standards, we exercise professional judgment and maintain professional skepticism in all phases of audit. We also exercise the following:

- Identify and assess the risk of material misstatements of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimate and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

PricewaterhouseCoopers Palestine ,



Mohammad Ali Jaber
License number 101/2013
Ramallah, Palestine
July 19, 2020

Atfaluna Society for Deaf Children - ASDC
Financial statements for the year ended 31 December 2019
(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF FINANCIAL POSITION
As at 31 December

	Note	2019	2018
ASSETS			
Non-Current Assets			
Property and equipment	6	1,221,654	1,371,352
Current assets			
Inventory	7	321,084	319,294
Contributions receivable	8	1,588,445	1,538,795
Accounts receivable and other current assets	9	92,855	83,569
Cash and bank balances	10	657,602	510,837
		2,659,986	2,452,495
Total assets		3,881,640	3,823,847
NET ASSETS AND LIABILITIES			
NET ASSETS			
Unrestricted net assets		382,266	353,364
Non-Current Liabilities			
Deferred contributions related to assets	11	650,268	800,187
Provision for employees' benefit	12	754,770	705,184
		1,405,038	1,505,371
Current liabilities			
Accounts payable and other accruals	13	106,418	107,268
Deferred contributions related to operations	14	1,987,918	1,857,844
		2,094,336	1,965,112
Total liabilities		3,499,374	3,470,483
Total net assets and liabilities		3,881,640	3,823,847

- The notes on pages from (6) to (29) are an integral part of these financial statements.
- The financial statements were authorized for issue by the General Assembly on 25 June 2020 and were signed on its behalf.

Mr. Sharhabeel Al Zaeem
Chairman of the Board of Directors

Mr. Emad Elaraj
BOD treasury

Mr. Naim Kabaja
Executive director



Atfaluna Society for Deaf Children - ASDC

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(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS for the years ended 31 December

	Note	2019	2018
Contributions and other income			
Unrestricted contributions	15	7,119	-
In-Kind revenues	16	13,352	6,123
Operating revenues	17	258,533	295,806
Other revenues	18	10,501	38,601
Deferred contributions related to operations recognized as revenues	14	1,355,540	806,954
Deferred contributions related to assets recognized as revenues	11	151,233	132,470
Total contributions and other income		1,796,278	1,279,954
Expenses			
Program expenses	19	(1,515,628)	(1,027,736)
General and administrative expenses	20	(101,088)	(80,845)
Depreciation expense	6	(151,233)	(134,512)
Bad debt expense		-	(5,443)
Gain (loss) from foreign currency translation		573	(4,678)
Total expenses		(1,767,376)	(1,253,214)
Net changes for the year		28,902	26,740
Balance, beginning of the year		353,364	326,624
Balance, end of the year		382,266	353,364

- The notes on pages from (6) to (28) are an integral part of these financial statements.

Atfaluna Society for Deaf Children - ASDC

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(All amounts expressed in US Dollar unless otherwise stated)

STATEMENT OF CASH FLOWS

for the years ended 31 December

	Note	2019	2018
Cash flows from operating activities			
Changes in net assets for the year		28,902	26,740
Adjustments			
Depreciation expense	6	151,233	134,512
Provision for employees' benefits	12	53,294	46,358
Deferred Contributions recognized as revenues in the statement of activities and changes in net assets - related to assets	11	(151,233)	(132,470)
Cash flows from operating activities before payment of employees benefits and changes in working capital		82,196	75,140
Employees' benefits paid	12	(3,708)	(21,790)
Changes in working capital:			
Inventory		(1,790)	(49,773)
Contributions receivable		(49,650)	(1,089,770)
Accounts receivable and other current assets		(9,286)	(5,485)
Deferred contributions related to assets		1,314	249,204
Deferred contributions related to operations		130,074	1,258,187
Accounts payable and other accruals		(850)	17,340
Net cash flows generated from operating activities		148,300	433,053
Cash flows from investing activities			
Long-term deposits		(2,081)	(2,043)
Purchase of property and equipment	6	(1,535)	(249,204)
Net cash used in investing activities		(3,616)	(251,247)
Net changes in cash and cash equivalents		144,684	181,806
Cash and cash equivalents, beginning of the year	10	418,777	236,971
Cash and cash equivalents, end of the year	10	563,461	418,777

- The notes on pages from (6) to (28) are an integral part of these financial statements.

Atfaluna Society for Deaf Children - ASDC

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(All amounts expressed in US Dollar unless otherwise stated)

Notes to the financial statements

1. GENERAL

The Atfaluna Society for Deaf Children (hereinafter the “ASDC” or “Society”) is a Palestinian not-for-profit organization established in 1992 working in the field of deaf education and allied services. The ASDC serves people with disabilities, particularly deaf people, children and adults and their families through education, audiology, speech therapy, income generating programs for the deaf, vocational training, parents’, teachers’, community training and awareness programs as well as hosting other services and programs. The ASDC was registered in the Ministry of Interior under registration number (2076) on May 23, 2001 according to the community organizations law of the year 2000.

2. GOING CONCERN

The Society has accumulated unrestricted net assets amounting to USD 382,266 (2018: USD 353,364) as at that date which creates comfort about the Society’s ability to continue as going concern.

The Society’s management have confirmed that they have signed many grant agreements in 2020 which enables it both to meet its liabilities as they fall due and to carry on its activities without a curtailment of operations. Management is satisfied that the Society has sufficient cash facilities to meet its obligations for the foreseeable future and for a period of at least one year from the date of approval of these financial statements. Accordingly, these financial statements have been prepared on a going concern basis.

3. 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 years presented, unless otherwise stated.

3.1 Basis of preparation

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

The preparation of the financial statements 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. The areas involving a high degree of judgement or complexity, or areas where assumption and estimations are significant to the financial statements are disclosed in note (5).

3.2 Changes in accounting policies and disclosures

New and amended standards and interpretations adopted by the Society

The Society has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2019:

- Prepayment Features with Negative Compensation – Amendments to IFRS 9
- Annual Improvements to IFRS Standards 2015 – 2017 Cycle
- Plan Amendment, Curtailment or Settlement – Amendments to IAS 19

The amendments listed above did not have any impact on the amounts recognised in prior periods and are not expected to significantly affect the current or future periods.

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Notes to the financial statements

3.2 Changes in accounting policies and disclosures (continued)

New standards applied by the Society commencing 1 January 2019 and has significant impact

IFRS 16 Leases

The Society has adopted IFRS 16 retrospectively from 1 January 2019, but has not restated comparatives for the 2018 reporting period, as permitted under the specific transitional provisions in the standard. The reclassifications and the adjustments arising from the new leasing rules are therefore recognised in the opening balance sheet on 1 January 2019.

The impact of IFRS 16 on the financial statements of the society is immaterial.

New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2019 reporting periods and have not been early adopted by the Society. These standards are not expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

3.3 Property and equipment

Property and equipment are stated at historical cost net of accumulated depreciation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets based on their estimated useful lives, as follows:

Asset category	Estimated useful life
Buildings	50
Building renovation	14
Furniture and fixtures	11
Equipment	5-10
Computers and printers	4
Vehicles	5

The cost of the property and equipment includes all of the expenditures that are directly attributable to the acquisition of the items. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (see note below).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of activities and changes in net assets.

Depreciation method, residual values, and useful lives of property and equipment are reviewed at each reporting date and adjusted if appropriate.

3.4 Inventory

The inventory consist of three items. The inventory of vocational training products, raw materials and hearing aid devices. The inventory of vocational training products represents products produced by the vocational deaf trainees. Such products include embroidered dresses and pieces of clothes, mirrors, trays, arabesque chairs and tables of different sizes, dishes and paintings. The inventory of raw materials represents the materials used for producing the vocational training products. Such items include strings, fabrics, wood, paint, colors and glass. The inventory is measured at the lower of cost or net realizable value (selling price after deducting the maximum discount rate at 30%) whichever is lower.

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(All amounts expressed in US Dollar unless otherwise stated)

Notes to the financial statements

3.5 Impairment of non-financial assets

Assets that are subject to depreciation or amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

Financial instruments

Financial assets and liabilities are recognised on the Society's statement of financial position when the Society becomes a part of the contractual provision of the instruments.

3.6 Financial assets

Classification

The Society classifies its financial assets in accordance with IFRS 9. The Society's financial assets consist of contributions receivables, accounts receivables and cash and cash equivalents. The classification depends on the purpose for which the financial assets were acquired.

Management determines the classification of its financial assets at initial recognition. The Society's financial assets are classified as financial assets at amortized costs.

Contributions receivable

Contributions receivable are stated at the original amount of the conditional pledge less amounts received and any uncollectible pledges. They are generally due from settlements in one year or less and therefore are all classified as current, if not they are classified as non-current.

Accounts receivable

Accounts receivable are amounts due from customers and related parties for goods sold or services performed in the ordinary course of business. They are generally due for settlement in one year or less and therefore are all classified as current. If not, they are classified as non-current assets.

Cash and cash equivalent

Cash and cash equivalents consist of cash on hand and bank balances.

Recognition and measurement

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost using the effective interest method. If, in a subsequent period, the amount of the impaired loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized such as an improvement in the debtor's credit rating, the reversal of the previously recognised impairment loss is recognised in the statement of financial position.

Impairment of financial assets

Contributions and accounts receivable

The Society applies the IFRS 9 simplified approach to measure expected credit losses, which uses a lifetime expected loss allowance for all contributions and accounts receivable.

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Notes to the financial statements

3.6. Financial assets (continued)

To measure the expected credit losses, contributions and accounts receivable have been grouped based on shared credit risk characteristics and the days past due. Contributions and accounts receivable are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others, the failure of a debtor to engage in a repayment plan with the Society, and a failure to make contractual payments per case by case basis.

Cash and cash equivalents

Cash and cash equivalents are also subject to the impairment requirements of IFRS 9.

Derecognition

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- The rights to receive cash flows from the asset have expired
- The Society has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Society has transferred substantially all the risks and rewards of the asset, or (b) the Society has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

3.7 Financial liabilities

Financial liabilities mainly comprise accounts payable and other accruals (excluding deferred revenues). Financial liabilities are initially measured at fair value and subsequently carried at amortized cost using the effective interest method. The Society's financial liabilities are classified as financial liabilities at amortized costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Financial liabilities at amortized costs

After initial recognition, financial liabilities are subsequently measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the statement of activities and changes in net assets when the liabilities are derecognized as well as through the amortization process.

Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the statement of activities and changes in net assets.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

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Notes to the financial statements

3.8 Deferred contributions

Contributions are recognised where there is reasonable assurance that the contribution will be received and all attached conditions will be complied with. When the contribution relates to an expense item, it is recognised as income over the period necessary to match the contribution on a systematic basis to the costs that it is intended to compensate. To the extent that the contribution is not matched to expenditure in the year, it is recognised as deferred income.

Where the contribution relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

3.9 Provision for employee' benefits

Provision for Severance Pay: Provision for severance pay is payable to the employees at the end of their services and it is provided in accordance with the guidelines set by the local labor laws. The provision is computed and provided for based on one month for the latest salary of each employee.

An actuarial valuation is not performed on the provision for employees' end of service benefits as the net impact of the discount rate and future salary and benefits level on the present value of the benefits obligations are not expected by management to be significant.

3.10 Provisions

Provisions are recognized when the Society has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense.

3.11 Translation of foreign currencies

The associating financial statements are denominated in US Dollars. Transactions in other currencies are translated to US Dollars using 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 resulting from the settlement of such transactions are recognised in the *statement of activities and changes in net assets*. The exchange rates of other currencies against the US dollar as of December 31, 2019 and 2018 are as follows:

	2019	2018
New Israeli Shekel (NIS)	3.460	3.763
Jordanian Dinar	0.710	0.709
EURO	0.890	0.874

IFRS 15 'Revenue from contracts with customers'

Operating and other revenues:

Operating and other revenues are recognized when economic benefits are likely to flow to the Society and when the amount of revenue can be reliably measured

Unrestricted contributions

Unrestricted contributions: These are contributions not restricted for a specific purpose or time are recognized when the pledge is obtained.

Atfaluna Society for Deaf Children - ASDC

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Notes to the financial statements

3.12 Expenditures recognition

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

3.13 Income Tax

The Society is a non-profit membership-based organization. Accordingly, it is not subject to income tax.

4. RISK MANAGEMENT

The Society manages various risks through a strategy that addresses those risks and the procedures to mitigate them by applying reporting systems aiming to review and adopt appropriate risk mitigating procedures. In addition, the various departments are responsible for identifying risks associated with their activities and to apply and monitor appropriate control procedures. The overall responsibility of managing and monitoring risks rests with the Board of Directors.

Risk measurement and reporting systems

Managing risks is established by monitoring limits for each type of risk. The limits reflect the Society strategy and market condition. Information is gathered from each department and analysed to identify expected risk. Information is presented and analysed to the Board of Directors. The Society management oversees and monitors risks and ensures strategic and optimal allocation of assets and liabilities. These risks include market risk, liquidity risk and credit risk.

4.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk.

Interest rate risk: Since the financial assets and liabilities are not bearing significant interest rate, changes in market interest rates do not have a direct and significant impact on the results of the Society.

Foreign Currency Risk: Foreign currency risk is defined as the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign exchange rates. These fluctuations in the exchange rates resulted in a gain of US Dollars 573 and loss of 4,678 for the year ended 31 December 2019 and 2018 respectively.

4.2 Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its commitments associated with financial liabilities as they fall due. To mitigate this risk, management diversifies financing resources and manages assets. The table below summarizes the maturity profile of the Society financial liabilities based on contractual undiscounted payments:

	On demand	Less than 3 months	3 to 12 months	Total
December 31, 2019				
Accounts payable and other accruals	36,609	-	69,809	106,418
December 31, 2018				
Accounts payable and other accruals	37,460	-	69,809	107,269

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Notes to the financial statements

4.3 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all categories of financial assets held by the Society, the maximum exposure to credit risk is the carrying value as disclosed in the statement of financial position. To minimise these risks the Society's policy is to obtain credit verification procedures for customers including an assessment of their independent credit rating, financial position, past experience and industry reputation. Also, they maintain their cash in banks with good reputation and there are no restrictions on using these amounts.

4. KEY JUDGEMENT AND SOURCE OF ESTIMATION AND UNCERTANITY

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

5. KEY JUDGEMENT AND SOURCE OF ESTIMATION AND UNCERTANITY (CONTINUED)

The Society makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The major estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

5.1 Useful lives and residual values

The useful lives and residual values of assets are assessed using the following indicators to inform potential future use and value from disposal:

- The condition of the asset based on the management assessment,
- The nature of the asset, its susceptibility and adaptability to changes in technology and processes,
- The nature of the processes in which the asset is deployed,
- Availability of funding to replace the asset,
- Changes in the market in relation to the asset,

5.2 Impairment of financial assets

The impairment charge reflects estimates of losses arising from the failure or inability of the parties concerned to make the required payments or the time value of money. The charge is based on the expected credit losses, financial assets that have been grouped together based on their shared credit risk characteristics and the days past due of the aging of the party accounts, the party's credit worthiness and historic write-off experience. Changes to the estimated impairment provision may be required if the financial condition of the customers was to improve or deteriorate.

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Notes to the financial statements

6. PROPERTY AND EQUIPMENT

Cost	Land	Buildings	Building renovation	Furniture and fixtures	Equipment	Computers and printers	Vehicles	Total
At January 1, 2019	167,473	1,104,659	333,856	346,377	1,566,353	255,329	184,938	3,958,985
Additions during the year	-	-	-	1,314	105	116	-	1,535
Disposals during the year	-	-	-	(18,441)	(1,092)	-	-	(19,533)
At December 31, 2019	167,473	1,104,659	333,856	329,250	1,565,366	255,445	184,938	3,940,987
Accumulated Depreciation								
At January 1, 2019	-	375,715	244,917	298,913	1,270,168	232,628	165,292	2,587,633
Change for the year	-	22,093	23,360	12,964	69,812	12,204	10,800	151,233
Disposals during the year	-	-	-	(18,441)	(1,092)	-	-	(19,533)
At December 31, 2019	-	397,808	268,277	293,436	1,338,888	244,832	176,092	2,719,333
Net Book Value as of December 31, 2019	167,473	706,851	65,579	35,814	226,478	10,613	8,846	1,221,654
Cost	Land	Buildings	Building renovation	Furniture and fixtures	Equipment	Computers and printers	Vehicles	Total
At January 1, 2018	167,473	1,104,659	333,856	346,377	1,333,764	238,714	184,938	3,709,781
Additions during the year	-	-	-	-	232,589	16,615	-	249,204
At December 31, 2018	167,473	1,104,659	333,856	346,377	1,566,353	255,329	184,938	3,958,985
Accumulated Depreciation								
At January 1, 2018	-	353,622	221,557	284,481	1,213,385	225,584	154,492	2,453,121
Change for the year	-	22,093	23,360	14,432	56,783	7,044	10,800	134,512
At December 31, 2018	-	375,715	244,917	298,913	1,270,168	232,628	165,292	2,587,633
Net Book Value as of December 31, 2018	167,473	728,944	88,939	47,464	296,185	22,701	19,646	1,371,352

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Notes to the financial statements

7. INVENTORY

	2019	2018
Vocational training products	128,945	115,374
Raw materials	161,237	166,816
Hearing devices	30,902	37,104
	321,084	319,294

The vocational training products are embroidered dresses and pieces of clothes, mirrors, trays, arabesque chairs and tables of different sizes, dishes and paintings. Such inventory items are measured at the lower of cost or net realizable value (selling price after deducting the maximum discount rate of 30%) whichever is lower. The raw materials item represents raw materials used to produce the vocational training products, such inventory item was measured at cost.

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Notes to the financial statements

8. CONTRIBUTIONS RECEIVABLE

As at December 31, 2019:

Donor-Party	Beginning balance	Additions during the year	Cash received	Write off	Currency variance	Ending balance
CBM – Germany	309,263	4,424	(175,681)	-	-	138,006
Campaign for the Children of Palestine - Japan (CCoP)	-	169,164	(121,226)	-	-	47,938
V.T	-	33,250	(33,250)	-	-	-
Mel Wolf Foundation	35,408	68,928	(105,255)	-	919	-
The Lady Fatemah Charitable Trust	30,000	30,000	(30,000)	-	-	30,000
Campaign for the Children of Palestine - Japan (CCoP)	10,064	-	-	-	-	10,064
Swiss Agency for Development and Cooperation (SDC)	74,700	-	(74,692)	-	(8)	-
United Nations Development Programme (UNDP)	508	-	-	-	-	508
Qatar Red Crescent (QRC)	973,045	-	(380,913)	-	-	592,132
BMZ through CBM - Germany	9,725	-	(5,791)	-	-	3,934
Human Appeal – UK	24,250	-	(24,216)	-	-	34
World Health Organization (WHO)	9,981	33,420	(25,853)	-	-	17,548
P.A.I.S France	-	16,388	(16,388)	-	-	-
Middle East Children's Alliance (MECA)	-	19,966	(19,966)	-	-	-
Lafayette Orinda Presbyterian Church (LOPC)	52,348	-	-	-	-	52,348
Kuwait Fund for Arab Economic Development	-	28,760	(28,760)	-	-	-
The Lady Fatemah Charitable Trust	6,209	93,330	(70,369)	-	-	29,170
Save the Children International	3,294	85,544	(33,654)	-	-	55,184
GIZ – Germany	-	839,576	(251,875)	-	-	587,701
NGO Development Center (NDC)	-	6,608	(6,608)	-	-	-
D.V.V	-	47,382	(23,504)	-	-	23,878
UNICEF	-	4,107	(4,107)	-	-	-
Presbyterian Hunger Program (PHP)	-	6,000	(5,913)	-	(87)	-
Unit Aide	-	-	-	-	-	-
	1,538,795	1,486,847	(1,438,021)	-	824	1,588,445

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(All amounts expressed in US Dollar unless otherwise stated)

Notes to the financial statements

As at December 31, 2018:

Donor-Party	Beginning balance	Additions during the year	Cash received	Write off	Currency variance	Ending balance
CBM Germany - Regular budget	-	542,742	(233,479)	-	-	309,263
Campaign for the Children of Palestine - Japan (CCoP)	30,000	30,000	(30,000)	-	-	30,000
Mel Wolf Foundation	-	31,825	(31,825)	-	-	-
The Lady Fatemah Charitable Trust	42,413	61,775	(68,780)	-	-	35,408
Taawon Association	2,618	-	(2,618)	-	-	-
The Islamic University of Gaza	3,046	-	(3,056)	-	10	-
Swiss Agency for Development and Cooperation (SDC)	-	50,000	(39,936)	-	-	10,064
Lafayette Orinda Presbyterian Church (LOPC)	-	34,961	(34,961)	-	-	-
Qatar Red Crescent (QRC)	99,636	-	(99,128)	-	-	508
BMZ through CBM, Germany	-	1,198,082	(225,037)	-	-	973,045
Human Appeal – UK	-	27,121	(17,396)	-	-	9,725
World Health Organization (WHO)	-	24,250	-	-	-	24,250
American Consulate - Jerusalem	8,510	-	(8,510)	-	-	-
P.A.I.S France	2,802	55,000	(47,821)	-	-	9,981
Middle East Children's Alliance (MECA)	-	14,280	(14,280)	-	-	-
Church of Scotland	-	5,062	(5,063)	-	1	-
Save the Children International	-	31,043	(24,834)	-	-	6,209
United Nations Development Programme (UNDP)	-	90,000	(15,300)	-	-	74,700
GIZ- Germany	-	63,800	(60,183)	-	(323)	3,294
Kuwait Fund for Arab Economic Development	260,000	52,340	(259,992)	-	-	52,348
Palcrafts	-	978	(978)	-	-	-
	449,025	2,313,259	(1,223,177)	-	(312)	1,538,795

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Notes to the financial statements

9. ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

	2019	2018
Accrued transportation revenues – net *	15,261	24,548
Account receivable from sales of vocational training products	75,436	56,862
Others	958	959
Due from Employees	1,200	1,200
	92,855	83,569

*The accrued transportation revenues is recorded in the net amount out of the allowance for uncollectable amounts:

	2019	2018
Accrued transportation revenues	29,563	38,850
Allowance for uncollectable transportation fees	(14,302)	(14,302)
	15,261	24,548

10. CASH AND BANK BALANCES

	2019	2018
Cash on hand	174	95
Cash at banks	563,287	418,682
Long-term deposits with maturity of over 3 months	94,141	92,060
	657,602	510,837

For the purpose of the statement of cash flows, cash at banks comprise:

	2019	2018
Cash at banks	657,602	510,837
Less: Long-term deposits with maturity of over 3 months	(94,141)	(92,060)
	563,461	418,777

Long-term deposits are placed with a local reputable commercial bank and earn interest of 2.5% per annum for the year 2019 and 2018.

11. DEFERRED CONTRIBUTIONS RELATED TO ASSETS

	2019	2018
As at 1 January	800,187	683,453
Additions during the year	1,314	249,204
Recognized as revenues in the statement of activities and changes in net assets	(151,233)	(132,470)
As at 31 December	650,268	800,187

12. PROVISION FOR EMPLOYEES' BENEFIT

	2019	2018
As at 1 January	705,184	680,616
Charge during the year	53,294	46,358
Paid during the year	(3,708)	(21,790)
As at 31 December	754,770	705,184

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Notes to the financial statements

13. ACCOUNTS PAYABLE AND OTHER ACCRUALS

	2019	2018
Accrued expenses	10,736	6,372
Undistributed beneficiaries' money	10,307	8,981
Due to Jabalia Rehabilitation Society	(130)	6,411
Accounts payable	15,696	15,695
Salary tax payable	69,809	69,809
	106,418	107,268

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(All amounts expressed in US Dollar unless otherwise stated)

Notes to the financial statements

14. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

As at December 31, 2019

Donor-Party	Beginning balance	Additions during the year	Deferred contributions released from restriction and recognized as revenues	Fixed Assets	Write off	Currency variance	Ending balance
CBM Germany - Regular budget	330,000	4,424	(175,954)	(1,314)	-	-	157,156
BMZ through CBM - Germany	1,153,057	-	(521,055)	-	-	-	632,002
Campaign for the Children of Palestine - Japan (CCoP)	-	169,164	(122,291)	-	-	-	46,873
Mel Wolf Foundation	-	33,250	(32,880)	-	-	-	370
the Islamic Solidarity Foundation	33,000	-	-	-	-	-	33,000
The Lady Fatemah Charitable Trust	45,209	97,688	(52,752)	-	-	-	90,145
Swiss Agency for Development and Cooperation (SDC)	29,991	-	(26,956)	-	(3,035)	-	-
The Islamic University	2,700	-	-	-	-	-	2,700
P.A.I.S France	214	33,420	(22,020)	-	-	-	11,614
Middle East Children's Alliance (MECA)	9,222	16,388	(14,260)	-	-	-	11,350
Church of Scotland	3,374	-	(5,062)	-	-	1,688	-
Save the Children International	-	93,330	(47,628)	-	-	-	45,702
United Nations Development Programme (UNDP)	84,616	-	(85,861)	-	-	1,245	-
GIZ- Germany	33,155	85,544	(36,146)	-	-	-	82,553
Campaign for the Children of Palestine - Japan (CCoP)	22,453	30,000	(28,220)	-	-	-	24,233
NGO Development Center	-	839,576	(107,523)	-	-	-	732,053
D.V.V	-	6,608	(6,791)	-	-	183	-
UNICEF	-	47,382	(39,189)	-	-	-	8,193
Lafayette Orinda Presbyterian Church (LOPC)	17,041	19,966	(24,952)	-	-	-	12,055
Qatar Red Crescent (QRC)	8,762	-	-	-	-	-	8,762
Kuwait Fund For Arab Economic Development	52,348	-	-	-	-	-	52,348
Taawon Association	32,702	-	-	-	-	-	32,702
Presbyterian Hunger Program (PHP)	-	4,107	-	-	-	-	4,107
Unit Aide	-	6,000	(6,000)	-	-	-	-
	1,857,844	1,486,847	(1,355,540)	(1,314)	(3,035)	3,116	1,987,918

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(All amounts expressed in US Dollar unless otherwise stated)

Notes to the financial statements

As at December 31, 2018:

Donor-Party	Beginning balance	Additions during the year	Deferred contributions released from restriction and recognized as revenues	Fixed Assets	Write off	Currency variance	Ending balance
CBM – Germany	23,698	542,742	(234,740)	(1,700)	-	-	330,000
Campaign for the Children of Palestine - Japan (CCoP)	22,400	30,000	(29,947)	-	-	-	22,453
Mel Wolf Foundation	-	31,825	(31,825)	-	-	-	-
The Islamic Solidarity Fund	37,000	-	(4,000)	-	-	-	33,000
The Lady Fatemah Charitable Trust	30,759	61,775	(47,325)	-	-	-	45,209
Swiss Agency for Development and Cooperation (SDC)	-	50,000	(20,009)	-	-	-	29,991
The Islamic University of Gaza	2,700	-	-	-	-	-	2,700
Lafayette Orinda Presbyterian Church (LOPC)	18,716	34,961	(36,636)	-	-	-	17,041
United Nations Development Programme (UNDP)	10,000	90,000	(15,384)	-	-	-	84,616
Qatar Red Crescent (QRC)	83,388	-	(74,626)	-	-	-	8,762
Paltel Group	-	-	-	-	-	-	-
BMZ through CBM - Germany	22,330	1,198,082	(70,568)	-	-	3,213	1,153,057
Human Appeal – UK	-	27,121	(25,314)	-	-	(1,807)	-
World Health Organization (WHO)	-	24,250	(24,250)	-	-	-	-
French Consulate - Jerusalem	30,202	-	(29,907)	-	-	(295)	-
American Consulate - Jerusalem	4,304	-	(4,304)	-	-	-	-
P.A.I.S France	-	55,000	(54,786)	-	-	-	214
Middle East Children's Alliance (MECA)	12,214	14,280	(17,272)	-	-	-	9,222
Church of Scotland	4,565	5,062	(6,253)	-	-	-	3,374
Unit' Aide	4,679	-	(4,654)	-	-	(25)	-
Kuwait Fund for Arab Economic Development	260,000	-	-	-	-	-	-
Taawon Association - Zuhair Alami Grant	0	52,340	(29,250)	(230,742)	-	-	52,348
Save the Children International	32,702	-	(31,043)	-	-	-	32,702
Palcrafts	-	31,043	(978)	-	-	-	-
GIZ – Germany	-	978	(13,883)	(16,762)	-	-	33,155
	599,657	2,313,259	(806,954)	(249,204)	-	1,086	1,857,844

Atfaluna Society for Deaf Children - ASDC

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

15. UNRESTRICTED CONTRIBUTIONS

	2019	2018
Local contributions	5,434	-
Others	1,685	-
	7,119	-

16. IN-KIND REVENUES

	2019	2018
Food	13,352	6,123

17. OPERATING REVENUES

	2019	2018
Sales of vocational training products	167,140	150,531
Audio logical and speech therapy revenues	33,866	62,200
Transportation revenue	23,808	39,550
Conference hall rental revenues	15,626	20,731
Contribution of educational fees	8,904	14,770
Revenue of Atfaluna restaurant and cafeteria	7,749	5,113
Others	1,440	2,911
	258,533	295,806

18. OTHER REVENUES

	2019	2018
Bank interest	2,082	2,101
Bidding fees	2,290	1,355
Membership fees	179	191
Others	5,950	34,954
	10,501	38,601

Atfaluna Society for Deaf Children - ASDC

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

19. PROJECTS EXPENSES

Following are the Society program expenses per donor for the year ended December 31, 2019.

	Middle East Children's Alliance (MECA)	CBM - Germany	BMZ through CBM - Germany	The Lady Fatimah Charitable Trust	LOPC	P.A.I.S France	Mel wolf Foundation	Church of Scotland	Save the Children Internatio nal	Unit Aide	Total
Salaries, Wages and related benefits	10,800	153,126	199,374	29,880	21,780	20,400	29,520	5,062	23,416	6,000	499,358
Training and workshop expenses	0	5,973	67,423	4,440	0	0	-	-	4,068	-	81,904
Professional fees	-	2,280	17,166	-	-	600	-	-	592	-	20,638
Materials and supplies	626	2,177	12,337	946	741	-	-	-	999	-	17,826
Hearing aids, Batteries, Ear mold material and supplies	550	2,872	97,244	-	-	1,020	-	-	16,680	-	118,366
Travel and transportation	2,000	-	11,064	5,800	2,430	-	-	-	632	-	21,926
Rent	-	2,427	-	-	-	-	3,360	-	-	-	5,787
Stationary, supplies and Printing Fuel	-	2,936	909	-	-	-	-	-	-	-	3,845
Communication	-	-	2,011	-	-	-	-	-	700	-	2,711
Hospitality	-	-	380	-	-	-	-	-	-	-	380
Utilities	-	2,095	3,214	-	-	-	-	-	-	-	5,309
Internships opportunities	-	-	641	-	-	-	-	-	541	-	1,182
Contingency Fund	284	-	-	11,400	-	-	-	-	-	-	11,400
Renovation and Equipment	-	-	-	286	-	-	-	-	-	-	570
Food and meals	-	343	109,292	-	-	-	-	-	-	-	109,635
	-	1,725	-	-	-	-	-	-	-	-	1,725
Sub-total	14,260	175,954	521,055	52,752	24,951	22,020	32,880	5,062	47,628	6,000	902,562

Atfaluna Society for Deaf Children - ASDC

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

	CCoP	(UNDP)	NGO Developm ent Center	UNICEF	D.V.V	CCP	SDC	GIZ- Germany	ASDC	Total
Sub-total from previous page										
Salaries, Wages and related benefits	44,760	63,190	96,020	10,931	865	22,000	23,400	7,367	43,977	902,562
Training and workshop expenses	18,936	4,200	-	1,042	3,165	-	-	6,700	-	312,510
Professional fees	-	-	-	23,439	2,761	-	-	4,375	-	34,043
Materials and supplies	27,742	-	467	115	-	-	948	5,092	3,957	30,575
Hearing aids, Batteries, Ear mold material and supplies	-	-	-	1,007	-	-	-	-	-	38,321
Travel and transportation	7,130	2,000	400	940	-	-	2,241	5,550	6,000	1,007
Sponsorship for internship	16,800	-	-	-	-	-	-	-	-	24,261
Meals and food	-	-	-	-	-	-	-	-	13,352	16,800
Hall rent	1,100	-	-	-	-	-	-	-	-	13,352
Stationary, supplies and Printing	-	800	4,824	181	-	280	367	1,792	5,047	1,100
Media, awareness, lobbying and advocacy	-	1,593	-	-	-	-	-	-	2,075	13,291
Fuel	-	-	-	-	-	-	-	-	13,082	3,668
Communication	-	800	-	991	-	500	-	-	-	13,082
Hospitality	5,403	-	-	543	-	-	-	5,271	-	2,291
Utilities	-	-	1,936	-	-	2,000	-	-	10,128	11,217
Insurances	420	-	3,876	-	-	-	-	-	-	14,064
Grant for small projects	-	13,278	-	-	-	-	-	-	-	4,296
Classroom Renovation	-	-	-	-	-	2,440	-	-	-	13,278
Craft Expenses	-	-	-	-	-	-	-	-	-	2,440
School and KG Expenses	-	-	-	-	-	-	-	-	33,423	33,423
Miscellaneous	-	-	-	-	-	1,000	-	-	27,871	27,871
Sub-total	122,291	85,861	107,523	39,189	6,791	28,220	26,956	36,147	161,878	3,966
Grand total										614,856
Less: Inventory deducted from expenses										1,517,418
Total amount allocated to expenses										(1,790)
										1,515,628

Atfaluna Society for Deaf Children - ASDC

Financial statements for the year ended 31 December 2019

(All amounts expressed in US Dollar unless otherwise stated)

Following are the Society program expenses per donor for the year ended December 31, 2018

	Middle East Children's Alliance (MECA)	CBM - Germany	BMZ through CBM - Germany	The Lady Fatemah Charitable Trust	LOPC	P.A.I.S France	American Consulate Jerusalem	French Consulate Jerusalem	Mel wolf Foundation	Total
Salaries, Wages and related benefits	10,800	182,437	43,620	29,921	31,240	35,210	619	10,437	23,780	368,064
Training and workshop expenses	403	11,695	704	-	-	8,008	2,032	-	-	22,842
Professional fees	-	19,809	-	-	-	-	-	-	-	19,809
Materials and supplies	-	-	24,405	-	-	-	-	3,308	-	27,713
Hearing aids, Batteries, Ear mold material and supplies	419	4,121	-	12,844	-	8,790	-	-	1,260	27,434
Travel and transportation	1,600	4,115	399	2,800	1,350	-	-	2,566	3,795	16,625
Rent	-	8,620	-	-	3,120	-	900	-	1,920	14,560
Stationary, supplies and Printing	4,000	3,470	388	600	926	-	-	28	440	9,852
Media, awareness, lobbying and advocacy	-	472	229	-	-	2,778	753	-	-	4,232
Assistive devices for beneficiaries	-	-	-	1,160	-	-	-	-	-	1,160
License and insurance	-	-	-	-	-	-	-	370	-	370
Fuel	-	-	686	-	-	-	-	1,240	-	1,926
Communication	-	-	22	-	-	-	-	434	-	456
Hospitality	-	-	114	-	-	-	-	-	630	744
Utilities	-	-	-	-	-	-	-	44	-	44
Internships opportunities	-	-	-	-	-	-	-	11,481	-	11,481
Contingency Fund	50	-	-	-	-	-	-	-	-	50
Sub-total	17,272	234,739	70,567	47,325	36,636	54,786	4,304	29,908	31,825	527,362

Atfaluna Society for Deaf Children - ASDC

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	CCoP	Church of Scotland	Unit' Aide	QRC	Save the Children International	GIZ- Germany	Human Appeal - UK	Palcrafts	SDC	Total
Sub-total from previous page										
Salaries, Wages and related benefits	23,500	5,688	-	11,400	6,008	13,883	4,478	-	15,200	527,362
Training and workshop expenses	600	-	-	-	-	-	-	-	-	80,157
Materials and supplies	-	-	-	-	-	-	10,925	-	-	600
Hearing aids, Batteries, Ear mold material and supplies	-	100	-	-	25,035	-	-	978	2,200	10,925
Travel and transportation	453	-	1,080	-	-	-	519	-	2,260	28,313
Food and meals	-	-	2,774	-	-	-	-	-	-	4,312
Stationary, supplies and Printing	639	465	800	-	-	-	-	-	349	2,774
Media, awareness, lobbying and advocacy	-	-	-	2,500	-	-	-	-	-	2,253
Assistive devices for beneficiaries	-	-	-	9,862	-	-	-	-	-	2,500
Fuel	-	-	-	-	-	-	-	-	-	9,862
Communication	505	-	-	-	-	-	551	-	-	551
Hospitality	573	-	-	-	-	-	-	-	-	505
Utilities	2,000	-	-	100	-	-	-	-	-	573
Internships opportunities	-	-	-	-	-	-	-	-	-	2,100
Micro Project support	-	-	-	-	-	-	8,841	-	-	8,841
Non curriculum activities	1,678	-	-	50,764	-	-	-	-	-	50,764
Sub-total	29,948	6,253	4,654	74,626	31,043	13,883	25,314	978	20,009	734,070

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	WHO	UNDP	The Islamic Solidarity Fund	Kuwait Fund for Arab Economic Development	ASDC	Total
Sub-total from previous page						734,070
Salaries, Wages and related benefits	6,300	4,500	-	-	164,283	175,083
Training and workshop expenses	1,280	-	-	-	-	1,280
Professional fees			4,000	-	3,147	7,147
Materials and supplies	8,001	183	-	-	1,641	9,825
Hearing aids, Batteries, Ear mold material and supplies	-	9,999	-	29,250	7,402	46,651
Travel and transportation	503	667	-	-	18,557	19,727
Rent	920	-	-	-	-	920
Food and meals	120	-	-	-	6,171	6,291
Media, awareness, lobbying and advocacy	35	35	-	-	1,353	1,423
Assistive devices for beneficiaries	151	-	-	-	-	151
Miscellaneous	-	-	-	-	3,200	3,200
License and insurance	-	-	-	-	4,539	4,539
Fuel	-	-	-	-	24,905	24,905
Cleaning and hygiene supplies	-	-	-	-	1,393	1,393
Communication	-	-	-	-	4,684	4,684
Hospitality	1,440	-	-	-	1,063	2,503
Utilities	-	-	-	-	4,729	4,729
Internships opportunities	4,000	-	-	-	239	4,239
In-kind expenses - Food and others	-	-	-	-	6,123	6,123
Embroidery	-	-	-	-	10,143	10,143
Maintenance and repair	-	-	-	-	3,850	3,850
Delivery cost for craft product	-	-	-	-	4,633	4,633
Sub-total	22,750	15,384	4,000	29,250	272,055	343,439
Grand total						1,077,509
Less: Inventory deducted from expenses						(49,773)
Total amount allocated to expenses						1,027,736

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20. GENERAL AND ADMINISTRATIVE EXPENSES

	2019	2018
Salaries and related benefits	66,200	66,180
Professional fees	4,687	7,251
Fuel	3,000	2,767
Bank charges	2,086	1,498
Utilities	1,354	834
Travel and transportation	174	112
Maintenance and repair	5,572	428
License and insurance	2,876	504
Miscellaneous	3,806	356
Communication	3,639	521
Cleaning	3,902	155
Rent	1,305	-
Hospitality	2,487	118
Stationary, Printing	-	121
	101,088	80,845

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21. RELATED PARTIES TRANSACTIONS AND BALANCES

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

a) Transactions with related parties are as follows:

	2019	2018
Salaries and related benefits	52,217	52,217
Number of key management personnel	4	4

b) Balances with related parties are as follows:

	2019	2018
Provision for end of service indemnity	41,680	37,329

22. FINANCIAL INSTRUMENTS BY CATEGORY

Financial assets	2019	2018
Contributions receivable	1,588,445	1,538,795
Accounts receivable and other current assets	92,855	83,569
Cash and bank balances	657,602	510,837
	2,338,902	2,133,201
Financial liabilities at amortized cost		
Accounts payable and other accruals	106,418	107,268

23. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to comply with the financial statements presentation for the current year. Management believes that the current period presentation provides information that is more meaningful to the readers of the financial statements.

24. RISKS ASSOCAITED WITH THE CORONAVIRUS OUTBREAK

The potential impact of the coronavirus outbreak on the Society's business performance remains uncertain. Up to the date of this Report, the outbreak has not had a material impact on the business results of the Society. However, we continue to monitor the situation closely, including the potential impacts on business results, our operations and our employees. The situation could change at any time and there can be no assurance that the coronavirus outbreak will not have a material adverse impact on the future results of the Society.