



Annual Report 2010

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Our Mission

Dalia Association was established in 2007 by members of the Palestinian community from the West Bank, including East Jerusalem, Gaza Strip, Israel, and the Diaspora. We are diverse in terms of age, gender, religion and politics, yet we are united by our vision – to realize our rights as Palestinians to control our resources and sustain our own development for generations to come. Our mission is to mobilize and properly utilize resources necessary to empower a vibrant, independent and accountable civil society.

To achieve our mission, we:

- **Make grants** to support inspirational and relevant civil society initiatives, especially grassroots efforts that are supplementing local resources. Community-controlled grantmaking increases the transparency, accountability and professionalism of local initiatives.
- **Link resources** by introducing people with expertise, ideas, contacts, equipment, and other assets to community activists who can use them to serve their communities. Effectively utilizing resources that already exist in our abundant community helps decrease our dependence on outside resources.
- **Encourage giving** by local people, companies, and refugee and Diaspora Palestinians. We revive local traditions of philanthropy and volunteerism and create new systems that make giving easier, safer and more trustworthy. A permanent endowment will be built over time to ensure sustainable income for current and future generations.
- **Advocate for systemic change** in the international aid system so that it respects Palestinian rights and responds to local priorities. Advocacy includes constructive engagement with innovative donors who want a local partner to help them improve their policies and maximize their impact.

Dalia Association's philosophy and ideas are implemented through programs aimed at small groups and grassroots civil society organizations because:

- We believe that the community has the right to set its own priorities for development and control its own resources for the sustainability of current future generations. This is why Dalia Association promotes community participation in decision-making processes and resource allocation.
- By planting the seeds of change for the better and moving forward with communities we serve, we help prevent others from confiscating communities' rights to determine their priorities, which constitutes the first step towards real development.
- We respect their right to monitor and evaluate their institutions and projects, instead of holding them responsible only for evaluation by their donors.
- We give individuals and groups the opportunity to use resources that are available locally but are rarely acknowledged for their importance and value.

Letter from the Chairperson of the Board

On behalf of my colleagues on the Board of Directors of Dalia Association, I would like to express my appreciation to all those who contributed to the success of Dalia Association in 2010 and all previous years of its work and achievement. It would not have been possible for Dalia Association to accomplish as much as it did were it not for your continuous support and efforts.

This year's annual report is being issued as Palestinians go through hard times caused by the continuing military occupation and its consequences including efforts to isolate and Judaize Jerusalem, expansion of the segregation wall that confiscated surrounding lands, building of settlements, and also the limited chances for the achievement of a fair and comprehensive political solution for the Palestinian cause based on the end of the occupation and a respect for Palestinian rights.

The report also marks a period of time through which the Palestinian people suffered from an internal split, thus highlighting a demand for national unity and a return to the Palestinian national project. The report is also published in a time that regional changes in the Arab World are having many effects on the Palestinian cause.

These challenges did not frustrate Dalia Association, but rather inspired the Board of Directors and staff to work harder to realize a development model that is not controlled by funding and donors' agendas or imposed projects, a mode that satisfies the aspirations of the Palestinian nation by addressing real needs in real partnership with the local community.

Dalia Association has an innovative philosophy about and methodology for development work that focuses on mobilizing and investing available resources to enable a vital, active, independent and responsible Palestinian civil society—one that pursues social change and development with local leadership in line with good governance principles.

We look forward to working with you to achieve the Palestinian people's aspiration to end the occupation and to live in dignity. Dalia Association contributes, according to its capacities, and is respected, because it reaches people's hearts and gains the trust of all those who believe in Dalia's mandate.



Thouqan Qishawi
Chairman of the Board of Directors

Letter from the Executive Director

Dear Partners,

Dalia's Association's identity and philosophy is gaining more recognition and becoming more understood. Whereas it used to be thought of as strange by some members of the local community a few years ago, Dalia Association has introduced a new trend in community work, a way that people did not know about before because they were used to working with intermediaries and donors in the old, traditional way.

Despite our very small staff, the volume of Dalia Association's work is increasing and spreading out geographically which created the need to move to a bigger, independent office and hire an accountant. More people approached Dalia to benefit from its community-based methodology, which increased our confidence and determination to continue despite all hardships we faced.

It is true that our grants are small but we achieve significant results through our process of helping local community institutions know how to utilize and invest resources while raising the awareness of individuals and institutions of their rights to determine their own development agendas and priorities.

Additionally, we are enhancing the culture of philanthropy in cooperation with local community and private sector institutions with the aim of building a systematic giving system that enables companies to give through opening companies funds at Dalia Association and recruiting these funds to develop local institutions and individuals.



Saeeda Mousa
Executive Director

Achievements in 2010

Grantmaking – Dalia Association seeks to achieve community change through small grants programs that build the capacity and sustainability of grassroots community based organizations and enable them to focus on local development priorities and utilizing local contributions. In addition, Dalia strives to disburse funds in credible ways to pave the way for community members to exercise their rights to monitor and evaluate their institutions and hold them accountable for meeting their needs.



“The Village Decides Program”

This program was implemented in Al-Zawia village, in Salfeet District, where four local groups were chosen by the village’s population to receive small grants: 1) Al-Zawia Women’s Charitable Society; 2) Abdel Qader Abu Naba’a Cultural Center; 3) Al-Zawia Sanabel Cultural Center; and 4) Young Leaders Club.

The priorities of these groups included the following:

- Establishing a photo studio for Al-Zawia Women’s Charitable Society for young girls from the village to work filming weddings and other occasions (a new trend for women in Al-Zawia village).
- Sports and cultural competition program and kids’ magazine for Abdel Qader Abu Naba’a Cultural Center including the purchase of the only clown costumes available in the area.
- Sports equipment and uniforms for the regionally competitive team of the Young Leaders Club and renovation of the premises (e.g., kitchen, the roof, and other facilities) in addition to purchase of a projector.



- Also, purchasing chairs and tables to rent for weddings to generate income for Sanabel Al Zaweeh Women’s Cultural Center.



Program evaluation:

The program was evaluated by ABC Consulting Company and the evaluation report can be accessed from Dalia’s website under “The Village Decides.”



A community-led Monitoring and Evaluation Committee also evaluated the program in the village.



“Women Supporting Women”

The Program targeted grassroots women’s groups that do not have access to funding opportunities, do not have the ability to write proposals or are not registered, so they do not meet donors’ prerequisites and stay marginalized despite the fact that they are active and effective and can serve their communities.

Five groups from Hebron district were chosen for grants by a volunteer committee with extensive community experience in the West Bank. Grantees were: 1) Beit Oula Women’s Club; 2) Soureef Women’s Cooperative; 3) Dura Women’s Club; 4) The Old City Women’s Committee; and 5) Ras Al Aroud Charitable Society.

The groups’ projects ideas were outstanding and nontraditional, and they included a cooperative for consumer and food products, wedding tent rentals, and:

- Poultry



- Nursery



- Vending machine



The committee has awarded a second round of grants to: 1) Janata Women’s Center; 2) Safe Maternity Committee; 3) Taqoua Women’s Center; 4) Obaydeeh Young Women Center; 5) Al Zawahrah Center.

Linking Resources – Dalia Association helps local communities recognize and utilize the rich resources we have including experiences, ideas, relationships, equipment, etc. and helps link community activists with the resources they need to serve their communities. Dalia Association doesn't target only those benefiting from its trainings and grants; it also works to link individual innovative initiatives with external resources. For example: the volunteer Jane Qreetem's initiative, www.scholarship.ps, was linked to Emirates Foundation for funding. Moreover, Dalia works to establish an informal network of institutions, associations, centers and clubs so they can exchange experiences and ideas about how to utilize existing resources in different districts (e.g., Nablus, Hebron, Salfeet). About 50 women community activists are linked to donors or officials to enhance the sustainability of their institutions, and we sponsor joint meetings to network and coordinate efforts.



Women from villages northwest of Nablus meet with women of Al Zaweeh village in Salfeet district



Dr. Nora Lester Murad was invited by Gent University to speak at Birzeit University's international conference on funding, development, and the future of Palestine.



Samah Darwish at Dubai International Humanitarian Aid & Development Conference & Exhibition

Advocacy – Dalia Association advocates for the rights of Palestinians to receive external aid in a way that is consistent with the community’s priorities. Dalia conducted research in all districts in the West Bank, the Gaza Strip, the 1948 region and Jerusalem. Civil society groups discussed their complaints about donor funding and expressed their recommendations for changes to the system. The report was circulated widely in Arabic and English in Palestine and to interested parties around the world.



Discussion among PNGO member institutions



Discussion among Bethlehem organizations



Discussion group in Gaza

An initial report was represented in Doha at the World Congress of Muslim Philanthropists in March 2010.

Philanthropy is a traditional Palestinian value, and the Palestinian private sector has also the capacity to give. Dalia Association aspires to systematically build philanthropic systems in accordance to Dalia’s philosophy so that all sectors of Palestinian society can give in more strategic and sustainable ways.

Three companies in the United Arab Emirates have opened funds with an annual contribution that is not less than \$2,500 per year with a 3-year commitment to be used in supporting new initiatives.

Among these companies are the following:

Aramex – Amman



Jabber Group for internet- Dubai



Abraaj Capital Company – Dubai



We continue to engage the local community to promote a culture and systems for community philanthropy culture and to engage Palestinians in the Diaspora to play their role. To further this effort, we formed committees on behalf of different villages and drafted a memorandum of understanding to introduce the concept of the “village fund,” which is gaining recognition.

Acknowledgements

Contributions were received from local community members, companies and friends all over the world in the form of cash, volunteerism, advisory services, in-kind contributions, and other support. Sincere apologies to any supporter who may have been inadvertently omitted.

Contributors 2010

ABC Consulting Company, Ramallah
Abraaj Capital, Dubai
Ali Abunimah
Ali Ajlouny
Joyce Ajlouny
Thouqan Al Qishawi
Mufeed Al Salkhy
Al Zaweeh Women's Association
Aramex, Amman
Sam Bahour
Bisan Systems
Waseem Burgul
Charlie Burnett Rae
Cordaid, Netherlands
Dataset Company, Ramallah
Abdallah Edkeik
Emirates Foundation, Abu Dhabi
Homer Frank
Global Fund for Community Foundations,
South Africa
Grassroots International, Boston
Rami Hinawi
Ali Hussain

Jabbar Internet Group, Dubai
Salwa Jaradat
Jerusalem Pharmaceuticals, Ramallah
Mahmoud Kittana
Katharine Lester
Rasha Lulua
Masrouji Company, Ramallah
Nora Lester Murad
Rula Muzzafer
Open Society Foundation, Switzerland
Palestine Investment Fund, Ramallah
Promore Company, Ramallah
Jane Qreetem
Siham Rashid
Raymond Rignall
Timothy Rothermel
Fadi Saba
Azza Shoaibi
Azmy Shuqeir
Pauline Solomon
Turbo Design, Ramallah
World Congress of Muslim Philanthropists,
Chicago

Board of Directors

Hamada Abed H. Al-Bayari is the humanitarian affairs assistant for the United Nations Office for the Coordination of Humanitarian Affairs in the Gaza Strip. Previously he worked development and public relations at El-Wafa Medical Rehabilitation Hospital and did field research and coordination for B'Tselem: The Israeli Information Center for Human Rights in the Occupied Territories, Civic Forum Institute, and National Democratic Institute for International Affairs. He has worked as a physiotherapy assistant and an Arabic interpreter/translator for the French media. Hamada has a B.Sc. from the Islamic University in Gaza City.

Sam Bahour is a Palestinian-American businessman and activist based in Al-Bireh/Ramallah. He is Managing Partner of Applied Information Management, a management consulting firm specializing in business development with a niche focus on the information technology sector. Sam was instrumental in the establishment of PALTEL and the PLAZA Shopping Center and currently serves as a member of the Board of Trustees at Birzeit University in the role of treasurer. He is also a Director at the Arab Islamic Bank. Sam writes frequently on Palestinian affairs and has been widely published. He is co-editor of *HOMELAND: Oral History of Palestine and Palestinians*.

Mahmoud Kittana, a lawyer based in Ramallah, currently works as a legal advisor at the Birzeit University Institute of Law; there, he conducts legal research, lectures and gives workshops, prepares curricula, and organizes/analyzes legal data. He also works for Ittqan Law Firm. Mahmoud received his B.A. in Law from Al-Quds University in Jerusalem; his Master's degree in Commercial Law from Birzeit University in Ramallah; and a Master of Laws degree from Duke University in the US. He was trained in various other law firms, both in Palestine and in the US, and has extensive experience in matters of democratic involvement and development, crisis management and negotiation, and strategic planning for institutions. Mahmoud has also published several articles on legal and political issues in the Palestinian context.

Rula Muzaffer (Treasurer) is the Jerusalem Director of Administrative and Financial Affairs for MIFTA, the Palestinian Initiative for the Promotion of Global Dialogue and Democracy. She received her B.A. in Accounting and English from Yarmouk University in Irbid, Jordan. Before starting her work with MIFTA, where she has over ten years of experience, Rula worked in numerous other financial and administrative capacities, including at (AA) Consulting Engineers in Ramallah (where she served as a financial analyst; the Palestinian Ministry of Higher Education (as the director of financial affairs); the Palestinian Independent Commission for Citizens' Rights, and several trading and maintenance companies. Rula also has training experience in financial management for NGOs, government administration in conflict areas, and other fields related to the coordination of both public and privately run organizations.

Thuqan K. Qishawi is a development expert with over fifteen years of experience in the field. He is currently the Middle East Regional Coordinator of Youth Programs for the American Friends Service Committee. Thuqan holds a Bachelor of Mathematics & Economics from the American University in Cairo and a Master's degree in Economics from Birzeit University, Palestine. In his current capacity, Thuqan spearheads the Public Achievement (PA) program in Palestine, one of the world's most successful PA initiatives. Thuqan has worked with a variety of governmental and non-governmental entities in Palestine, focusing on issues as diverse as gender budgeting and sensitivity, feasibility studies, youth employment policies, youth civic engagement, business management, and entrepreneurship. A monitoring and evaluation expert, he has conducted various evaluation studies and strategic planning processes over the years. Thuqan attained his trainer certification

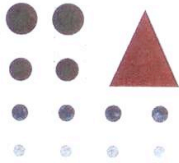
from Inwent, Germany, and has become a skilled trainer, moderator, and facilitator; he has facilitated trainings and both regional and local workshops on water/environmental issues, socioeconomic issues, gender, leadership, and youth civic engagement.

Mohammad A.M. Shaheen (President) is the Dean of Public Health and Director of the Center for Development in Primary Health Care at Al-Quds University, where he has taught various subjects for over 20 years. He has a Ph.D. in Health Services Administration with a focus on health economics and policy research from the University of Pittsburgh, a Masters in Community Health from Purdue University and a B.Sc. in Medical and Nursing Sciences from the University of Jordan. One of the country's pioneers in advocating the role of the community as a partner in development and public health, he is a founding member of the Palestinian Health Policy Forum, which promotes policies responsive to the needs of the Palestinian people. He is a long-time board member and current vice president of Child watch International. With extensive experience in collaborative research with researchers around the world, Mohammad has led or contributed to scores of evaluations, capacity building projects, and developmental interventions with multilateral agencies, International Non-Governmental Organizations, and Non-Governmental Organizations.

Azza Shoaibi (Secretary) works at Birzeit University, where she is completing her M.A in public health. She is also a chief pharmacist at YazanCare in Ramallah. Previously, she was the training and projects coordinator for Jerusalem Pharmaceuticals Company (JPHARM) in Ramallah, the largest pharmaceutical company and exporter in Palestine. Azza is involved in a wide range of community volunteer work, including serving as a lecturer and trainer for Injaaz Association, a program that teaches business skills to Palestinian youth. Azza received her degree in pharmacy from the Jordanian University of Science and Technology in Irbid, Jordan, and has been certified as a Project Management Professional (PMP) by the Project Management Institute (PMI) in the United States.

General Assembly

Hiba Hussein
Mohammad Shaheen
Sam Bahour
Maha Mikhail
Lama Jamjoum
Salwa Jaradat
Basel Mansour
Jamal Najib
Issam Nassar
Siham Rashid
Trees Zbidat-Kosterman
Rula Muzzafer
Thouqan Qishawi
Davina Gaitley
Azza Shoaibi
Hamada Al Bayari
Mahmoud Kittana



BKR
TARIFI INSTITUTION CO.

To the Board of Directors
DALIA ASSOCIATION
Ramallah- Palestine

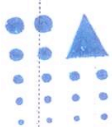
Independent Auditor's Report

We have audited the Statement of Financial Position of DALIA ASSOCIATION, as of December 31, 2010 and the related statements of statement of activities & change in net assets, Statement of cash flow and Summary of significant accounting policies and other explanatory notes for the year then ended.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion as to the proper compilation of the financial information. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our 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, we consider 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 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 planned and performed our work to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the financial information has been properly compiled on the basis stated. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Dalia Association as at December 31, 2010, and its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS).



BKR
TARIFI INSTITUTION CO.

Jamal Tarifi
Certified Public Accountant

Ramallah
March 2nd, 2011

Thufar Alshant
Saeed Mousa

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**To the Board of Directors
Ramallah- Palestine**

Independent Auditor's Report

We have audited the Financial Position of DALIA ASSOCIATION, as of Dec, 31, 2010 and the related statements of statement of activities & change in net assets, Statement of cash flow and Summary of significant accounting policies and other explanatory notes for the periods then ended.

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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 misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Our responsibility is to express an opinion on these financial statements based on our audit and to express an opinion as to the proper compilation of the financial information. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance about 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 our 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, we consider 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 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 planned and performed our work to obtain the information and explanations we considered necessary in order to provide us with reasonable assurance that the financial information has been properly compiled on the basis stated. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 31 Dec., 2010, and its financial performance and its cash flow for the year then ended in accordance with IFRS.

Ramallah
Jan 28th , 2011

Jamal Tarifi
Certified Public Accountant

Statement of Financial Position

Dec. 31, 2010

	Notes	2010 <u>USD</u>	2009 <u>USD</u>
<u>Assets</u>			
Non-current assets:			
Property and equipment	3	7,263	1,554
		<u>7,263</u>	<u>1,554</u>
Current assets:			
Cash and cash equivalents	4	85,124	153,815
Other Current Assets		657	1,035
		<u>85,781</u>	<u>154,850</u>
Total Assets		<u>93,044</u>	<u>156,404</u>
<u>Liabilities and Net assets</u>			
Net assets			
Investment in Fixed Assets		7,263	1,554
Temporary Restricted			
Unrestricted net assets		23,850	7,381
Total Net assets		<u>31,113</u>	<u>8,935</u>
Non-current liabilities			
Provision for severance pay	6	4,900	0
		<u>4,900</u>	<u>0</u>
Current liabilities			
Accounts payable and accruals	5	57,031	147,469
		<u>57,031</u>	<u>147,469</u>
Total liabilities		<u>61,931</u>	<u>147,469</u>
Total Liabilities and Unrestricted net assets		<u>93,044</u>	<u>156,404</u>

DALIA ASSOCIATION

Statement of Activities

Year ended Dec. 31, 2010

	Note	2010		2009
		Unrestricted/ Operating (deficit)	Temporary Restricted	Total
		USD	USD	USD
Revenues				
Donations Received- Kinder USA		1,081		1,081
Donations Received- Foundation Open Society		73,777		73,777
Donations Received- Cord Aid		17,634		17,634
Donations Received- Global Fund		11,985		11,985
Donations Received- Grass Roots		13,810		13,810
Donation in Kind		1,000		1,000
Other Revenues		12,278		12,278
Total Grants & Revenues		131,565		131,565
Net assets released from restriction				
Total Grants & Revenues		131,565		75,180
Expenses				
Salaries & Staff benefits	7	(46,929)		(46,929)
Operational Expenses	8	(61,609)		(61,609)
Depreciation Expenses	3	(850)		(850)
Total Expenses		(109,388)		(109,388)
Net Assets beginning of year				2,984
(Decrease) Increase in net assets		22,177		8,936

The attached notes 1 to 11 form part of these financial statements.

DALIA ASSOCIATION

Statement of Changes in Net Assets

Year ended Dec. 31, 2010

	2010			
Note	Unrestricted/ Operating (deficit)	Temporary Restricted	Investment in Fixed Assets	Total
	USD	USD	USD	USD
Year 2010				
Balance as of January 1 st 2010	7,382		1,554	8,936
Change in net assets for the year	22,177			22,177
Addition of fixed assets	(6,559)		6,559	0
Depreciation	850		(850)	0
Balance as of Dec 31st 2010	23,850		7,263	31,113

The attached notes 1 to 11 form part of these financial statements.

DALIA ASSOCIATION

Cash Flow Statement

Year ended Dec. 31, 2010

	2010	2009
Operating Activities:		
Increase (Decrease) in net assets	22,177	5,952
Adjustments:		
Depreciation	850	245
Provision for severance pay	4,900	0
	<u>5,750</u>	<u>245</u>
Change in working capital		
Other Current Assets	378	(657)
Prior years adjustments		(20,000)
Credit Banks	(749)	749
Accounts payable and accruals	(90,438)	147,469
	<u>(90,809)</u>	<u>127,561</u>
Net cash flows (used in) from operating activities	(90,809)	127,561
Investing Activities:		
Sales of property and equipment		
Purchase of property and equipment	(6,559)	(1,149)
	<u>(6,559)</u>	<u>(1,149)</u>
Net cash flows used in investing activities	(6,559)	(1,149)
(Decrease) Increase in cash and cash equivalent	(69,441)	132,609
Cash and cash equivalents , beginning of year	154,565	21,956
	<u>154,565</u>	<u>21,956</u>
Cash and cash equivalents, end of year	<u>85,124</u>	<u>154,565</u>

The attached notes 1 to 11 form part of these financial statements.

Notes to the Financial Statements

Dec. 31, 2010

1. General

DALIA Association was established in Belgium under the registration number 0886043035 in accordance with the law of 27 June 1921 on not for profit associations, foundations and international not for profit associations, for a not for profit purpose under the name of DALIA ASSOCIATION. The full and abbreviated names of the association may be used separately. Arabic & English are the working languages of the association.

The registered office of the association is currently located at Dalia Association a.s.b.l BP27 Gare de Bruxelles- Central Boulevard de Limperatrice 3 1000 Bruxelles, RMP Bruxelles. The board of directors may decide, in accordance with its usual decision making procedure to transfer the association's registered office to anywhere in Belgium. The Board of Directors may set up administrative offices both in Belgium and abroad. The association was registered in Palestine by the Ministry of Interior in accordance with charitable associations law no 1/2000 on Tuesday August 25th, 2009.

- The number of employees of Dalia Association is 3 as of Dec 31, 2010. 3 employees as of Dec 31, 2009.
- The financial statements for the year ended Dec 31, 2010 were approved by General Assembly on:
- **Goals & Objectives of the Association:**

The association's goals and objectives are entirely devoid of a profit making aim and include, but are not limited to, becoming a community-based organization that works throughout historic Palestine to empower the Palestinian community to be in control over resources needed to pursue local social justice and sustainable development initiatives. In pursuit of these goals and objectives, the association may:

 - Secure non traditional and local financing.
 - Mobilize community philanthropy and volunteerism.
 - Promote broad community participation in governance and problem solving.
 - Make grants in a dignified manner and encourage other donors to do the same.
 - Facilitate and support capacity building.
- A. **Make Grants** to support inspirational and relevant civil society initiatives, especially grassroots efforts the seek to supplement local resources. Community controlled grant making increases the transparency, accountability, and professionalism of local initiatives.
- B. **Link resources** by introducing people with expertise, ideas, contracts, equipment, and other assets to community activists who can use them to serve their communities. Effectively utilizing resources that already exist in our abundant community helps decrease our dependence on outside resources.
- C. **Encourage giving** by locals, companies and refugee and Diasporas Palestinian. We revive local traditional of philanthropy and volunteerism and create new systems that make giving easier, safer and more trustworthy. A permanent endowment will be built over time to ensure sustainable income for current and future generations.

- D. **Advocate for systemic change** in the international aid system so that it respects Palestinian right and responds to local priorities. Advocacy includes constructive engagement with innovative donors who want a local partner to help them improve their policies and maximize their impact.

2. Summary of Significant Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards.

Currently, the International Financial Reporting Standards do not include any specific requirements regarding the not-for-profit organization in connection with the accounting policies or the presentation of the financial statements.

The financial statements have been presented in *US-Dollar (\$)*.

The accounting policies are consistent with those used in the previous year.

Donation revenues

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.

Donation revenues from unconditional pledges are recognized as follows:

- Unconditional pledges that are not restricted for specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by donor for specific purpose or time are recognized when such purpose or time is satisfied.

Deferred revenues

Donations related to property and equipment are measured at fair value, recorded as deferred revenues and recognized as revenue on a systematic basis over the useful life of the asset.

Expenses recognition

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

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value:

Depreciation is calculated on a straight line basis over the estimated useful lives of the assets at the following annual rates:

	<u>%</u>
Equipment	10
Furniture	10

Income taxes

Dalia Association is a not-for-profit organization; accordingly, it is not subject to income tax.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Foreign currency transactions

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are recognized in the statement of activities.

3. Property and equipment

	<u>Furniture & Fixtures</u>	<u>Equipment</u>	<u>Total</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
<u>Cost</u>			
At January 1 st 2010	0	1,939	1,939
Additions	1,563	4996	6559
Disposals			
At Dec. 31, 2010	1,563	6935	8498
<u>Depreciation</u>			
At Jan 1, 2010		385	385
Depreciation charge for the period	156	694	850
At Dec. 31, 2010	156	1079	1235
<u>Net book value:</u>			
At December 31, 2010	1,407	5856	7263
At December 31, 2009	0	1,554	1,554

4. Cash on hand and at banks

	<u>2010</u>	<u>2009</u>
Cash on hand	1,471	1,412
Deposit at Banks in US-\$	71,157	153,152
Deposit at Banks in NIS	12,496	(749)
	85,124	153,815

5. Accounts payable and accruals

	<u>2010</u>	<u>2009</u>
Right to Enter Campaign	21,076	5,900
Prepaid Donations Received	35,255	135,889
Accrued Expenses	700	5,680
	57,031	147,469

6. Provision for severance pay

Following is a summary of the movement on the provision for severance pay during the year:

	<u>2010</u>	<u>2009</u>
Balance, beginning of year	0	0
Additions during the year	4,900	0
Indemnities Paid		0
Balance, end of year	<u>4,900</u>	<u>0</u>

7. Salaries & staff benefits

	<u>2010</u>	<u>2009</u>
Salaries & staff benefits	42,029	27,019
Transportation	0	3,494
End of Service pay	4,900	0
	<u>46,929</u>	<u>30,513</u>

8. Operational expenses

	<u>2010</u>	<u>2009</u>
Utilities expenses	1,778	
Small grants to organization	19,974	6,796
Telecom. expenses	2,869	3,372
Hospitality expenses	1,677	811
Internet & web page expenses	3,999	
Rent expenses	10,863	4,000
Stationary & publications	2,962	1,662
Travels & accommodation	2,219	4,056
Advertising	2,789	854
Professional fees	8,467	13,905
Training fees	750	
Fuel	743	
Miscellaneous	2,310	1,306
Recording & filming		1,708
Bank charge & fees	209	
	<u>61,609</u>	<u>38,470</u>

9. Fair Values of Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash and cash equivalents. Financial liabilities consist of accounts payable and accruals.

The fair value of financial instruments is not materially different from their carrying values.

10. Concentration of Risk in Geographic Area

Dalia is carrying out all of its activities in Palestine. The political and economic situation in the area increases the risk of carrying out these activities and may adversely affect Dalia's performance.

11. Comparative amounts

The corresponding figures for 2009 have been reclassified in order to conform with the presentation for the current year. Such reclassifications do not affect previously reported net change in net assets.