

ACADF
Financial
Report

2017

INDEPENDENT AUDITOR'S REPORT

**The Board of Directors
ACAD Finance and Development Co.
Ramallah – Palestine**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **ACAD Finance and Development Co. (Private Shareholding Company, Ltd.)** ("the Company"), which comprise the statement of financial position as at December 31, 2017, Statement of Income and Other Comprehensive Income, statement of changes in Shareholders' equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the "Company" as of December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 are independent of the "Company" in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's financial statements in Palestine, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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



INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain 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 an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentations, or the override of internal control.
2. 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 internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 disclosure 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 Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.



INDEPENDENT AUDITOR'S REPORT (Continued)

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.

Deloitte & Touche
Deloitte & Touche (M.E.)
Ramallah - Palestine
May 29, 2018



ACAD Finance and Development Co.
Ramallah - Palestine
Statement of Financial Position
As of December 31, 2017

	Note	2017 USD	2016 USD
Assets			
Cash and Cash Equivalent	5	683,276	1,790,883
Net Portfolio	6	12,499,604	12,087,446
PMA Restricted Deposit	7	50,000	50,000
Other Receivable	8	383,862	351,521
Total Current Assets		13,616,742	14,279,850
Intangible Assets (Software)	9	7,375	7,998
Property and Equipment, Net	10	224,910	227,758
Total Assets		13,849,027	14,515,606
Liabilities and Shareholders' Equity			
Liabilities			
Short Term Debts	11	4,410,615	2,816,649
Income Tax and VAT Provision	12	30,290	-
Payables and Other Credit Balances	13	257,279	190,031
Total Current liabilities		4,698,184	3,006,680
Long Term Debts	11	3,552,998	6,117,890
Provident Fund	14	294,710	213,489
Provision for End of Service Benefits	15	178,241	132,434
Total liabilities		8,724,133	9,470,493
Shareholders' equity			
Paid In Capital	1	5,335,000	5,335,000
Legal Reserve		23,914	15,936
General Risk Reserve	16	132,694	121,678
Accumulated Losses		(366,714)	(427,501)
Total shareholders' equity		5,124,894	5,045,113
Total liabilities and shareholders' equity		13,849,027	14,515,606

Financial Manager


General Manager



The Accompanying Notes Are An Integral Parts of These Financial Statements

ACAD Finance and Development Co.
 Ramallah - Palestine
 Statement of Income and Other Comprehensive Income
 For the Year Ended December 31, 2017

	Note	2017 USD	2016 USD
Interest Income from Portfolio	17	2,155,851	1,818,482
Interest from Deposits		3,178	27,393
Interest expense	18	(322,900)	(224,223)
Net Interest Income		1,836,129	1,621,652
Expenses			
Salaries and Related Expenses	19	(845,959)	(810,229)
General and Administrative Expenses	20	(671,013)	(538,826)
Depreciation and Amortization	9 & 10	(50,676)	(41,899)
Allowance for Impairment of Portfolio, Net	6	(135,857)	(89,110)
Total Expenses		(1,703,505)	(1,480,064)
Net Income from Operations		132,624	141,588
Other Income	21	24,034	24,768
Foreign Currency Revaluation Gain		42,737	5,970
Other Expenses	22	(36,810)	(36,838)
Net Income before Tax		162,585	135,488
Income Taxes and VAT - Current Year	12	(75,202)	(20,779)
Income Taxes and VAT - Prior Years	12	(7,602)	-
Net Income for the Year		79,781	114,709
Other Comprehensive Income			
Net Income for the Year		79,781	114,709
Other Comprehensive Income Items		-	-
Total Other Comprehensive Income for the Year		79,781	114,709


 Financial Manager




 General Manager

The Accompanying Notes Are An Integral Parts of These Financial Statements