

Economic and Social Development Center of Palestine
“ESDC”
Ramallah - Palestine

Independent Auditor’s Report and
Financial Statements
For the financial year ended December 31, 2023

Talal Abu-Ghazaleh & Co. International
Certified Public Accountants



Economic and Social Development Center of Palestine
Ramallah - Palestine

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Independent Auditor's Report

**M/s General Member Assembly
Economic and Social Development Center of Palestine
Ramallah – Palestine**

Opinion

We have audited the financial statements of the **Economic and Social Development Center of Palestine** Pages 4 to 19, which comprise the statement of financial position as of December 31, 2023, the Statement of Activities and Statement of Change in Net Assets, and the statement of cash flows for the year ended December 31, 2023, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statement present fairly, in all material respects, the financial position of the center as of December 31, 2023, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) and requirements of the Palestinian Societies Law.

Basis for our 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 center in accordance with the Code of Ethics for Professional Accountants registered under Board of Auditing Profession, which are in conformity with the code of ethics of accountants registered under Palestinian Association of Certified Public Accountants, in line with the ethical requirements related to our audit of the financial statements in Palestine, and we have fulfilled our other ethical responsibilities in accordance with those requirements.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs and Palestinian Societies Law, 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 center'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 center or to cease operations, or have no realistic alternative but to do so.

Management is responsible for overseeing the center's financial reporting process.

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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 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 centre's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 centre'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 centre 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 the management 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.

The engagement partner on the audit resulting in this independent auditor's report is the Executive Director, Jamal Milhem.

Talal Abu-Ghazaleh & Co. International
License # (201/2022)



Jamal D. Milhem 24
Jamal Milhem, CPA
Certified Accountant License # (100/98)
Ramallah – Palestine
18 April, 2024

Economic and Social Development Center of Palestine
Ramallah - Palestine
Statement of Financial Position as of December 31, 2023 - Exhibit "A"

<u>Assets</u>	<u>Note</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
<u>Current assets</u>			
Cash in hand and at banks	(3)	764,824	773,737
Grants receivable	(4)	2,127,432	3,051,457
Loans receivable- net	(5)	14,883	23,271
Other current assets	(6)	19,421	17,982
Investment in New Farm Company	(7)	37,176	40,756
Total current assets		2,963,736	3,907,203
<u>Non-current assets</u>			
Fixed assets – net	(8)	235,117	258,995
Total non-current assets		235,117	258,995
Total assets		3,198,853	4,166,198
<u>Liabilities and Net Assets</u>			
<u>Current liabilities</u>			
Accounts payable and accruals	(9)	25,935	24,256
Total current liabilities		25,935	24,256
Due to the revolving lending fund	(10)	253,808	253,609
Employees provident fund	(11)	35,868	--
Provision for end-of-service indemnity	(12)	219,683	158,358
Total liabilities		535,294	436,223
<u>Net Asset</u>			
Unrestricted fund – Exhibit "C"		97,475	17,743
Temporarily restricted fund	(15)	2,330,967	3,453,237
Investment in fixed assets – Exhibit "C"		235,117	258,995
Total net assets –Exhibit "C"		2,663,559	3,729,975
Total liabilities and Net Assets		3,198,853	4,166,198

“The accompanying notes constitute an integral part of this statement”

Economic and Social Development Center of Palestine
Ramallah - Palestine
Statement of Activities
for the year ended December 31, 2023 – Exhibit “B”

	<u>Note</u>	<u>2023</u>			<u>2022</u>
		<u>Temporarily Restricted USD</u>	<u>Unrestricted USD</u>	<u>Total USD</u>	<u>Total USD</u>
<u>Operating revenues</u>					
Restricted grants and donations	(15)	1,588,211	--	1,588,211	5,272,541
Local community contributions	(15)	(2,100)	--	(2,100)	3,709
Other revenues	(13)	--	48,235	48,235	83,581
Total contributions and revenues		1,586,111	48,235	1,634,346	5,359,831
Net assets released from restrictions	(15)	(2,790,316)	2,790,316	--	--
Total revenues		(1,204,205)	2,838,551	1,634,346	5,359,831
<u>Programs expenses</u>					
Steadfastness and Resilience Program	(14)	--	(1,694,511)	(1,694,511)	(1,676,076)
Societal Economy Program	(14)	--	(483,783)	(483,783)	(365,803)
Entrepreneurial projects Program	(14)	--	(511,950)	(511,950)	(308,785)
Total programs expenses		--	(2,690,244)	(2,690,244)	(2,350,664)
Institutional development and capacity building	(14)	--	(43,499)	(43,499)	(11,755)
Total program and institutional development expenses		--	(2,733,743)	(2,733,743)	(2,362,419)
Fixed assets depreciation	(8)	--	(27,161)	(27,161)	(22,567)
Currency differences Gain (losses)		81,935	(18,213)	(18,213)	(29,382)
(Losses) Profits from New Farm Company	(7)	--	(3,580)	(3,580)	(11,718)
Change in net assets for the year - Exhibit "C"		(1,122,270)	55,854	(1,066,416)	2,933,745

“The accompanying notes constitute an integral part of this statement”

Economic and Social Development Center of Palestine
Ramallah - Palestine
Statement of Change in Net Assets for the year ended December 31, 2023 Exhibit "C"

	<u>Unrestricted</u> <u>fund</u> <u>USD</u>	<u>Fund</u> <u>restricted by</u> <u>the Board of</u> <u>Directors</u> <u>USD</u>	<u>Temporarily</u> <u>restricted</u> <u>fund</u> <u>USD</u>	<u>Investment</u> <u>in fixed</u> <u>assets</u> <u>USD</u>	<u>Total</u> <u>USD</u>
<u>Year Ended December 31, 2023</u>					
Balance at the beginning of the year	17,743	--	3,453,237	258,995	3,729,975
Change in net assets for the year – Exhibit "B"	55,854	--	(1,122,270)	--	(1,066,416)
Net investment in fixed assets and land - Note 8	23,878	--	--	(23,878)	--
Balance at the end of the year - Exhibit "A"	97,475	--	2,330,967	235,117	2,663,559
<u>Year Ended December 31, 2022</u>					
Balance at the beginning of the year	35,386	12,755	537,530	220,438	806,109
Change in net assets for the year – Exhibit "B"	8,159	--	2,925,586	--	2,933,745
Net investment in fixed assets and land - Note 8	(38,557)	--	--	38,557	--
Fund restricted by the Board of Directors	12,755	(12,755)	--	--	--
Temporarily restricted fund Adjustments	--	--	(9,879)	--	(9,879)
Balance at the end of the year - Exhibit "A"	17,743	--	3,453,237	258,995	3,729,975

"The accompanying notes constitute an integral part of this statement"

Economic and Social Development Center of Palestine
Ramallah - Palestine
Statement of Cash Flows
for the year ended December 31, 2023– Exhibit “D”

	<u>Note</u>	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
<u>Cash flows from operating activities</u>			
Grants and donations received		2,581,935	2,515,148
Unappropriated local contributions and services fees and other income		48,235	83,581
Expenses paid to suppliers and employees		(2,647,680)	(2,389,244)
Net cash flows (used in) provided from operating activities		(17,510)	209,485
<u>Cash flows from investing activities</u>			
Fixed assets purchases	(8)	(7,630)	(61,124)
Proceeds from the sale of fixed assets		16,227	--
Net cash flows provided from (used in) investing activities		8,597	(61,124)
(Decrease) Increase in cash and banks balances during the year		(8,913)	148,361
Cash in hand and at banks, at the beginning of the year		773,737	625,376
Cash in hand and at banks at year end		764,824	773,737
<u>Adjustments to reconcile change in net assets to net cash flows (used in) operating activities</u>			
Change in net assets for the year		55,854	8,159
Temporary Restricted fund		(1,122,270)	2,925,586
Depreciation of Fixed assets	(8)	27,161	22,567
Adjustment on temporarily restricted fund		--	(9,879)
Losses (gains) from New farm company		3,580	--
(Gains) on disposal of fixed assets	(13)	(11,880)	11,718
Bad debt expenses		7,886	--
Increase in Provision for employees' indemnity		61,325	25,131
Decrease (increase) in contributions receivable		916,139	(2,789,274)
Decrease in loan receivables and other receivables		6,949	10,770
Increase (decrease) in accrued expenses and other payables		1,679	(17,552)
Increase in employees' saving fund		35,869	--
Increase in the revolving loan fund	(10)	199	400
Check under collection		--	21,859
Net cash flows (used in) provided from operating activities		(17,510)	209,485

“The accompanying notes constitute an integral part of this statement”

Economic and Social Development Center of Palestine
Ramallah - Palestine
Notes to the Financial Statements

1. Legal status and activity:

The Palestinian Center for Economic and Social Development is a Palestinian non-governmental organization, was founded in early 2003 and is registered with the Ministry of the Interior under number B/2267/RA.

Vision:

A Sustainable and Resilient Socio-Economy

Mission:

We are a Palestinian civil Society organization committed to promoting economic and social development in the Palestinian community through empowering individuals, promoting cooperative work, enhancing resilience, and ensuring sustainable resource management while also addressing the challenges of climate change.

Strategic Objectives for the Years 2023-2027:

The center works to achieve four strategic objectives, each containing a set of policies and interventions, and these strategic objectives are:

- **First Objective:** To enhance the role of cooperative societies, membership-based institutions and groups in the social economy.
- **Second Objective:** to strengthen and develop the local economy by supporting and developing small and medium entrepreneurial projects, to create new job opportunities that increase per capita income, especially for youth and women.
- **Third Objective:** to enhance the steadfastness and resilience of farmers.
- **Fourth Objective:** Strengthening the institutional capacities of the Center to ensure compliance with the principles of good governance and the adoption of values of integrity and effective accountability.
- The number of center's employees was 26 as of December 31, 2023.
- The financial statements for the year ended December 31, 2023, were approved by the management on May 25, 2024.

2. Significant accounting policies:

Basis of preparation:

- The financial statements have been prepared under the historical cost basis, and the modified accrual basis in accordance with the International Financial Reporting Standards.
- The financial statements are presented in US Dollars.
- The accounting policies adopted are consistent with those of the previous financial year.

The following is a summary of significant accounting policies adopted:

a. **The organization's net assets and the changes mentioned are classified as follows:**

- Unrestricted net assets: net assets that are used by the organization that have no restrictions imposed by the donor that defines the area of use.
- Temporarily restricted net assets: net assets that are used by the organization restricted by conditions imposed by the donor, and these conditions are ceased either over time or by the organization fulfillment of all of its obligations.

b. Revenues and expenses:

Revenues are recognized when received and expenses when they occur based on the modified accrual basis.

Revenues are recorded as an increase in unrestricted net asset account unless the areas of their uses are restricted by the donor. As for the expenses it is recorded as decrease in unrestricted net assets account. Any gains or losses arising from disposal of fixed assets are recorded as an increase or decrease in the unrestricted net asset account unless the imposition of any restrictions on its use by the donor. At the end of a period of restrictions over time or by achieving the desired goal of restrictions imposed, temporarily restricted net assets account will be reclassified to unrestricted net assets and recorded as net assets transferred from temporarily restricted to unrestricted.

However, the values of the agreements with the new donors are recorded once approved by increasing both the donors' receivables and the temporarily restricted net assets recorded in the value of the agreement.

c. Loans Receivable:

ESDC provides other societies and institutions with interest-free loans, supported by guarantees and payment guarantees and payment checks and they were repaid based on the terms of the agreement.

d. Fixed assets:

Fixed assets are recorded at cost and depreciated over their estimated useful life using the straight-line method at the following rate:

- Furniture's %15
- Equipment's %20
- Vehicles %15
- Building %5

e. Foreign Currencies:

The basic functional currency of the Center is the US Dollar. Transactions denominated in currencies other than US Dollar (USD), occurring during the year, are translated to USD using the exchange rate at the date of the transaction. Monetary assets and liabilities, which are denominated in other currencies, are translated into USD using the rate of exchange at the reporting date. Gains or losses arising from exchange differences are recognized in the statement of activities.

Currency	December 31,	
	2023	2022
	USD	USD
NIS	0.27	0.28
JOD	1.41	1.41
EURO	1.103	1.06

f. Provision for end of Service Indemnity:

Provision for end of service indemnity is calculated for the Center's employees to meet the contractual obligations according to the Palestinian labor law in force.

g. **Provident Fund:**

Based on the Board of Directors meeting on 03/25/2023, it was decided to start implementing the provident fund system for the center's employees, and it was decided to start implementing it as of 4/1/2023, where each employee contributes 5% of the total salary and the same from the center every month.

h. **Statement of cash flows:**

Statement of cash flows is prepared using the direct method.

3. Cash in hand and at banks:

a. This item consists of:

	<u>2023</u>	<u>2022</u>
	<u>USD</u>	<u>USD</u>
Cash in hand	588	394
Cash at banks- ILS	777	(7,908)
Cash at banks- USD	201,907	169,863
Cash at banks- Euro	292,277	436,927
Check under collection less than 3 months	14,048	16,812
Total	509,597	616,088
Bank deposits restricted for specific purposes- USD- B	255,277	157,649
Total	764,824	773,737

b. **Bank deposits restricted for specific purposes:**

This item consists of:

	<u>Deficit</u>	<u>Reserve/provision</u>	<u>Deposit</u>
	<u>USD</u>	<u>value</u>	<u>amount</u>
	<u>USD</u>	<u>USD</u>	<u>USD</u>
Employees	(411)	219,683	219,272
Benefits	137	35,868	36,005
Total	(274)	255,551	255,277

4. Contributions receivable:

This item consists of:

	<u>2022</u> <u>USD</u>	<u>Additions</u> <u>during the</u> <u>year</u> <u>USD</u>	<u>Received</u> <u>USD</u>	<u>Currency</u> <u>differences</u> <u>USD</u>	<u>2023</u> <u>USD</u>
Oxfam-Building the Palestinian Agricultural Insurance Systems and Services 2022-2025	167,047	-	-	6,493	173,540
OXFAM -OCHA -WB-Improve access to WASH services for the Area C vulnerable and underserved Communities 2022-2023	31,693	3,378	(35,071)	-	-
OXFAM -OCHA -Food Assistance to most vulnerable HHs in the Gaza Strip 2022-2023	44,732	-	(44,732)	-	-
Oxfam / DGD#2 Gaza 2021-2023 "Support Livelihoods and Manage IGAs (A-06774-03-507349)	282,403	-	(287,066)	4,663	-
Oxfam /BMZ 2021-2025 "Resilient Communities: supporting vulnerable and affected Palestinian communities to transition to more resilient, sustainable, and "equitable economic growth in the Gaza Strip and the Jordan Valley	1,508,287	-	(754,848)	39,216	792,655
OXFAM Denmark (IBIS) Jobs and Green TVET for Young People in the Occupied Palestinian Territory (OPT) "A-07008-05"2023-2024	-	64,510	(64,510)	-	-
OXFAM OCHA Food voucher distribution (A-07204-02: PS) (2023) -GAZA	-	40,178	(40,178)	-	-
OXFAM -GAC -Support to Vulnerable Farmers, Fisherfolk (A-07058-02PS) GAZA 2023-2024	-	596,946	(145,862)	13,456	464,540
OXFAM -CRA Fund "Jenin WASH Emergency Response- 2023" (A-07255-02:PS)	-	27,584	(27,567)	(17)	-
OXFAM 2023 -Women-led Conflict-Sensitive Climate Action in Husan, Bethlehem in Collaboration with ESDC (A-06996-05:24)	-	33,713	(32,758)	(955)	-
Oxfam-Emergency Food Aid in Gaza Strip "Food Basket"2023-2024 (A-07354-02:PS)	-	109,280	(109,280)	-	-
UNOPS- "GEF SGP" 2021-2023 "Piloting the cultivation of Aloe Vera as a high value crop in saline environment in the lower Jordan valley of the West " Bank	4,500	-	(4,500)	-	-
UNDP -PAL10-00113429-TARABOT PALESTINE Programme (2022-2023) - GAZA	70,000	-	(70,000)	-	-

Economic and Social Development Center of Palestine- Notes to the financial statements for the financial year ended December 31, 2023

	<u>2022</u> <u>USD</u>	<u>Additions</u> <u>during the</u> <u>year</u> <u>USD</u>	<u>Received</u> <u>USD</u>	<u>Currency</u> <u>differences</u> <u>USD</u>	<u>2023</u> <u>USD</u>
We effect "Enhancing Livelihood and Food Security Through Community-Based Actors" 2023	-	134,360	(134,360)	-	-
We World - GVC Onlus: Enhancing and restoring access to agricultural assets and income generation for vulnerable communities in the West Bank (CBPF-OPT-23-S-INGO-24744)	-	170,420	(85,210)	-	85,210
We World - GVC Onlus: "Strengthening the Resilience of Bedouin and Herding (Households in Area C" CBPF-OPT-23-S-INGO-26916	-	99,609	-	-	99,609
(40423567) Halieus: Technical Assistance Local cooperative expertise for Palestine	-	9,930	(3,972)	3	5,961
UNDP -TARABOT Palestine Program-MA'AN Development Center "Strengthening "the Resilience of Palestinian Farmers in Qalqilya	-	127,806	(12,603)		115,203
GIZ -Strengthening of Livelihoods in Rural Areas in the Palestinian -Contract # 83394313	81,094	37,541	(90,783)	2,169	30,021
GIZ-More Job Opportunities for Palestinian Youth (MJO I) #83443374	-	108,515	(94,975)	(2,607)	10,933
European Union: "Mediterranean Fisheries Network Project 2019-2022" + 2023 Aman /Agreement #C1/2022+2023	150,996	(38)	(120,169)	1,913	32,702
AFD (PARC Project)/SIF/2022-2025 (Build Community Resilience and Improve Livelihoods and Food Security through safe agriculture Practices in West Bank - Palestine)	379,625	-	(85,829)	12,555	306,351
(Ministry of Finance -Cash for work in west bank (64) (2022-2023)	305,151	13,097	(318,248)	-	-
HAMAP-Jalboun Village Council-Jalboun Water Study "Improve Access To Water Creating and Support of a Public Water Service within Village of Jalboun - Jenin "District	-	8,859	(8,859)	-	-
ICFO Support Program Gaza 2023	-	3,164	(3,164)	-	-
West Estates Village Council, Qalqilia -Reinforcing governance, accountability, inclusivity and resilience in the Western Estates of Qalqilia Governorate. NEAR-TS/2017/393-986	17,897	(7,886)	-	696	10,707
Total	3,051,457	1,580,325	(2,581,935)	77,585	2,127,432
Community contributions					
NRO-UAWC community contribution 2017-2019 "Land and Water Resource Management for Agricultural Development in the West Bank Program 2017-2020 "#4000000025	-	(2,100)	2,100	-	-
Total	3,051,457	1,578,225	(2,579,835)	77,585	2,127,432

5. Loans receivable- net:

This item consists of:

	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
Balance at the beginning of the year	25,529	35,108
Loans issued	12,000	19,500
Loans collected	(20,664)	(29,079)
Currency differences	276	--
Total	17,141	25,529
Provision for doubtful Debts	(2,258)	(2,258)
Net loans	14,883	23,271

6. Other current assets:

This item consists of:

	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
Employees advances	1,365	912
Receivables from associations – suppliers	476	128
Prepaid expenses	11,516	10,878
Receivables from New Farm Company	6,064	6,064
Total	19,421	17,982

7. Investment in New Farm Company:

a. This item consists of:

	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
The value of investment in New Farm Company	40,756	52,474
Investment deduction	(3,580)	(11,718)
Net investment	37,176	40,756

b. This item represents the center's investment in New Farm Agricultural Processing and Marketing Company (private shareholding company) in amount of USD 52,474, which represents the value of 36,700 shares in the company at one Jordanian Dinar per share. This amount represents 100% of the nominal value of the shares mentioned. During 2022 the investment value was declined in the amount of USD 11,718 and recorded as an investment loss in 2022. During 2023 and based on the audited financial statements of New Pharm Company for the year ended December 31, 2022, the investment value was declined in the amount of USD 3,580 and recorded as an investment loss in the statement of activities for the year 2023 .

8. Fixed assets – net:

This item consists of:

<u>December 31, 2023</u>	<u>Furniture</u> USD	<u>Equipment</u> USD	<u>Vehicles</u> USD	<u>Land and Building</u> USD	<u>Total</u> USD
<u>Cost</u>					
Balance, beginning of year	17,780	77,133	83,343	210,347	388,603
Additions	-	7,630	-	-	7,630
Deductions	(455)	(13,376)	(24,483)	-	(38,314)
Balance at year-end	17,325	71,387	58,860	210,347	357,919
<u>Accumulated depreciation</u>					
Balance, beginning of year	(17,780)	(65,295)	(20,226)	(26,307)	(129,608)
Additions	-	(5,266)	(11,378)	(10,517)	(27,161)
Deductions	455	13,376	20,136	-	33,967
Balance at year-end	(17,325)	(57,185)	(11,468)	(36,824)	(122,802)
<u>Net book value</u>					
As of December 31, 2023	-	14,202	47,392	173,523	235,117
As of December 31, 2022	-	11,838	63,117	184,040	258,995

9. Accounts payable and accruals:

This item consists of:

	<u>2023</u> USD	<u>2022</u> USD
Suppliers payables	25,911	22,794
Employees payables	24	1,462
Total	25,935	24,256

10. Due to the revolving lending fund:

a. This item consists of:

	<u>2023</u> USD	<u>2022</u> USD
Balance, the beginning of the year	253,609	253,209
Commission revenue - revolving lending fund	199	400
Total	253,808	253,609

b. The end balance consists of financing including commission income for the revolving fund from “We Effect” at USD 197,357 and Oxfam International with USD 56,251 and USD 200 the revolving fund commission revenue is allocated for continuous lending matched by loan balances granted to others in the amount of USD 17,141 at the end of the year.

11. Provident Fund:

Based on the Board of Directors meeting on 03/25/2023, it was decided to start implementing the provident fund system for the center's employees, and it was decided to start implementing it as of 4/1/2023, where each employee contributes 5% of the total salary and the same from the center every month.

12. Provision for end of service indemnity:

a. This item consists of:

	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
Balance, beginning of year	158,358	133,227
Additions	73,997	47,444
Payments during the year	(12,672)	(22,313)
Total	<u><u>219,683</u></u>	<u><u>158,358</u></u>

b. There are advances to active employees as of Dec 31 2023 in the amount of USD 56,154 that paid in previous financial years guaranteed by their end of service indemnity.

13. Other revenues:

This item consists of:

	<u>2023</u> <u>USD</u>	<u>2022</u> <u>USD</u>
Tenders fees revenue	2,830	4,861
Training and use of vehicle revenues	24,490	20,265
Gain from disposal of fixed assets	11,880	21,881
Other revenues	9,035	36,574
Total	<u><u>48,235</u></u>	<u><u>83,581</u></u>

14. Expenses for programs, institutional development and capacity building:

This item consists of:

	<u>Steadfastness and Resilience Program USD</u>	<u>Societal Economy Program USD</u>	<u>Entrepreneurial Projects Program USD</u>	<u>Institutional Development and Capacity building USD</u>	<u>2023 Total USD</u>	<u>2022 Total USD</u>
Professional and consulting fees	82,494	58,028	8,209	4,125	152,856	71,962
Halls rental	700	--	375	--	1,075	326
Films Production	2,600	3,911	--	--	6,511	6,736
Car rental	4,269	--	--	852	5,121	11,226
Posts, Fax and Phone	10,740	2,184	915	645	14,484	11,325
Rehabilitation of damaged fields	843	902	--	--	1,745	138,169
Advertising and publications	1,248	1,350	--	6,684	9,282	5,721
Employees' salaries and expenses	422,420	143,130	86,682	--	652,232	577,303
Travel and accommodation	--	14,022	--	2,017	16,039	28,073
Maintenance	7,382	3,593	--	148	11,123	19,455
Hospitality	6,509	8,925	526	662	16,622	34,741
Printing and Photocopying	3,963	10,946	7,032	476	22,417	17,542
Materials cost to beneficiaries	--	490	--	--	490	131,250
Other expenses	21,899	4,282	106	8,393	34,680	10,055
Project activities expenses	1,066,439	212,474	396,589	130	1,675,632	1,192,322
Cars expenses	17,921	12,375	1,131	9,732	41,159	54,357
Rent expenses	10,978	3,001	1,106	--	15,085	14,556
Transportation	34,106	4,170	9,279	1,749	49,304	37,300
Bad debt expenses	--	--	--	7,886	7,886	--
Total	1,694,511	483,783	511,950	43,499	2,733,743	2,362,419

15. Temporarily restricted fund:

This item consists of:

	<u>2022</u> <u>USD</u>	<u>Additions</u> <u>during the</u> <u>year</u> <u>USD</u>	<u>Received</u> <u>USD</u>	<u>Currency</u> <u>differences</u> <u>USD</u>	<u>2023</u> <u>USD</u>
Oxfam/ Agritourism pilot project 2022-2023	43,942	-	(44,294)	352	-
Oxfam-Building the Palestinian Agricultural Insurance Systems and Services 2022-2025	208,688	-	(76,915)	6,031	137,804
OXFAM -OCHA -WB-Improve access to WASH services for the Area C vulnerable and underserved Communities 2022-2023	30,452	3,378	(33,830)	-	-
OXFAM -OCHA -Food Assistance to most vulnerable HHHs in the Gaza Strip 2022-2023	44,732	-	(44,732)	-	-
Oxfam / DGD#2 Gaza 2021-2023 "Support Livelihoods and Manage IGAs (A-06774-03-507349)"	452,797	-	(449,628)	(3,169)	-
Oxfam /BMZ 2021-2025 "Resilient Communities: supporting vulnerable and affected Palestinian communities to transition to more resilient, sustainable, and equitable economic growth in the Gaza Strip and the Jordan Valley"	1,469,234	-	(686,758)	38,181	820,657
OXFAM Denmark (IBIS) Jobs and Green TVET for Young People in the Occupied Palestinian Territory (OPT) "A-07008-05"2023-2024	-	64,510	(57,888)	118	6,740
OXFAM OCHA Food voucher distribution (A-07204-02: PS) (2023) -GAZA	-	40,178	(40,178)	-	-
OXFAM -GAC -Support to Vulnerable Farmers, Fisherfolk (A-07058-02PS) GAZA 2023-2024	-	596,946	(72,468)	16,894	541,372
OXFAM -CRA Fund "Jenin WASH Emergency Response- 2023" (A-07255-02:PS)	-	27,584	(27,291)	(293)	-
OXFAM 2023 -Women-led Conflict-Sensitive Climate Action in Husan, Bethlehem in Collaboration with ESDC (A-06996-05:24)	-	33,713	(4,432)	445	29,726
Oxfam-Emergency Food Aid in Gaza Strip "Food Basket"2023-2024 (A-07354-02:PS)	-	109,280	(75,516)	514	34,278
UNOPS- "GEF SGP" 2021-2023 "Piloting the cultivation of Aloe Vera as a high value crop in saline environment in the lower Jordan valley of the West Bank "	6,137	-	(6,137)	-	-
UNDP -PAL10-00113429-TARABOT PALESTINE Programme (2022-2023) - GAZA	95,362	-	(95,362)	-	-

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	<u>2022</u> <u>USD</u>	<u>Additions</u> <u>during the</u> <u>year</u> <u>USD</u>	<u>Received</u> <u>USD</u>	<u>Currency</u> <u>differences</u> <u>USD</u>	<u>2023</u> <u>USD</u>
Spanish - AECID 2022/SPE/0000400014(2022-2023) "Phase II-Enhancing the income of fishermen's households through sustainable ice production and creation of business opportunities in Deir Al-Balah Governorate- Gaza Strip"	185,122	-	(188,851)	3,729	-
We effect "Enhancing Livelihood and Food Security Through Community-Based Actors" 2023	-	134,360	(134,194)	(166)	-
We World - GVC Onlus: Enhancing and restoring access to agricultural assets and income generation for vulnerable communities in the West Bank (CBPF-OPT-23-S-INGO-24744)	-	170,420	(101,353)	-	69,067
We World - GVC Onlus: "Strengthening the Resilience of Bedouin and Herding Households in Area C" CBPF-OPT-23-S-INGO-26916)	-	99,609	(1,790)	-	97,819
Halieus: Technical Assistance _Local cooperative expertise for Palestine (40423567)	-	9,930	(3,972)	3	5,961
UNDP -TARABOT Palestine Program-MA'AN Development Center "Strengthening the Resilience of Palestinian Farmers in Qalqilya"	-	127,806	(15,234)	-	112,572
GIZ -Strengthening of Livelihoods in Rural Areas in the Palestinian -Contract # 83394313	96,607	37,541	(110,388)	3,946	27,706
GIZ-More Job Opportunities for Palestinian Youth (MJO I) #83443374	-	108,515	(19,874)	3	88,644
Communaute' des communes Sud Corse /EU-FISHMEDNET 2019-2022+2023	91,573	(38)	(91,535)	-	-
Aman /Agreement #C1/2022+2023	4,549	(641)	(3,816)	(92)	-
AFD (PARC Project)/SIF/2022-2025 (Build Community Resilience and Improve Livelihoods and Food Security through safe agriculture Practices in West Bank -Palestine)	443,406	-	(100,224)	15,439	358,621
Ministry of Finance -Cash for work in west bank (64) (2022-2023)	278,536	13,097	(291,633)	-	-
HAMAP-Jalboun Village Council-Jalboun Water Study "Improve Access to Water Creating and Support of a Public Water Service within Village of Jalboun - Jenin District"	-	8,859	(8,859)	-	-
ICFO Support Program Gaza 2023	-	3,164	(3,164)	-	-
Total	3,451,137	1,588,211	(2,790,316)	81,935	2,330,967
Community contributions					
NRO-UAWC community contribution 2017-2019 "Land and Water Resource Management for Agricultural Development in the West Bank Program 2017-2020 #4000000025"	2,100	(2,100)	-	-	-
Total	3,453,237	1,586,111	(2,790,316)	81,935	2,330,967

16. The fair value of financial assets and liabilities

The carrying value of financial assets and liabilities do not differ materially from the fair value as at the date of the financial statements.

17. Risk Management:

The implicit risks of the center's activities, are managed, measured and monitored on an ongoing basis to stay within the permissible limits. The center is exposed to currency risk, the fair value of assets risk, and reliance on donor grants risk in addition to the operating risks.

Currency risk

The Center's Management considers that the net output of the currency risk may have a material effect on the Center as a result of obtaining donations in foreign currencies mainly the USD and the EURO, while spending on projects sometimes in new shekels, the Centre's management hedges for its expenses in various currencies.

Reliance on donor grants

The fact that the Center is non-profit, and relies heavily on grants from donors to cover a significant portion of the expenditures, the center may be exposed to the decline in submitted grants or some grants stopped, the Center's management plans for its expenditures and manages the projects in a way to ensure that spending are paralleled with receipts.

Liquidity and credit risk

The Center deposits its cash funds at highly creditworthy banks, Also the Center's management makes periodic study of liquidity requirements and based on it sets the maturities of its assets to conform with the maturity of its liabilities as become due.

18. Cases against the center:

There are two cases filed against the Center for an amount of NIS 228,000, according to the lawyer's letter dated April 25, 2024, in which he believes that the results and any obligations cannot be guessed.