

Economic and Social Development Center of Palestine (ESDC)

Financial Statements And Independent Auditor's Report
For the Year Ended December 31, 2024

Economic and Social Development Center of Palestine (ESDC)

Ramallah - Palestine

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Independent Auditor's Report

To the General Assembly of
Economic and Social Development Center of Palestine

Ramallah – Palestine

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Economic and Social Development Center of Palestine (ESDC), which comprise the statement of financial position as of December 31, 2024, statement of activities, statement of changes in net assets and the 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 ESDC as of December 31, 2024, its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Statement section of our report. We are independent of ESDC in accordance with the ethical requirements that are relevant to our audit of the financial statement in areas under the jurisdiction of Palestinian Authority, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matters

Prior year financial statements were audited by another audit firm who issued their unqualified audit opinion dated April 18, 2024.

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 ESDC'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 ESDC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing ESDC'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 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 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 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 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 evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ESDC's ability to continue as a going concern. If we conclude that 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 ESDC 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 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.

HLB PS – License No. (201/2023)
Ramallah – Palestine



Raed Abu El Etham – License Number (109/2002)
March 24, 2025

Economic and Social Development Center of Palestine (ESDC)

Statement of Financial Position
As of December 31, 2024

	Notes	2024 USD	2023 USD
Assets			
Current Assets			
Cash and Cash Equivalents	5	1,553,904	748,362
Restricted Deposits at Banks	6	306,290	255,277
Contributions Receivable	7	1,653,974	2,127,432
Loans Receivable - Net	8	21,323	14,883
Other Debit Balances	9	24,794	33,469
Investment in Affiliate	10	34,072	37,176
Total Current Assets		3,594,357	3,216,599
Non-Current Assets			
Property and Equipment, net	11	214,830	235,117
Total Non-Current Assets		214,830	235,117
Total Assets		3,809,187	3,451,716
Liabilities and Net Assets			
Current Liabilities			
Accounts Payable and Accrued Expenses	12	15,183	25,935
Post Dated Cheques		252,023	252,863
Total Current liabilities		267,206	278,798
Non-Current Liabilities			
Employees Provident Fund	13	78,317	35,868
Provision for Employees' End of Service Indemnity	14	233,750	219,683
		312,067	255,551
Total Liabilities		579,273	534,349
Net Assets			
General Fund		224,329	97,475
Temporarily Restricted Contributions	15	2,536,747	2,330,967
Loan Revolving Fund		254,008	253,808
Investment in Property and Equipment	11	214,830	235,117
Total Net Assets		3,229,914	2,917,367
Total Liabilities and Net Assets		3,809,187	3,451,716

The Accompanying Notes Form an Integral Part of These Financial Statements.

Economic and Social Development Center of Palestine (ESDC)

Statement of Activities

For The Year Ended December 31, 2024

	Notes	General Fund USD	Temporarily Restricted Contribution USD	Total 2024 USD	Total 2023 USD
Grants and Revenues :					
Restricted Grants	15	-	3,523,084	3,523,084	1,588,890
Communities Contributions		-	31,514	31,514	-
Unrestricted Contributions		44,087	-	44,087	36,355
		44,087	3,554,598	3,598,685	1,625,245
Releases From Restrictions	15	3,170,891	(3,170,891)	-	-
Total Grants and Revenues		3,214,978	383,707	3,598,685	1,625,245
Project Expenses :					
Steadfastness and Resilience Program	16	2,635,965	-	2,635,965	1,694,511
Societal Economy Program	16	272,905	-	272,905	483,783
Entrepreneurial Projects Program	16	214,545	-	214,545	511,950
Total Programs Expenses		3,123,415	-	3,123,415	2,690,244
Institutional Development and Capacity Building	16	48,992	-	48,992	43,499
Total Program and Institutional Development Expenses		3,172,407	-	3,172,407	2,733,743
Currency Exchange		19,732	50,280	70,012	(63,722)
Loss/(Gain) on Disposal of Property and Equipment		129	-	129	(11,880)
Depreciation of Property and Equipment	11	24,646	-	24,646	27,161
Share from Investment in Affiliate Company	10	3,104	-	3,104	3,580
Expected Credit Loss on Loans Receivable		2,680	-	2,680	-
Total Expenses		3,222,698	50,280	3,272,978	2,688,882
(Decrease) Increase in Net Assets for the Year		(7,720)	333,427	325,707	(1,063,637)

The Accompanying Notes Form an Integral Part of These Financial Statements.

Economic and Social Development Center of Palestine (ESDC)

Statement of Changes in Net Assets
For the Year Ended December 31, 2024

	General Fund	Temporarily Restricted Contributions	Loan Revolving Fund	Investment in Property and Equipment	Total
	USD	USD	USD	USD	USD
Net Assets as of January 1, 2024	97,475	2,330,967	253,808	235,117	2,917,367
Change in Net Assets for the Year	(7,720)	333,427	-	-	325,707
Write off Temporarily Restricted Contribution Transferred to General Fund	-	(13,360)	-	-	(13,360)
Change in Revolving Lending Fund	114,287	(114,287)	-	-	-
Procurement of Property and Equipment, Net	-	-	200	-	200
	20,287	-	-	(20,287)	-
Net Assets as of December 31, 2024	224,329	2,536,747	254,008	214,830	3,229,914
Net Assets as of January 1, 2023	17,743	3,453,237	253,608	258,995	3,983,583
Change in Net Assets for the Year	55,854	(1,119,491)	-	-	(1,063,637)
Write off Temporarily Restricted Contribution	-	(2,779)	-	-	(2,779)
Change in Revolving Lending Fund	-	-	200	-	200
Procurement of Property and Equipment, Net	23,878	-	-	(23,878)	-
Net Assets as of December 31, 2023	97,475	2,330,967	253,808	235,117	2,917,367

The Accompanying Notes Form an Integral Part of These Financial Statements.

Economic and Social Development Center of Palestine (ESDC)

Statement of Cash Flows

For the Year Ended December 31, 2024

	2024 USD	2023 USD
Cash Flows from Operating Activities		
Cash Received from Donors and Local Contributions	3,982,449	2,581,935
Unrestricted Donations	44,087	36,355
Cash Paid To Employees And Suppliers	(3,216,506)	(2,555,680)
Net Cash Flows Generated from Operating Activities	810,030	62,610
Cash Flows from Investing Activities		
Purchase of Property And Equipment	(4,488)	(7,630)
Proceeds From Disposal of Property and Equipment	-	16,227
Net Cash Flows (Used in) Generated from Investing Activities	(4,488)	8,597
Increase in Cash During the Year	805,542	71,207
Cash on Hand and at Banks, Beginning of The Year	748,362	677,155
Cash on Hand and at Banks, End of the Year	1,553,904	748,362
Adjustments to Reconcile Change in Net Assets to Net Cash Flows from Operating Activities		
Increase (Decrease) In Net Assets For The Year	325,707	(1,063,637)
Write Off Temporary Restricted Fund	(13,360)	(2,779)
Expected Credit Loss on Loans Receivable	2,680	-
Depreciation of Property and Equipment	24,646	27,161
Loss (Gain) on Disposal of Property and Equipment	129	(11,880)
Loss from Investment in Affiliate Company	3,104	3,580
(Increase) in Restricted Deposits	(51,013)	(97,628)
Decrease in Contribution Receivables	473,458	924,025
(Increase) Decrease in Loans Receivables	(9,120)	8,388
(Decrease) in Other Debit Balances	8,675	1,323
(Decrease) Increase in Accounts Payable and Accrued Expenses	(10,752)	1,679
(Decrease) Increase in Post Dated Cheuques	(840)	174,985
Increase in Employees' Saving Fund	42,449	35,868
Increase in Provision For Employees' End of Service Indemnity	14,067	61,325
Increase in Loan Revolving Fund	200	200
Net Cash Flows Generated from Operating Activities	810,030	62,610

The Accompanying Notes Form an Integral Part of These Financial Statements.

**Notes to The Financial Statements
For the Year Ended December 31, 2024**

1. General Information

Economic and Social Development Center of Palestine (ESDC) is a Palestinian non-governmental organization established on April 27, 2003 and registered with the Ministry of the Interior under registration number B-2267-RA.

The Center's vision is to promote a sustainable and resilient socio-economy.

The Center aims to promote economic and social development within the Palestinian community through empowering individuals, fostering cooperative work, enhancing resilience, and addressing challenges related to sustainable resource management and climate change.

The Center works to achieve four strategic objectives, each containing a set of policies and interventions. The Center's strategic objectives for the years 2023 to 2027 are as follow:

- To enhance the role of cooperative societies, membership-based institutions, and groups in the social economy.
- 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.
- To enhance the steadfastness and resilience of farmers.
- 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 the center's employees was 28 as of December 31, 2024, compared to 27 employees as of December 31, 2023.

The financial statements were approved and authorized for issuance by ESDC's Board of Directors on March 22, 2025.

2. Application of new and revised International Financial Reporting Standards ("IFRSs")

In the current year, ESDC management considered all new and revised Standards and Interpretations issued by the International Accounting Standards Board (IASB) and the International Financial Reporting Interpretations Committee (IFRIC) of IASB, relevant to its activities, that were issued and effective for annual reporting periods ended on December 31, 2024.

At the date of these financial statements, there were a combination of standards and amendments to IFRSs that are applicable in subsequent years. The management believes that these standards and their interpretations will be applied in the financial statements of ESDC according to the dates of their effectiveness and that this application has no effect on the financial statements of ESDC in the initial application stage.

3. Summary of Significant Accounting Policies

3.1 Preparation of Financial Statements

The financial statements have been prepared in accordance with International financial Reporting Standards ("IFRS") as issued by the International Accounting standards Board ("IASB").

The financial statements have been presented in the United States Dollar (USD) which is the functional currency of ESDC.

3.2 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 a specific purpose or time are recognized when the pledge is obtained.
- Unconditional pledges that are temporarily restricted by the donor for a specific purpose or time are recognized when such purpose or time is satisfied.

3.3 Revenue Recognition

The Center records revenue in accordance with the accrual principle, recognizing revenue to the extent that it is probable that economic benefits will flow to the Center and can be reliably measured.

Revenue is measured at the fair value of the consideration received or receivable. The following recognition criteria must also be met before revenue is recognized:

In-Kind Contributions

Contributed services and materials are recorded as revenue at their fair value when such contributions can be quantified, effective from the date of contribution.

Deferred revenues

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

Expenses recognition

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

3.4 Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognized in the statement of activities as incurred.

3. Summary of Significant Accounting Policies (continued)

3.4 Property and equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

	Depreciation Rate
Furniture	15%
Office equipment	20%
Vehicles	15%
Building	5%

Any item of property and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of activities when the asset is derecognized.

The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

3-5 Grants and Donations Receivable

Grants and donations receivable are recognized at their original amount, less any amounts collected and any allowances for doubtful accounts. An assessment of collectability is conducted, and an allowance is recorded when there is uncertainty regarding the receipt of these donations.

3.6 Accounts Payable and Accrual

Liabilities are recognized for amounts to be paid in the future for goods or services received, regardless of whether the supplier has formally claimed the payment.

3.7 Provision for Employees End of Service Indemnity

The provision for end-of-service benefits is calculated at one month's salary for each year of service, based on the employee's last received salary.

3.8 Income Tax and Value Added Tax

ESDC is a not-for-profit company; accordingly, it is not subject to income tax. Under the Value Added Tax (VAT) law, the entity is considered an exempt entity and is not entitled to recover VAT paid on purchases and expenses.

3. Summary of Significant Accounting Policies (continued)

3.9 Expense Allocation

Expenses are classified functionally between various programs and general administration. Expenses that can be directly attributed to a specific project are charged directly to that project. Other expenses shared across multiple projects are allocated to the projects based on management's estimates.

3.10 Foreign currencies

Transactions in foreign currencies are recorded at the rate prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the financial statements date.

The exchange rates for the USD were as follows:

	December 31	
	2024	2023
	USD	USD
ILS	0.277	0.322
JOD	1.41	1.41
EURO	1.040	1.103

Currency exchange differences are recorded in the statement of activities.

Notes to The Financial Statements
For the Year Ended December 31, 2024

4. Estimates and Assumptions

The preparation of the financial statements in accordance with International Financial Reporting Standards (IFRS), as detailed in Note (3), requires management to make several accounting estimates and assumptions that affect the amounts of assets and liabilities in the statement of financial position, as well as the amounts of revenues and expenses in the statement of activities for the year. These estimates and assumptions are based on previous assumptions and other relevant factors. Due to the use of these estimates, actual results may differ from the estimates.

The underlying estimates and assumptions are reviewed on an ongoing basis. Any revisions to accounting estimates are recognized in the period in which the estimates are revised, if the adjustment affects only that period, or in the period of revision and future periods.

5. Cash on hand and at Banks

	2024 USD	2023 USD
Cash on Hand	515	588
Cash at Banks – NIS	138,193	51,251
Cash at Banks – USD	900,727	205,166
Cash at Banks – EUR	514,469	491,357
	<u>1,553,904</u>	<u>748,362</u>

6. Restricted Deposits at Banks

	2024 USD	2023 USD
Employees End of Service Indemnity Deposits	230,440	219,272
Provident Fund Deposit	75,850	36,005
	<u>306,290</u>	<u>255,277</u>

Economic and Social Development Center of Palestine (ESDC)

Notes to The Financial Statements For the Year Ended December 31, 2024

7. Contributions Receivable

As of December 31, 2024	Balance Beginning of the year USD	Additions USD	Cash Received USD	Adjustment USD	Currency Differences USD	Balance End of the year USD
oxfam-Building the Palestinian Agricultural Insurance Systems and Services 2022-2025 (A-06554-02)	173,540	-	(169,896)	-	(3,644)	-
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 -(A-06554-02)	792,655	150,014	(642,431)	-	(22,211)	278,027
OXFAM Denmark (IBIS) Jobs and Green TVET for Young People in the Occupied Palestinian Territory (OPT) "A-07008-05"2023-2024	-	11,504	(11,504)	-	-	-
OXFAM -GAC -Support to Vulnerable Farmers, Fisherfolk (A-07058-02PS) GAZA 2023-2024	464,540	60,882	(525,422)	-	-	-
OXFAM -Women-led Conflict-Sensitive Climate Action in Husan, Bethlehem in Collaboration with ESDC (A-06996-05:24)	-	53,240	(53,810)	-	570	-
OXFAM-OCHA-GAZA -2024-2025-A-07584-02((Emergency Food Lifeline: Targeted Food Assistance for Vulnerable Households GS))	-	265,556	-	-	-	265,556
Oxfam-DGD-Addressing FSL needs"2023-2025 (A-07245-04:PS)	-	237,298	(94,232)	-	(7,292)	135,774
Oxfam\Ocha\2024\Gaza (Provision of food parcels to affected IDPs in the Gaza Strip A-7375-02:PS)	-	254,897	(254,897)	-	-	-
Oxfam : Catalyzing Economic Recovery project (Appeal) A-07388-04:PS	-	118,668	(118,668)	-	-	-
Oxfam -WB CAT 2024 (Gaza Emergency Response)-A-07493-02:PS	-	183,379	(189,924)	-	6,545	-
Oxfam -Jenin Emergency response-A-07375-05 .PS	-	116,562	(116,087)	-	(475)	-
OXFAM-SIDA Project-Emergency Rehabilitation and Livelihood Support for Conflict-Affected Communities in the Northern West Bank 2024-2025-A-7573-04:PS	-	290,078	(290,078)	-	-	-
OXFAM-OCHA-WB Emergency response 2024-2025-A-07473-02	-	393,000	(393,000)	-	-	-
We effect "Enhancing Livelihood and Food Security Through Community-Based Actors" 2024"PJ 1498"	-	169,274	(159,792)	-	(796)	8,686
We effect-Rays of Hope For The Children of Palestine" PJ 1656"	-	348,679	(160,161)	-	6,403	194,921
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)	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)	-	-	-
We World - GVC Onlus: "Respond to the urgent Food Security needs and Strengthening the Resilience of most vulnerable Palestinians in West bank" (CBPF-OPT-24-S-INGO-33791)	-	102,061	(102,061)	-	-	-
We World-ONLUS- (AID 11914) – COOPER-IDEA: Actions to improve and strengthen cooperative productivity for inclusive development and entrepreneurship	-	122,665	(39,105)	-	-	83,560
Accept International "funded by Japan Platform".-"2024-2025" Assistance for improved sanitation for vulnerable war victims in Gaza"	-	139,568	(1,010)	-	-	138,558
Halleus : Technical Assistance _Local cooperative expertise for Palestine (40423567)	5,961	-	(5,961)	-	-	-
UNDP -TARABOT Palestine Program-MA'AN Development Center "Strengthening the Resilience of Palestinian Farmers in Qalqilya"	96,929	-	(81,027)	(11,382)	-	4,520
GIZ -Strengthening of Livelihoods in Rural Areas in the Palestinian -Contract # 83394313	30,021	-	(30,021)	-	-	-
GIZ-More Job Opportunities for Palestinian Youth (MJO I) #83443374	10,933	8,767	(19,920)	-	220	-
Communaute' des communes Sud Corse /EU-FISHMEDNET 2019-2022+2023	32,702	-	-	-	(1,883)	30,819
NRO -PARC "Enhancing livelihoods, Food Security, and sustainable economic growth in the West Bank and Gaza Strip, Palestine" Ref: #24-0001954	-	456,172	(136,852)	-	-	319,320
Sub Total	1,792,100	3,482,264	(3,780,678)	(11,382)	(22,563)	1,459,741

Economic and Social Development Center of Palestine (ESDC)

Notes to The Financial Statements For the Year Ended December 31, 2024

7. Contributions Receivable (continued)

	Balance Beginning of the year USD	Additions USD	Cash Received USD	Adjustment USD	Currency Differences USD	Balance End of the year USD
AFD (PARC Project)/SIF/2022-2025 (Build Community Resilience and Improve Livelihoods and Food Security through safe agriculture Practices in West Bank -Palestine)	306,351	-	(131,342)	-	(9,141)	165,868
Malaysian National Cooperative Movement -ANGKASA-2024- Emergency Food Aid to save the lives of the civilians displaced people in Gaza.	-	35,300	(35,300)	-	-	-
ICFO Support Program Gaza 2024	-	5,520	(3,542)	(1,978)	-	-
West Estates Village Council, Qalqilia -Reinforcing governance, accountability, inclusivity and resilience in the Western Estates of Qalqilia Governorate. NEAR TS/2017/393-986	10,707	-	-	-	(616)	10,091
Sub Total	317,058	40,820	(170,184)	(1,978)	(9,757)	175,959
Total Contributions	2,109,158	3,523,084	(3,950,862)	(13,360)	(32,320)	1,635,700
Communities Contributions						
Local community contribution-AFD (PARC Project)/SIF/2022-2025 (Build Community Resilience and Improve Livelihoods and Food Security through safe agriculture Practices in West Bank -Palestine)	-	17,469	(17,542)	-	73	-
Local community contribution-UNDP -TARABOT Palestine Program-MA'AN Development Center "Strengthening the Resilience of Palestinian Farmers in Qalqilya"	18,274	-	-	-	-	18,274
Local community contribution-NRO -PARC "Enhancing livelihoods, Food Security, and sustainable economic growth in the West Bank and Gaza Strip, Palestine" Ref: #24-0001954	-	14,045	(14,045)	-	-	-
Total Communities Contributions	18,274	31,514	(31,587)	-	73	18,274
Total Contribution Receivables	2,127,432	3,554,598	(3,982,449)	(13,360)	(32,247)	1,653,974

Economic and Social Development Center of Palestine (ESDC)

Notes to The Financial Statements For the Year Ended December 31, 2024

7. Contributions Receivable (Continued)

As of December 31, 2023	Balance Beginning of the year USD	Additions USD	Cash Received USD	Adjustment USD	Currency Differences USD	Balance End of the year USD
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)	-	-	-
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	150,996	-	(120,169)	(38)	1,913	32,702
Aman /Agreement #C1/2022+2023	8,032	-	(7,391)	(641)	-	-
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 ICFO Support Program Gaza 2023	-	8,859	(8,859)	-	-	-
	-	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 Contributions	3,051,457	1,588,890	(2,581,935)	(8,565)	77,585	2,127,432
Communities 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 Communities Contributions	-	-	2,100	(2,100)	-	-
Total Contribution Receivables	3,051,457	1,588,890	(2,579,835)	(10,665)	77,585	2,127,432

Notes to The Financial Statements
For the Year Ended December 31, 2024

8. Loans receivable, net

	2024 USD	2023 USD
Balance at the beginning of the year	17,141	25,529
Loans issued	9,000	12,000
Loans collected	-	(20,664)
Currency differences	120	276
	<u>26,261</u>	<u>17,141</u>
Provision for expected credit loss	(4,938)	(2,258)
	<u><u>21,323</u></u>	<u><u>14,883</u></u>

The movement on the provision for estimated credit loss is as follows:

	2024 USD	2023 USD
Balance at the beginning of the year	2,258	2,258
Provision for the year	2,680	-
Balance at the end of the year	<u><u>4,938</u></u>	<u><u>2,258</u></u>

9. Other Debit Balances

	2024 USD	2023 USD
Prepaid expenses	10,774	11,516
Advances to Employees	217	1,365
Receivables from Affiliates	6,064	6,064
Checks in Safe	7,118	14,048
Others	621	476
	<u>24,794</u>	<u>33,469</u>

10. Investment in Affiliate

ESDC's investment in New Farm for Marketing and Agricultural Manufacturing Company (Private Shareholding Company) amounts to 34,333 Jordanian Dinars, distributed across 34,333 shares, each valued at 1 Jordanian Dinar, which is equivalent to 48,699 USD. For the year ending December 31, 2024, ESDC reduced the value of its investment in New Farm by 3,104 USD based on the company's financial statements for the year 2023, while ESDC's investment in the company decreased by 3,580 USD in 2023, according to the company's financial statements for 2022.

	2024 USD	2023 USD
Balance at the beginning of the year	37,176	40,756
(Loss) from investment in affiliate	(3,104)	(3,580)
Balance at the end of the year	<u><u>34,072</u></u>	<u><u>37,176</u></u>

Notes to The Financial Statements
For the Year Ended December 31, 2024

11. Property and Equipment

	Furniture USD	Equipment USD	Vehicles USD	Land and Building Improvement USD	Total USD
As of December 31, 2024					
Cost					
Balance as of January 1, 2024	17,325	71,387	58,860	210,347	357,919
Additions	-	4,488	-	-	4,488
Disposals	(450)	(7,004)	-	-	(7,454)
Balance as of December 31, 2024	16,875	68,871	58,860	210,347	354,953
Accumulated Depreciation					
Balance as of January 1, 2024	17,325	57,185	11,468	36,824	122,802
Additions	-	5,247	8,853	10,546	24,646
Disposals	(450)	(6,875)	-	-	(7,325)
Balance as of December 31, 2024	16,875	55,557	20,321	47,370	140,123
Book Value as of December 31, 2024	-	13,314	38,539	162,977	214,830
As of December 31, 2023					
Cost					
Balance as of January 1, 2023	17,780	77,133	83,343	210,347	388,603
Additions	-	7,630	-	-	7,630
Disposals	(455)	(13,376)	(24,483)	-	(38,314)
Balance as of December 31, 2023	17,325	71,387	58,860	210,347	357,919
Accumulated Depreciation					
Balance as of January 1, 2023	17,780	65,295	20,226	26,307	129,608
Additions	-	5,266	11,378	10,517	27,161
Disposals	(455)	(13,376)	(20,136)	-	(33,967)
Balance as of December 31, 2023	17,325	57,185	11,468	36,824	122,802
Book Value as of December 31, 2023	-	14,202	47,392	173,523	235,117

Notes to The Financial Statements
For the Year Ended December 31, 2024

12. Accounts Payable and Accrued Expenses

	2024 USD	2023 USD
Suppliers' payables	15,087	25,911
Other Payables & Accrued Expenses	96	24
	<u>15,183</u>	<u>25,935</u>

13. Employees Provident Fund

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

The movement on the Employees' Provident Fund account is as follows:

	2024 USD	2023 USD
Balance at the beginning of the year	35,868	-
ESDC contribution	23,100	17,748
Employees contribution	24,761	18,257
Payments during the year	(5,366)	(153)
Currency variances	(46)	16
Balance at the end of the year	<u>78,317</u>	<u>35,868</u>

14. Provision for Employees End of Service Indemnity

	2024 USD	2023 USD
Balance at the beginning of the year	219,683	158,358
Additions	59,887	73,997
Payments during the year	(45,820)	(12,672)
	<u>233,750</u>	<u>219,683</u>

Economic and Social Development Center of Palestine (ESDC)

Notes to The Financial Statements For the Year Ended December 31, 2024

15. Temporary Restricted Contributions

Movement in temporarily restricted contributions during the year was as follows:

As of December 31, 2024	Balance Beginning of the year USD	Additions USD	Releases From Restrictions USD	Transferred to General Fund USD	Adjustment USD	Currency Differences USD	Balance End of the year USD
oxfam-Building the Palestinian Agricultural Insurance Systems and Services 2022-2025 (A-06554-02)	137,804	-	(104,017)	-	-	(2,024)	31,763
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 -(A-06554-02)	820,657	150,014	(660,056)	-	-	(23,174)	287,441
OXFAM Denmark (IBIS) Jobs and Green TVET for Young People in the Occupied Palestinian Territory (OPT) *A-07008-05*2023-2024	6,740	11,504	(18,378)	-	-	134	-
OXFAM -GAC - Support to Vulnerable Farmers, Fisherfolk (A-07058-02PS) GAZA 2023-2024	541,372	60,882	(587,747)	(11,490)	-	(3,017)	-
OXFAM -Women-led Conflict-Sensitive Climate Action in Husan, Bethlehem in Collaboration with ESDC (A-06996-05:24)	29,276	53,240	(83,392)	-	-	426	-
Oxfam-Emergency Food Aid in Gaza Strip "Food Basket"2023-2024 (A-07354-02:PS)	34,278	-	(34,278)	-	-	-	-
OXFAM-OCHA-GAZA - 2024-2025-A-07584-02((Emergency Food Lifeline: Targeted Food Assistance for Vulnerable Households GS))	-	265,556	(15,288)	(1,070)	-	-	249,198
Oxfam-DGD-Addressing FSL needs"2023-2025 (A-07245-04:PS)	-	237,298	(31,556)	-	-	(9,425)	196,317
Oxfam\Ocha\2024\Gaza (Provision of food parcels to affected IDPs in the Gaza Strip A-7375-02:PS)	-	254,897	(224,093)	(30,804)	-	-	-
Oxfam - Catalyzing Economic Recovery project (Appeal) A-07388-04:PS	-	118,668	(115,962)	-	-	(2,706)	-
Oxfam -WB CAT 2024 (Gaza Emergency Response)-A-07493-02:PS	-	183,379	(180,654)	-	-	(2,725)	-
Oxfam-Jenin Emergency response-A-07375-05 :PS	-	116,562	(116,548)	-	-	(14)	-
OXFAM-SIDA Project-Emergency Rehabilitation and Livelihood Support for Conflict-Affected Communities in the Northern West Bank 2024-2025-A-7573-04:PS	-	290,078	(52,875)	(16,791)	-	(552)	219,860
OXFAM-OCHA-WB Emergency response 2024-2025-A-07473-02	-	393,000	(14,354)	(1,005)	-	-	377,641
We effect "Enhancing Livelihood and Food Security Through Community-Based Actors" 2024"PJ 1498"	-	169,274	(169,274)	-	-	-	-
We effect-Rays of Hope For The Children of Palestine" PJ 1656"	-	348,679	(133,245)	-	-	7,619	223,053
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)	69,067	-	(64,547)	(4,520)	-	-	-
We World - GVC Onlus: "Strengthening the Resilience of Bedouin and Herding Households in Area C" CBPF-OPT-23-S-INGO-26916)	97,819	-	(91,420)	(6,399)	-	-	-
We World - GVC Onlus: "Respond to the urgent Food Security needs and Strengthening the Resilience of most vulnerable Palestinians in West bank" (CBPF-OPT-24-S-INGO-33791)	-	102,061	(3,364)	(168)	-	-	98,529
We World-ONLUS- (AID 11914) – COOPER-IDEA: Actions to improve and strengthen cooperative productivity for inclusive development and entrepreneurship	-	122,665	(1,550)	(78)	-	-	121,037
Accept International "funded by Japan Platform"- "2024-2025"Assistance for improved sanitation,for vulnerable war victims in Gaza"	-	139,568	(2,114)	-	-	-	137,454
Halleeus : Technical Assistance „Local cooperative expertise for Palestine (40423567)	5,961	-	-	(5,961)	-	-	-
UNDP -TARABOT Palestine Program-MA/AN Development Center "Strengthening the Resilience of Palestinian Farmers in Qalqilya"	94,298	-	(73,094)	(9,822)	(11,382)	-	-
GIZ -Strengthening of Livelihoods in Rural Areas in the Palestinian -Contract # 83394313	27,706	-	(25,920)	(1,290)	-	(496)	-
GIZ-More Job Opportunities for Palestinian Youth (MJO I) #83443374	88,644	8,767	(91,523)	(4,519)	-	(1,369)	-
NRO -PARC "Enhancing livelihoods, Food Security, and sustainable economic growth in the West Bank and Gaza Strip, Palestine" Ref. #24-0001954	-	456,172	(18,514)	(31)	-	-	437,627
Sub Total	1,954,072	3,482,264	(2,913,763)	(93,948)	(11,382)	(37,323)	2,379,920

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Notes to The Financial Statements For the Year Ended December 31, 2024

15. Temporary Restricted Contributions (Continued)

	Balance Beginning of the year USD	Additions USD	Releases From Restrictions USD	Transferred to General Fund USD	Adjustment USD	Currency Differences USD	Balance End of the year USD
AFD (PARC Project)/SIF/2022-2025 (Build Community Resilience and Improve Livelihoods and Food Security Through safe agriculture Practices in West Bank - Palestine)	358,621	-	(195,748)	(20,339)	-	(12,957)	129,577
Malaysian National Cooperative Movement -ANGKASA-2024- Emergency Food Aid to save the lives of the civilians displaced people in Gaza.	-	35,300	(35,300)	-	-	-	-
ICFO Support Program Gaza 2024	-	5,520	(3,542)	-	(1,978)	-	-
Sub Total	358,621	40,820	(234,590)	(20,339)	(1,978)	(12,957)	129,577
Total Contributions	2,312,693	3,523,084	(3,148,353)	(114,287)	(13,360)	(50,280)	2,509,497
Communities Contributions							
Local community contribution-AFD (PARC Project)/SIF/2022-2025 (Build Community Resilience and Improve Livelihoods and Food Security through safe agriculture Practices in West Bank -Palestine)	-	17,469	(4,264)	-	-	-	13,205
Local community contribution-UNDP -TARABOT Palestine Program-MA'AN Development Center "Strengthening the Resilience of Palestinian Farmers in Qalqilya"	18,274	-	(18,274)	-	-	-	-
Local community contribution-NRO -PARC "Enhancing livelihoods, Food Security, and sustainable economic growth in the West Bank and Gaza Strip, Palestine" Ref. #24-0001954	-	14,045	-	-	-	-	14,045
Total Communities Contributions	18,274	31,514	(22,538)	-	-	-	27,250
Total Temporarily Restricted Contribution	2,330,967	3,554,598	(3,170,891)	(114,287)	(13,360)	(50,280)	2,536,747

Economic and Social Development Center of Palestine (ESDC)

Notes to The Financial Statements For the Year Ended December 31, 2024

15. Temporary Restricted Contributions (Continued)

As of December 31, 2023	Balance Beginning of the year USD	Additions USD	Releases From Restrictions USD	Adjustment USD	Currency Differences USD	Balance End of the year USD
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 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)"	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 (IBS) 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 -PALIO-00113429-TARABOT PALESTINE Programme (2022-2023) - GAZA	95,362	-	(95,362)	-	-	-
Spanish - AECID 2022/SPE/O000400014(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
Halleus: 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	-	(91,535)	(38)	-	-
Aman /Agreement #C1/2022+2023	4,549	-	(3,816)	(641)	(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 Contributions	3,451,137	1,588,890	(2,790,316)	(679)	81,935	2,330,967
Communities Contributions						
NRO-UAWC community contribution 2017-2019 "Land and Water Resource Management for Agricultural Development in the West Bank Program 2017-2020 #400000025"	2,100	-	-	(2,100)	-	-
Total Communities Contributions	2,100	-	-	(2,100)	-	-
Total Temporarily Restricted Contribution	3,453,237	1,588,890	(2,790,316)	(2,779)	81,935	2,330,967

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16. Program and Institutional Development Expenses

	Steadfastness and Resilience Program	Societal Economy Program	Entrepreneurial Projects Program	Institutional Development and Capacity Building	2024	2023
	USD	USD	USD	USD	USD	USD
Project Activities Expenses	1,884,908	116,526	152,459	-	2,153,893	1,675,632
Employees' Salaries and Expenses	555,330	67,317	50,448	3,667	676,762	652,232
Professional and Consulting Fees	54,308	35,513	-	11,747	101,568	152,856
Transportation	68,989	14,917	3,835	3,657	91,398	49,304
Cars Expenses	23,344	8,267	5,499	7,272	44,382	41,159
Rent Expenses	10,292	-	-	9,325	19,617	5,121
Travel and Accommodation	6,096	7,232	-	3,219	16,547	16,039
Rehabilitation of Damaged Fields	-	11,782	411	-	12,193	1,745
Posts, Fax and Phone	8,259	1,605	485	750	11,099	14,484
Maintenance	8,684	958	347	89	10,078	11,123
Other Expenses	5,437	754	-	3,456	9,647	34,680
Hospitality	609	6,725	690	319	8,343	16,622
Printing and Photocopying	5,061	1,006	-	452	6,519	22,417
Rent expenses	4,294	303	371	352	5,320	15,085
Advertising and Publications	354	-	-	4,156	4,510	9,282
Halls Rental	-	-	-	531	531	1,075
Materials Cost to Beneficiaries	-	-	-	-	-	490
Films Production	-	-	-	-	-	6,511
Bad Debt Expenses	-	-	-	-	-	7,886
	2,635,965	272,905	214,545	48,992	3,172,407	2,733,743

17. Financial Instruments – Fair Values and Risk Management

Fair Values of Financial Assets and Liabilities

The carrying book value of financial assets and liabilities are not materially different from their fair values applicable at the date of the financial statements.

Credit risk

With respect to credit risk arising from other financial assets, which comprise cash and cash equivalents, ESDC exposure to credit risk arises from the default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments. ESDC seeks to limit its credit risk to banks by dealing with respectable banks.

Foreign currency risk

Currency risk arises from the possibility that changes in exchange rates may negatively affect the value of financial assets and liabilities in the event that ESDC does not hedge its currency exposure by means of hedging instruments. ESDC grants revenues are mainly in US Dollars and Euro and its costs of activities are mainly in New Israeli Shekel.

Operational Risk

ESDC finances its programmatic and administrative expenses, as well as fixed assets, through the grants and donations it receives. ESDC estimates that the funding level for 2025 will be at the same level as previous years and that it will be able to cover all its expenses through donations. ESDC's management believes that the political and economic conditions in the region will not significantly impact its operational activities.

Relationship with Donors

Most of ESDC's revenues and the support provided to it during 2024 and 2023 were the result of donations from individuals, organizations, and donor institutions. ESDC has no reason to believe that relationships with donor agencies will be discontinued in the foreseeable future. However, any interruption of these relationships would adversely affect ESDC's ability to finance ongoing operations.

Liquidity risk

ESDC mitigates liquidity risks by maintaining sufficient cash balances to meet its current obligations and fund its activities. Additionally, ESDC's operations are financed by multiple donors.

18. Comparative Figures

The prior period comparative figures have been reclassified, to confirm with the presentation of the financial statements for the current period.