

**The Palestinian Center for Development
and Media Freedoms
(MADA)**



**Financial statements and the auditor's report
31st December 2019**

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The Palestinian Center for Development and Media Freedoms (MADA)

**Financial statements and the auditor's report
31st December 2019**

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Independent Auditors' Report

Messrs. Respected members of the General Assembly

The Palestinian Center for Development & Media Freedoms (MADA)

Ramallah - Palestine

We have audited the accompanying financial statements of “**The Palestinian Center For Development & Media Freedoms, MADA**”, which comprise the statement of financial position as of 31 December 2019, statement of activities and statement of cash flow for the year then ended. Besides, a summary of accounting policies and other explanatory notes.

Management's responsibility for Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance 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 selected procedures depend on the chartered accountant assessment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers 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's internal control. An audit also includes evaluation of 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.

Tu'meh Audit Bureau (TAB)

PUBLIC ACCOUNTANTS & BUSINESS ADVISORS
Ramallah – Palestine



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محاسبون قانونيون ومستشارو أعمال
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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion about the financial statement prepared by the management.

Opinion:

In our opinion, the financial statements present fairly in all material respects the financial position of “**The Palestinian Center for Development & Media Freedoms, MADA**” as of 31 December 2019 and the financial performance and its cash flows for the year then ended.

Tu'meh Audit Bureau
Mahmoud Tu'meh



Certified Palestinian Public Accountant No. 111/ 98
Member / Fellow of Arab Society for CPA's No. 389
Member of the Society of the Palestinian Certified Public Accountants
Financial & Commercial Certified Palestinian Arbitrator No. 98/2011
Ramallah – Palestine

March 17, 2020

The Palestinian Center for Development and Media Freedoms (MADA)

Statement of financial position as of 31st December 2019

Description		2019	2018
Assets	Note	USD	USD
Current Assets			
Cash in Quds Bank	3	78,616	81,404
Deposit in Quds Bank	3	500	250
Total Current Assets		79,116	81,654
Fixed Assets			
Furniture	4	5,965	5,965
Furniture Accumulated depreciation	4	-5,573	-5,244
Office Tools and Equipment's	4	13,517	12,717
Office Tools and Equipment's accumulated depreciation	4	-11,119	-10,250
Total Fixed Assets		2,790	3,188
Total Assets		81,906	84,841
Liabilities and net assets			
Post dated Checks	5	23,128	33,981
Income tax deductions		0	847
Accrued expenses	6	8,693	8,772
Net Assets – Page 6		50,084	41,241
Total liabilities and net assets		81,906	84,841

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

Chief of BOD

Treasure

Dr. Gazi Hanania

Dr. Taleb Awad

The Palestinian Center for Development and Media Freedoms (MADA)
Statement of activities and the change in net asset value
for the year ended 31st December 2019

Description	Note	2019	2018
		USD	USD
Revenues	7	360,240	298,652
Total Revenues		360,240	298,652
Less: Projects expenses	8	-228,869	-186,262
Net assets before Operating expenses		131,371	112,390
Less: Operating expenses	9	-122,528	-120,887
Changes during the year		8,843	-8,497
Change in net asset at the beginning of the year		41,241	49,738
Change at the end of the year – Page 5		50,084	41,241

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

Chief of BOD

Treasure

Dr. Gazi Hanania

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The Palestinian Center for Development and Media Freedoms (MADA)

Cash Flow Statement for the year ended 31st December 2019

Description	2019 USD	2018 USD
Cash flow from operating activities		
Net change in assets during the year	8,843	-8,497
Depreciation	1,198	2,604
Payables & Accrued expenses	-11,779	34,921
Net cash flow from operations	-1,738	29,028
Cash flow from investing activities		
Fixed assets purchase	-800	-2,601
Net cash flow	-2,538	26,427
Cash at the beginning of the year	81,654	55,227
Cash and bank at the end of the year	79,116	81,654

The Palestinian Center for Development and Media Freedoms (MADA)

Notes to the financial statements of the year ended Dec.31st 2019

Note (1) - General

The Palestinian Center for Development & Media Freedoms (MADA) Is an independent, non-governmental and non-profit organization that develops the Palestinian media and defends journalists and media outlets.

MADA is the foremost media organization, which monitors media freedom violations in Palestine. It is licensed by the Palestinian Ministry of Interior under registration number RA-250-1.

Through MADA`s reports, hundreds of national and international organizations and thousands of individuals have become more aware of the media freedom situation in Palestine and a lot of journalists, people and organizations have been encouraged by MADAs Work, and have begun to speak loudly against media freedom violations.

MADA Goals

- Defending media freedom.
- Promoting a culture of freedom of opinion and expression and working to develop legislation for these rights.
- Raising the level of media institutions, work and the professional performing of Palestinian journalists.
- Encouraging journalism and media creativity in Palestine.
- Contributing to human rights defense and democracy to enhance in Palestine society.
- Cooperating with similar Arab and International organizations.

Note (2) – Basis of Financial Statements preparation

- The accompanying financial statements are prepared in accordance with current international financial reporting standards. International financial reporting standards do not include any specific requirements regarding non-profit organization in connection with the accounting policies or the presentation of the financial statements.
- The financial statements are prepared under the historical cost convention.
- The financial statements have been presented in U.S dollars.

Following are MADA significant accounting policies:

A. Change in accounting policies :

The accounting policies used are similar to those used in the previous year.

B. Cash and cash equivalent:

Cash and cash equivalent includes cash on hand and cash at local banks.

C. Fixed assets:

Fixed assets are stated at net cost after accumulated depreciation.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets based on the following annual percentage rates:

Office furniture	10 %
Office tools and equipment's	20 %
Buildings	4 %
Computer program	20 %

- The Carrying Values of fixed assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recordable.
- If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.
- Any subsequent expenditures are capitalized only when they increased in the future economic benefits of the related fixed assets.
- All other expense are recognized in the statement of activities once incurred.

D. Post dated checks:

Post-dated checks are not deleted from the balance sheet and shown under accounts payable.

E. Reserve for severance pay:

Benefits payable to the employees of MADA at the end of their services are provided for in accordance with the guidelines set by the local labor laws. The financial statements did not show a balance for the allowance as it was paid in full until the date of the financial statements through one of the grants.

F. Revenue recognition:

Donations and contributions are registered upon receipt depending on the budget of the project.

G. Expenditures recognition:

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

H. Temporarily restricted grants:

As per international accounting standards number 8 paragraph 10, in the absence of standard and interpretation that specifically applies to transaction, other event or condition, management can use its judgment in developing and applying accounting policy that results in information that is relevant and reliable . In doing so, management can consider the standards set by other standard-setting bodies.

Accordingly, MADA's management has selected to record temporarily restricted grants as unrestricted if restriction are met in the same period in accordance with financial accounting standard board pronouncement number 116 or as temporarily restricted until restrictions are met.

When donors' restrictions expire, temporarily restricted net assets are classified to unrestricted and reported in the statement of activities as net assets released from restrictions

I. Judgment and estimation uncertainty:

- MADA's financial position and results of activities are sensitive to accounting methods, assumptions, estimates and judgments that underline the preparation of the financial statements.
- MADA bases its estimates on its experience and on various other assumptions deemed reasonable, the result of which from the basis for making judgment the carrying values of assets and liabilities. Due to different assumptions and about situations, the actual results might differ significantly from these estimates.

J. Translation of foreign currencies:

Financial statements appeared in the currency of the US dollar, transactions in foreign currencies were translated during the year according to the prevailing exchange rates at that time, assets and liabilities recorded in foreign currencies at the end of the year are transferred to the US dollar using the exchange rates prevailing at end of the financial statements, and currency differences that arise from the above transactions included in the statement of activities.

Note (3): Cash in hand & at Bank

Description	2019		2018	
	Equivalent to USD	Amount in currencies	Equivalent to USD	Amount in currencies
Deposit in Quds Bank - USD	500	500	250	250
Cash in Banks				
Al-Quds Bank/000/ USD	12,180	12,180	10,424	10,424
Al-Quds Bank/000/ NIS	2,364	8,214	0	0
Al-Quds Bank/000/ EURO	35,816	32,581	70,284	61,461
Al-Quds Bank/000/ 004/ USD	27,080	27,080	696	696
Al-Quds Bank/001/ EU EQUAL IN USD	1,176	1,070	0	0
Total Cash in banks	78,616		81,404	
Total Cash & Cash equivalent	79,116		81,654	

Note (4): Fixed Assets

	Office Furniture	Equipment	Total
Description	USD	USD	USD
Fixed Assets cost			
Balance as of 31/12/2018	5,965	12,717	18,682
Additions		800	800
Disposals		0	0
Balance as of 31/12/2019	5,965	13,517	19,482
Accumulated depreciation			
Balance as of 31/12/2018	5,244	10,251	15,495
Additions	329	868	1,197
Disposal		0	0
Balance as of 31/12/2019	5,573	11,119	16,692
Net fixed assets			
31/12/2018	721	2,466	3,188
31/12/2019	392	2,398	2,790
Depreciation percentage	10%	20%	

Note (5): Postdated Checks

Description	2019		2018	
	Equivalent to USD	Amount in currencies	Equivalent to USD	Amount in currencies
USD Post checks	2,063	2,063	0	0
NIS Post checks	1,100	3,671	675	2,371
Euro Post checks	7,042	5,710	32,689	27,916
USD bank transfers	12,219	12,219	617	617
NIS bank transfers	209	720	0	0
Euro bank transfers	495	450	0	0
Total	23,128		33,981	

Note (6): Accrued expenses at the end of the year

Description	2019	2018
	USD	USD
Audit fees	1,972	1,972
Accrued Rents	0	1,800
Design activities expense	1,301	0
Accrued survey fees	3,225	0
Accrued translation fees	1,352	0
Accrued legal fees	475	0
Hate speech media campaign	0	5,000
Accrued media expenses	368	0
Total	8,693	8,772

Note (7)- Revenues

Description	2019	2018
	USD	USD
Unrestricted grants	7,141	2,107
Members subscriptions	89	50
UNESCO Grants	5,000	29,000
FOSI Grants	100,000	0
IFEX Grants	1,678	829
FLC Grants	0	26,072
European Union Grants	181,372	170,288
EED Grants	0	11,806
IMS Grants	64,960	46,041
Pyalara Grant / Germans	0	12,459
Total Revenues	360,240	298,652

Note (8)- Projects Expenses

	2019	2018
Description	USD	USD
Publications, studies and reports	6,530	1,132
Publications of studies (Women's press and freedom of opinion and expression in Palestine)	0	1,478
Digital rights campaign	12,442	836
Media campaign to stop violation against journalists	3,042	10,465
Materials to promote for Freedom of Expression	1,498	1,492
Trainers' wages	1,109	9,704
Hospitality , rental of halls and establishment of workshops	4,211	11,920
Internal transportation	1,738	4,288
Coordination of project activities	1,920	1,222
International missions travel	15,406	7,953
Films production (clips)	3,000	1,110
Design promotional materials	4,737	1,782
Editing and printing training and media materials	0	7,655
Wages for the coordinators and staff of the projects	94,587	80,368
Projects' audit	1,505	5,897
Translation	8,719	5,705
A survey of media freedoms in Palestine	12,151	2,536
Legal unit	20,558	9,911
Court prize campaign	0	1,000
Hate speech media campaign	10,250	8,000
Monitoring and documentation of the field researchers	17,672	6,285
Rental of field signs	5,114	5,523
Project's evaluation	2,680	0
Total	228,869	186,262

Note (9)- Operating expenses

Description	2019 USD	2018 USD
Salaries	76,218	64,642
Bank commissions	634	646
Audit	1,972	1,972
Rents	11,160	12,658
Internet	1,257	496
Newspapers	271	231
Maintenance	1,036	598
Mail and telegraph	136	0
Electricity	1,312	949
Telephone	1,318	1,098
Insurance	650	6,128
Furniture depreciation	329	597
Equipment's depreciation	868	2,007
Stationery	317	191
Hospitality	2,530	3,444
Internal transportation	4,148	4,671
Membership in International organizations	200	400
Website expenses	348	348
Staff end of service benefits	12,973	12,595
Currency exchange differences	4,851	7,216
Total	122,528	120,887