



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

**Financial statements and the auditor's report
31st December 2021**

The Palestinian Center for Development and Media Freedoms (MADA)

**Financial statements and the auditor's report
31st December 2021**

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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 2021, 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.

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 2021 and the financial performance and its cash flows for the year then ended.

BDO Accounting, Audit & Tax Services

Nabeel Zeidan/ Managing Partner

Signature & Stamp



License No. 110/2005

Ramallah, on 28 April 2022

The Palestinian Center for Development and Media Freedoms (MADA)
Statement of financial position as of 31st December 2021

Description		2021	2020
Assets	Note	USD	USD
Current Assets			
Cash	3	0	0
Deposit in Quds Bank	3	500	500
Cash in Quds Bank	3	45,713	170,881
Prepaid Expenses		4,979	5,400
Total Current Assets		51,192	176,781
Fixed Assets			
Furniture		5,965	5,965
Furniture Accumulated depreciation		-5,854	-5,779
Office Tools and Equipment's		13,517	13,517
Office Tools and Equipment's accumulated depreciation		-12,489	-11,810
Total Fixed Assets		1,139	1,893
Total Assets		52,331	178,674
Liabilities and net assets			
Post dated Checks		11,051	47,258
Accrued expenses	4	1,053	13,956
Net Assets – Page 2		40,227	117,460
Total liabilities and net assets		52,331	178,674

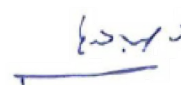
“ The accompanying notes form an integral part of this statement”

Chief of BOD



Dr. Gazi Hanania

Treasure



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 2021

Description	Note	2021	2020
		USD	USD
Revenues	5	86,804	361,349
Total Revenues		86,804	361,349
Less: Projects expenses	6	69,930	197,987
Net assets before Operating expenses		16,874	163,362
Less: Operating expenses	7	91,632	103,445
Exchanges differences		-2,475	7,459
Changes during the year		-77,233	67,376
Change in net asset at the beginning of the year		117,460	50,084
Change at the end of the year		40,227	117,460

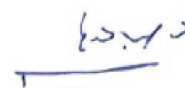
“ The accompanying notes form an integral part of this statement”

Chief of BOD



Dr. Gazi Hanania

Treasure



Dr. Taleb Awad

The Palestinian Center for Development and Media Freedoms (MADA) **Notes to the financial statements**

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 MADA's 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 rate:

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 as of 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.

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 past 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:

The accompanying financial statements are denominated in U.S Dollars.

Transactions denominated in foreign currency during the year were translated according to prevailing rates at the time each transaction took place. Monetary assets and liabilities denominated in foreign currencies are translated in to U.S dollars by applying the exchange rates prevailing at the financial statements reporting date. Exchange gains or losses that arise from the above mentioned transactions are reflected in the statement of activities.

Note (3): Cash in hand & cash in Bank

Description	2021	
	Amount in currencies	Equivalent to USD
Cash on hand	0	0
Deposit in Quds Bank	500	500
Cash in Banks		
Al-Quds Bank/000/ USD	-1	-1
Al-Quds Bank/000/ NIS EQUAL IN USD	0	0
Al-Quds Bank/000/ EU EQUAL IN USD	40,454	45,714
Al-Quds Bank/000/ 004/ USD	0	0
Al-Quds Bank/000/ EU EQUAL IN USD	0	0
Total Cash in banks		44,713
Total Cash & Cash equivalent		45,213

Note (4): Accrued expenses at the end of the year

Description	2021
	USD
Audit fees	440
Design activities expense	613
Total	1,053

Note (5)- Revenues

Description	2021
	USD
European Union Grants	10,324
IMS Grants	76,480
Total Revenues	86,804

Note (6)- Projects Expenses

Description	2021
	USD
Publications, studies and reports	4,674
Digital rights campaign	3,000
Media campaign to stop violation against journalists	300
Wages for the coordinators and staff of the projects	58,665
Projects' audit	1,540
Translation	300
Legal unit	1,451
Total	69,930

Note (7)- Operating expenses

Description	2021
	USD
Salaries	64,147
Bank commissions	683
Audit	440
Rents	11,160
Internet	268
Maintenance	405
Electricity	739
Telephone	929
Furniture depreciation	186
Machines depreciation	250
Stationery	230
Hospitality	1,417
Internal transportation	374
End of service	10,085
Total	91,313