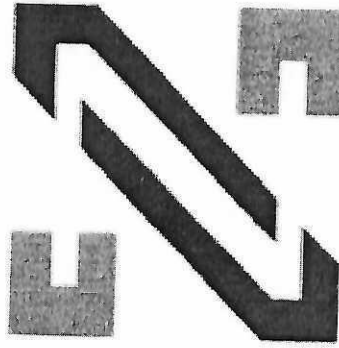




**INDEED**

Indeed - Auditing, Accounting & Training





**INDEED**


**Witness Center for Citizen Rights  
& Social Development (SHAHID)**

**Independent Auditor's Report**

**December 31, 2022**

 0597142238  
0568060862

 [Info@indeedpal.com](mailto:Info@indeedpal.com)

 رام الله-شارع نابلس-دوار أحمد الشقيري  
-عمارة سلطة النقد سابقاً-ط1





INDEED

Indeed - Auditing, Accounting & Training

**Independent Auditors' Report**

To the Board of Directors of the Witness Center for Citizen Rights & Social Development (SHAHID)

**Opinion**

We have audited the financial statements of Witness Center for Citizen Rights & Social Development (SHAHID)(Association), which comprise the statement of financial position as at December 31, 2022, and the statement of activities and change in net assets and the statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Association as at December 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES).

**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 Association in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Responsibility of Management and those Charged with Governance for the Financial Statement**

Management is responsible for the preparation of the financial statement in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES) to the accompanying financial statement. This includes determining that the basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances; and for such internal control as management determines is necessary to enable the preparation of the financial statement that is free from material misstatement, whether due to fraud or error.

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

**Auditor's Responsibilities for the Audit of the Financial Statement**

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is 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 this financial statement.



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0597142338  
056806086

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رام الله-شارع نابلس-دوار أحمد الشفيري  
-عمارة سلطة النقد سابقا-ط1







# INDEED

## Indeed - Auditing, Accounting & Training

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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 Association'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 Association 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 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.

Indeed- Auditing, Accounting, & Training Services

Ahmad Ikhleif

License # 117/2020

June 10, 2023

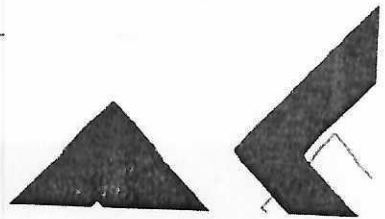


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رام الله - شارع نابلس - دوار أحمد الشفيبي  
عمارة سلطة النقد سابقاً ط 1

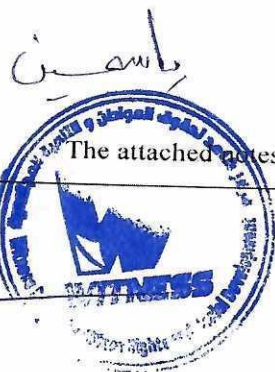


Witness Center for Citizen Rights & Social Development (SHAHID)

**Statement of Financial Position**

As at December 31, 2022

	Notes	2022 USD	2021 USD
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets – in total		27,945	24,640
Subtract from it: Accumulated depreciation	3	(9,856)	(5,495)
Fixed assets – net		18,089	19,145
		<b>18,089</b>	<b>19,145</b>
<b>Current assets</b>			
Other current assets		-	6,790
Cash and cash equivalents	4	21,785	25,061
		21,785	31,851
<b>Total assets</b>		<b>39,874</b>	<b>50,996</b>
<b>Net assets and liabilities</b>			
<b>Net assets</b>			
Net assets		26,272	(5,767)
<b>Total net assets</b>		<b>26,272</b>	<b>(5,767)</b>
<b>Current liabilities</b>			
Accounts payable	5	6,091	35,745
Post-dated checks issued		7,511	21,018
		13,602	56,763
<b>Total liabilities</b>		<b>13,602</b>	<b>56,763</b>
<b>Total net assets and liabilities</b>		<b>39,874</b>	<b>50,996</b>



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The attached notes from 1 to 16 form part of these statements

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Witness Center for Citizen Rights & Social Development (SHAHID)

Statement of Activities and Change in Net Assets

For the year ended December 31, 2022

	Notes	2022 USD	2021 USD
<b>Revenues</b>			
Project revenues			
Association membership fees	6	178,095	177,738
Hall rental income		495	542
		181	967
		<b>178,771</b>	<b>179,247</b>
<b>Project expenses</b>			
From the camp-IMS			
Naseej-Oxfam	7	35,541	47,024
Fact-Checking in elections (Qarib) - CFI	8	31,932	11,534
Reporting and fact checking-UNESCO	9	23,853	-
Supporting marginalized areas and students- FONSA	10	22,349	22,434
Studio Shahid-PSDF	11	15,525	19,496
Supreme Council for Youth and Sports	12	8,323	-
Youth leading peace - Erasmus+	13	4,015	-
Promoting a culture of non-violence for youth-Pal Think		1,800	-
Kashif		2,698	-
Central Election Committee		1,120	-
Swiss Norwegian-Press House		1,081	-
Purpose		470	-
Reducing the impact of misleading information on local government elections in Palestine		-	14,914
Palestinian Creative Community Initiatives Fund - Roy		-	14,518
Health Denmark-IMCC		-	9,016
Promoting dialogue - Majalat		-	3,385
Madmon		-	5,961
Promoting human rights in Palestine		-	1,961
<b>Total project expenses</b>		<b>148,707</b>	<b>196,064</b>
General and administrative expenses			
<b>Total expenses</b>	14	<b>7,414</b>	<b>6,400</b>
<b>Change in net assets</b>		<b>156,121</b>	<b>202,464</b>
Net assets at the beginning of the year		<b>22,650</b>	<b>(23,217)</b>
Net assets at the end of the fiscal year	15	<b>3,622</b>	<b>17,450</b>
		<b>26,272</b>	<b>(5,767)</b>

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The attached notes from 1 to 16 form part of these statements

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**Statement of cash flows**

For the year ended December 31, 2022

	2022	2021
Notes	USD	USD
<b><u>Operating activities</u></b>		
Change in net assets	22,650	(23,217)
<b><u>Adjustments:</u></b>		
Depreciation expenses	4,361	3,291
Net Asset Adjustments – Beginning of the Year	9,389	5,920
	36,400	(14,006)
<b><u>Changes in working capital:</u></b>		
Other current assets	6,790	(6,790)
Accounts payable	(29,654)	28,478
Post-dated issued checks	(13,507)	13,722
<b>Net cash generated from operating activities</b>	29	21,404
<b><u>Investment activities</u></b>		
Purchase of fixed assets	(3,305)	(19,092)
<b>Net cash (used in) investing activities</b>	(3,305)	(19,092)
<b>Changes in cash and cash equivalents</b>		
	(3,276)	2,312
Cash and cash equivalents at the beginning of the year	25,061	22,749
<b>Cash and cash equivalents at the end of the year</b>	4 <b>21,785</b>	<b>25,061</b>



The attached notes from 1 to 16 form part of these statements

## 1. The association and its activities

The Shahid Center for Citizen Rights and Social Development Association (the Association) was established on May 6, 2014 and bears registration number (NA-7325-S), as it was registered by the Ministry of Interior in the State of Palestine.

The Shahid Center Association for Citizen Rights and Social Development was established in Nablus Governorate and took it as its headquarters. The association is also considered a non-profit association, and was established in accordance with the provisions of the Associations and Civil Bodies Law No. (1) of 2000.

The association's main activity is focused on cultural, social, artistic and development work

The association has several goals and objectives for which it was established, which are as follows:

- Enhancing Social awareness and awareness of citizenship concepts and rights, as well as developing cognitive awareness in this field
- Qualifying effective media professionals and media institutions and developing their performance to serve social development.

## 2. Financial Statements

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMES)

The financial statements have been prepared on the historical cost basis.

The financial statements have been presented in USD, which is the functional currency of association.

### 2.2 Estimates and assumptions

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, financial assets and liabilities and disclosure of contingent liabilities at the reporting date. However, uncertainty about these estimates and assumptions could result in outcomes that require a material adjustment to the carrying amount of the assets or liability affected in future periods.

The key estimates and assumptions involved in the financial statements are as follows:

#### Useful lives of property and equipment

The management of the association re-estimates the useful lives of property and equipment and amends them, if necessary, at the end of each fiscal year.

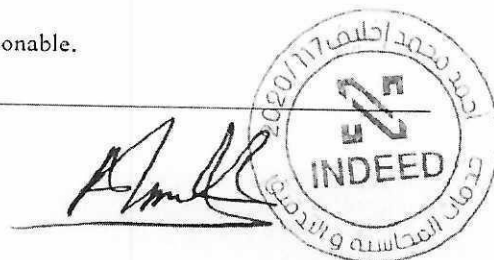
#### Expense capitalization

Expenses on real estate, machinery, equipment, administrative and general expenses are capitalized based on the best estimates of the association's management on the basis of capitalization.

#### Determine the lease term for contracts with renewal and termination options

The Association defines the lease term as the term of the non-cancellable lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease if it is reasonably certain not to be exercised.

The management of the association believes that these estimates are reasonable.





## 2.3 Summary of Significant Accounting Policies

### Revenue from temporarily restricted grants

Revenues are recognized when expenses are incurred and when purchasing property and equipment for the association.

### Cash donation revenue

Donations that come in transferred assets, or unconditional pledges to provide assets, or reduce liabilities of the facility are recognized as revenues or gains in the list of activities, when the donation process results in an increase in the assets of the non-profit enterprise, according to the accrual principle.

### Income from in-kind donations

It is recognized at fair value when received.

### Expenses

Expenses are recorded when they occur according to the accrual principle.

### Current versus non-current classification

Association presents its assets and liabilities in the statement of financial position based on current or non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period.
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled within normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period.
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

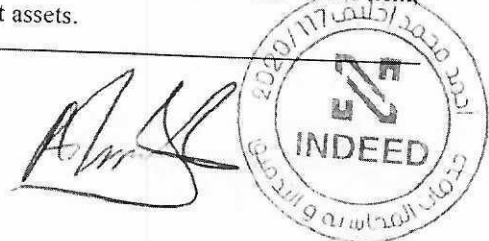
All other liabilities are classified as non-current.

### Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes the cost incurred to replace any component of the property and equipment and financing expenses for long-term construction projects if the recognition criteria are met. All other expenses are recognized in the statement of income and expenses and the change in net assets when realized.

Property and equipment are depreciated using the straight-line method according to the expected useful life.

Any item of property and equipment and any substantial parts thereof shall be written off upon disposal or when no economic benefit is expected from the use or disposal of the item. Any gain or loss resulting from writing off the item, which represents the difference between the proceeds from disposal and the net book value of the item, is recorded in the statement of income and expenses and the change in net assets.





The assets' residual values, useful lives and depreciation methods are reviewed in each financial year and adjusted in subsequent years, if necessary.

**Income tax**

The association is considered a non-profit organization, so the association's income is not subject to income tax.

**Cash and cash equivalents**

Cash and cash equivalents include cash on hand, balances with banks and short-term deposits with maturities of three months or less, after deducting restricted cash withdrawals, if any.

**Accounts payable and accruals**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**Provisions**

Provisions are recognized if the association has any obligation (legal or expected) resulting from a previous event, provided that the cost of settling the obligation is probable and can be measured reliably.

**Foreign currency**

Transactions in other currencies are converted into USD according to the exchange rates prevailing on the date of the transaction. Monetary assets and liabilities that are receivable or payable in foreign currencies are converted according to the prevailing exchange rates on the date of the financial statements into the USD currency, and the gains or losses of the currency differences are shown in the list of activities and changes in net assets.

**3. Fixed assets**

	Electrical appliances and equipment	Computers and related devices	Office furniture and equipment	Total
	USD	USD	USD	USD
<b>Cost:</b>				
As at January 1, 2022	11,494	11,579	1,567	24,640
Additions	3,305	-	-	3,305
As at December 31, 2022	14,799	11,579	1,567	27,945
<b>Accumulated depreciation:</b>				
As at January 1, 2022	1,315	4,088	92	5,495
Depreciation expenses	1,309	2,895	157	4,361
Adjustments for previous	2,624	6,983	249	9,856
As at December 31, 2022				
<b>Net book value</b>				
As of December 31, 2022	12,175	4,596	1,318	18,089
As of December 31, 2021	10,179	7,491	1,475	19,145

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#### 4. Cash and cash equivalents

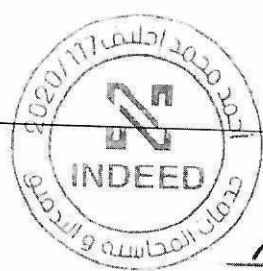
	2022	2021
	USD	USD
Cash on hand	542	144
Cash at The National Bank:		
Current account-ILS	13,084	19,294
Current account-USD	418	2,554
Current account- Euro	7,491	2,819
Cash deposits – against check books	250	250
	<u>21,243</u>	<u>24,917</u>
	<u>21,785</u>	<u>25,061</u>

#### 5. Accounts payable

	2022	2021
	USD	USD
Accounts payable – Employees	1,695	-
Accounts payable – Vendors	-	10,887
Accrued expenses – Audit fees	4,284	5,068
Income tax-Payroll deductions	112	-
Palestinian Creative Community Initiatives Fund – Roy	-	14,594
Naseej-Oxfam	-	5,196
	<u>6,091</u>	<u>35,745</u>

#### 6. Project revenues

	2022	2021
	USD	USD
Naseej-Oxfam	38,166	12,612
From the camp-IMS	36,419	42,460
Fact-Checking in elections (Qarib) – CFI	25,790	-
Reporting and fact checking-UNESCO	19,902	17,400
Kashif	1,489	-
Supporting marginalized areas and students- FONSA	18,988	16,190
Palestinian Creative Community Initiatives Fund – Roy	14,594	9,016
Studio Shahid-PSDF	12,000	-
Supreme Council for Youth and Sports	3,993	-
Promoting a culture of non-violence for youth-Pal Think	3,191	-
Youth leading peace – Erasmus+	2,473	-
Swiss Norwegian-Press House	1,090	-
Purpose	-	14,986
Reducing the impact of misleading information on local government	-	13,905
Health Denmark-IMCC	-	4,808
Madmon	-	1,364
Promoting human rights in Palestine	-	44,997
	<u>178,095</u>	<u>177,738</u>

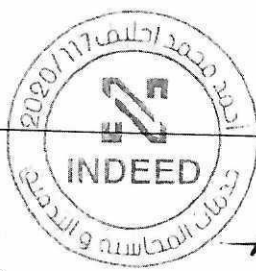


7. From the camp-IMS

	2022	2021
	USD	USD
Salaries	21,874	18,553
Video and audio production	6,483	-
Rent of the association's headquarters	2,936	3,476
Promotion via social media	1,060	782
Hospitality	491	-
Transportation	480	3,409
Dietary meals	476	-
Accommodation, food and hall rent	-	1,215
Cleaning and kitchen supplies	444	-
Electricity and water	386	-
Video story financing	338	12,509
Post, telegraph and telephone	325	-
Stationery and publications	240	-
Depreciation of property and equipment	8	-
Trainers' wages	-	2,064
Auditing fees	-	1,228
Travel	-	1,530
Translation	-	1,108
Rent	-	981
Insurance	-	85
Bank commissions and expenses	-	84
	35,541	47,024

8. Naseej-Oxfam

	2022	2021
	USD	USD
Salaries	13,532	7,905
Trainers' wages and training fees	8,635	1,454
Wages of consultants and media professionals	3,340	775
Transportation	2,480	-
Dietary meals	1,381	-
Hospitality	814	-
Office rent	727	800
Hall rent	572	190
Post, telegraph and telephone	239	214
Preparing safe spaces	212	-
Stationery and publications	-	114
Bank commissions and expenses	-	82
	31,932	11,534



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9. Fact-Checking in elections (Qarib) – CFI

	2022	2021
	USD	USD
Fake news screening	6,834	-
Radio expenses	2,734	-
Facilitators' wages	2,676	-
Volunteer work	2,635	-
Trainers' wages	2,395	-
Social media funding	2,282	-
Video production	1,597	-
Workshop at the Carmel Hotel	880	-
Transportation	717	-
Dietary meals	692	-
Stationery and publications	267	-
Installation expenses	126	-
Hospitality	18	-
	23,853	-

10. Reporting and fact checking-UNESCO

	2022	2021
	USD	USD
Trainers' wages	14,315	4,260
Hall fare	3,000	1,000
Production and preparation of materials	1,950	-
Transportation	1,310	587
Accounting software subscription	974	-
Volunteer work	600	-
Promotion via social media	200	-
Travel and accommodation	-	3,050
Accommodation and rent of halls	-	364
Stationery and publications	-	211
Hospitality	-	100
Medical materials	-	440
Meals	-	12,275
Bank commissions and expenses	-	147
	22,349	22,434



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**11. Supporting marginalized areas and students- FONSA**

	2022	2021
	USD	USD
Supporting university students	7,645	11,963
Support farmers and trees	4,140	1,010
transportation	3,140	400
Video production	500	-
Hospitality	100	-
Stationery and publications	-	1,650
Home renovation	-	1,340
Meetings and get-togethers	-	800
Festivals	-	800
Wall paintings drawings	-	620
Social media funding	-	500
Travel and accommodation	-	350
Bank commissions and expenses	-	63
	15,525	19,496

**12. Studio Shahid-PSDF**

	2022	2022
	USD	USD
Installation expenses	3,600	-
Office rent	1,250	-
Volunteer work	800	-
Construction expenses	750	-
Salaries	750	-
Trainers' wages	720	-
Hospitality	300	-
Depreciation of equipment and property	153	-
	8,323	-

**13. Supreme Council for Youth and Sports**

	2022	2021
	USD	USD
Travel and accommodation	1,775	-
Office rent	1,000	-
Transportation	150	-
Volunteer work	500	-
Electronics expenses	590	-
	4,015	-



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**14. General and administrative expenses**

	2022	2021
	USD	USD
Depreciation of property and equipment	4,200	3,291
Travel and accommodation	-	1,239
Audit fees	-	705
Bank commissions and expenses	640	86
Currency difference	2,574	1,079
	7,414	6,400

**15. Net assets at the beginning of the year**

	2022	2021
	USD	USD
Net assets – beginning of the year	(5,767)	11,530
Modifications:		
Postdated checks	4,095	4,850
Creditors and other credit balances	5,294	1,070
Total modifications	9,389	5,920
Net assets – beginning of the year	3,622	17,450

**16. Concentration of risk in geographic area**

Association is carrying out activities in Palestine. The political and economic situation in the area increases the risk of carrying out these activities and may adversely affect Association's performance.



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