

**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**

**Financial Statements**  
**and Independent Auditor's Report**  
**for the Year Ended December 31, 2017**

**Talal Abu Ghazaleh & Co. International**  
**Certified Public Accountants**  
**Gaza Office – Palestine**



**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**

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**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**  
**Statement of Financial Position as at December 31, 2017**      **Exhibit (A)**  
*(Amounts are expressed in NIS)*

	Note	December 31	
		2017	2016
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash Equivalents	3	978,829.94	923,074.38
Accounts Receivable	4	104,666.48	77,084.00
Medicines and Supplies in Stores	5	540,575.37	909,899.00
Other Debit Balances	6	144,173.99	83,837.62
Loans and Advances	7	731,000.00	576,000.00
Total Current Assets		2,499,245.78	2,569,895.00
<b><u>Non-Current Assets</u></b>			
Long-Term Deposits	8	36,097,961.23	41,319,039.00
Property, Plant and Equipment, Net	9	21,158,209.95	16,315,502.00
Total Non-Current Assets		57,256,171.18	57,634,541.00
<b>Total Assets</b>		<b>59,755,416.96</b>	<b>60,204,436.00</b>
<b><u>Liabilities and Net Assets</u></b>			
<b><u>Current Liabilities</u></b>			
Outstanding Cheques		91,785.27	330,182.00
Accounts Payable	10	9,309.00	109,078.00
Other Credit Balances	11	145,963.37	151,002.00
Total Current Liabilities		247,057.64	590,262.00
<b><u>Non-Current Liabilities</u></b>			
Provision End of Service	12	719,039.32	855,085.00
Total Non-Current Liabilities		719,039.32	855,085.00
Total Liabilities		966,096.96	1,445,347.00
<b><u>Net Assets</u></b>			
Net Assets Beginning of the Year		58,759,089.00	54,164,374.00
Net Assets for the Year – Exhibit (B)		30,231.00	4,594,715.00
Net Assets End of the Year – Exhibit (C)		58,789,320.00	58,759,089.00
<b>Total Liabilities and Net Assets</b>		<b>59,755,416.96</b>	<b>60,204,436.00</b>

The accompanying notes constitute an integral part of these financial statements

**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**  
**Statement of Activities for the Year Ended December 31, 2017**      **Exhibit (B)**  
*(Amounts are expressed in NIS)*

	Note	December 31	
		2017	2016
<b><u>Revenues</u></b>			
Projects and Activities' Revenues	<b>13</b>	1,956,640.14	1,812,282.00
Grants and Cash Donations	<b>14</b>	7,419,781.00	7,712,803.00
In-Kind Grants and Donations	<b>15</b>	416,116.45	1,427,175.00
Centers and Clinics' Revenues	<b>16</b>	3,388,555.37	3,393,453.00
Medicines and Medical Supplies Sales	<b>17</b>	468,055.20	527,765.00
Other Revenues	<b>18</b>	54,988.76	79,123.00
Credit Interests Revenues		469,406.45	512,409.00
<b>Total Revenues</b>		<b>14,173,543.37</b>	<b>15,465,010.00</b>
<b><u>Expenses</u></b>			
Employees' Salaries and Remunerations	<b>19</b>	1,380,870.86	879,123.99
Projects and Activities' Expenses	<b>20</b>	1,820,093.78	1,341,031.00
Cash Donations Expenses		15,251.00	—
In-Kind Donations Expenses	<b>21</b>	393,012.00	337,302.00
Centers and Clinics' Expenses	<b>22</b>	5,005,344.98	5,506,081.00
General and Administrative Expenses	<b>23</b>	396,764.70	236,417.00
Depreciation of Property, Plant and Equipment	<b>9</b>	1,056,804.88	1,294,423.00
Medicines and Medical Consumables		—	572,699.00
<b>Total Expenses</b>		<b>10,068,142.20</b>	<b>10,167,076.99</b>
<b>Net Assets for the Year from Activity</b>		<b>4,105,401.17</b>	<b>5,297,933.01</b>
<b><u>Other Items:</u></b>			
Currency Differences		(3,968,557.08)	(703,317.00)
Prior Years Adjustments		(64,256.70)	98.99
Loss from Fixed Assets Sale		(42,356.39)	—
<b>Net Assets for the Year – Exhibit (A)</b>		<b>30,231.00</b>	<b>4,594,715.00</b>

The accompanying notes constitute an integral part of these financial statements

**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**

**Statement of Changes in Net Assets for the Year Ended December 31, 2017**      **Exhibit (C)**

*(Amounts are expressed in NIS)*

	Net Assets	Investment in Property, Plant and Equipment	Total
<b>Net Assets on January 1, 2017</b>	<b>42,443,587.00</b>	<b>16,315,502.00</b>	<b>58,759,089.00</b>
Net Assets for the Year - Exhibit (A)	30,231.00	—	<b>30,231.00</b>
Deprecation of Property, Plant and Equipment	1,056,804.88	(1,056,804.88)	—
Additions to Property, Plant & Equipment	(5,981,533.32)	5,981,533.32	—
Disposals from Property, Plant & Equipment	82,020.49	(82,020.49)	—
<b>Net Assets on December 31, 2017 – Exhibit (A)</b>	<b>37,631,110.05</b>	<b>21,158,209.95</b>	<b>58,789,320.00</b>

The accompanying notes constitute an integral part of these financial statements

**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**  
**Statement of Cash Flows for the Year Ended December 31, 2017**      **Exhibit (D)**  
***(Amounts are expressed in NIS)***

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Cash Flows from Operating Activities</u></b>		
Net Assets for the Year	30,231.00	4,594,715.00
<b><u>Adjustments to Reconcile Net Assets for the Year to Net Cash</u></b>		
<b><u>Provided by Operating Activities</u></b>		
Depreciation of Property, Plant and Equipment	1,056,804.88	1,294,423.00
Change in Accounts Receivable	(27,582.48)	(1,178.00)
Change in Medicines and Supplies in Stores	369,323.63	(157,226.00)
Change in Other Debit Balances	(60,336.37)	11,846.38
Change in Loans and Advances	(155,000.00)	—
Change in Outstanding Cheques	(238,396.73)	222,025.00
Change in Accounts Payable	(99,769.00)	51,523.00
Change in Other Credit Balances	(5,038.63)	(9,814.00)
Change in Provision End of Service	(136,045.68)	76,435.00
Change in Prior Years Adjustments	—	336,279.00
Net Cash Flows Generated by Operating Activities	734,190.62	6,419,028.38
<b><u>Cash Flows from Investing Activities</u></b>		
Long-Term Deposits	5,221,077.77	(16,211,538.00)
Additions to Property, Plant and Equipment	(5,981,533.32)	(1,626,193.00)
Disposals from Property, Plant & Equipment	82,020.49	—
Net Cash Flows (Used in) Investing Activities	(678,435.06)	(17,837,731.00)
Net Cash Flows Generated (Used) During the Year	55,755.56	(11,418,702.62)
Cash and Cash Equivalents, Beginning of the Year	923,074.38	12,341,777.00
<b>Cash and Cash Equivalents, End of the Year – Exhibit (A) – Note (3)</b>	<b>978,829.94</b>	<b>923,074.38</b>

The accompanying notes constitute an integral part of these financial statements

**Red Crescent Society for Gaza Strip**  
**Gaza – Palestine**  
**Notes to the Financial Statements**  

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***(Amounts are expressed in NIS)***

**1. General Information**

**1.1 Legal Status**

Red Crescent Society for Gaza Strip was established in Gaza strip – Palestine on June 1972 as a Non-governmental, independent, democratic, developmental and relief organization, non-profit. Aims to contribute to improving the health, cultural, educational and humanitarian conditions of citizens in Gaza Strip. The society was registered at the Ministry of Interior under registration No. (1901) on July 31, 1997.

**1.2 Goals & Objectives**

The Society aims to improve the health situation of the citizens of Gaza Strip. The society has 12 clinics and health centers to provide health services to citizens at nominal prices as well as cultural, educational and humanitarian services for needy citizens from Gaza Strip.

**2. Significant Accounting Policies**

**2-1 Basis of Financial Statements Preparation**

The financial statements have been prepared on historical cost basis; and according to the modified accrual basis, which the revenues are recognized when received and expenses are recognized when incurred.

**2-2 Foreign Currencies**

The financial statements are presented in the currency of the primary economic environment in which the Society operates which is the Israeli Shekel (NIS). Transactions in currencies other than the Israeli shekel are converted to Israeli Shekel (NIS) according to the exchange rates prevailing on the date of transaction. At the date of each statement of financial position monetary items denominated in other currencies are translated to the Israeli Shekel (NIS) at rates prevailing at that date. The rates on December 31, 2017 were as follows:

USD = 3.465 N.I.S  
EURO = 4.151 N.I.S  
JOD = 4.874 N.I.S

Differences arising are recognized in the statement of activities for the year ended on December 31, 2017.

**2-3 Accounts Receivables**

Account receivables are stated at net realizable value. When a receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account.

- The society's management did not establish a provision for doubtful debts for the year ended on December 31, 2017.

**2-4 Medicines and Supplies in Stores**

Medicines and Supplies Inventories are stated at cost and determined as per the last purchase price.

## **2-5 Property, Plant and Equipment**

The property, plant and equipment are carried, in the statement of financial position, at their net book value less the year depreciation. The depreciation charge for each year is recognized in the statement of activities. The Depreciation is calculated basis on a declining method, according to the depreciation ratios approved by the Ministry of Interior and listed in NGOs' financial manual as specified in note (9).

Furniture	%10
Fixture	%15
Tools & Equipment	%15
Electrical & Medical Devices	%20
Vehicles	%15
Books & Publications	%15
Buildings	%2

## **2-6 Provisions**

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the financial position date, that is, the amount that the society would rationally pay to settle the obligation at the financial position date or to transfer it to a third party.

- The society have been established a provision of end of service for its employees from date of work until December 31, 2017, according to the Palestinian labor law computed at one month salary for each year of service.
- The society management policy is to withhold 7% of employees' salaries and matches it by 9% of the society's contribution in saving fund.
- The society management did not establish a provision for doubtful debts and the granted loans for the year ended December 31, 2017.

## **2-7 Projects' Expenses**

The expenses of activities that resulted from the provision of services to beneficiaries and which is the main objective of the Society.

## **2-8 General and Administrative Expenses**

The expenses related to the management and not included within the projects' expenses.

## **2-9 Revenues and Expenses**

- Revenues are recognized when received.
- Expenses are recognized when incurred and recorded including V.A.T.

## **2-10 Other Liabilities**

Liabilities are recognized for amounts payable in the future for purchase or services received, whether or not claimed by the suppliers.

## **2-11 Cash and Cash Equivalents**

For the purpose of the cash flows preparation, cash and cash equivalents comprises cash on hand and current balances, short-term deposits which matures within three months.



### **3. Cash and Cash Equivalents**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
<b><u>Cash at Banks</u></b>		
<b><u>Cash on Hand</u></b>		
General Cash	13,166.00	30,813.00
Petty Cash	—	5,939.00
Total Cash on Hand	<u>13,166.00</u>	<u>36,752.00</u>
<b><u>Cash at Banks</u></b>		
<b><u>Arab Bank – Switzerland</u></b>		
A /C 218244 – USD	145,972.76	22,560.00
Total Cash at Arab Bank – Switzerland	<u>145,972.76</u>	<u>22,560.00</u>
<b><u>Bank of Palestine</u></b>		
A /C 116420 – NIS	301,000.70	368,666.38
A /C 116420 – NIS – Sub 1	6,458.93	54,996.00
A /C 116420 – NIS – Sub 8	3,592.51	—
A /C 116420 – USD	294,597.86	285,792.00
A /C 116420 – USD – Sub 5	2,606.40	3,467.00
A /C 116420 – USD – Sub 7	—	2,476.00
A /C 116420 – JOD	39,800.73	4,296.00
A /C 116420 – EUR	4,473.43	938.00
Total Cash at Bank of Palestine	<u>652,530.56</u>	<u>720,631.38</u>
<b><u>Al- Quds Bank</u></b>		
A /C 681860 – NIS – 0	68,189.97	85,952.00
A /C 681860 – NIS – 1	47,838.58	23,844.00
A /C 681860 – USD – 0	26,677.35	29,543.00
A /C 681860 – USD – 1	1,113.72	1,302.00
Total Cash at Al- Quds Bank	<u>143,819.62</u>	<u>140,641.00</u>
<b>Total Cash at Banks</b>	<b><u>942,322.94</u></b>	<b><u>883,832.38</u></b>
Add: Cheques under Collection	23,341.00	2,490.00
<b>Total Cash and Cash Equivalents – Exhibit (A)</b>	<b><u>978,829.94</u></b>	<b><u>923,074.38</u></b>

#### **4. Accounts Receivable**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Ministry of Health	49,315.00	49,315.00
Ahleia Insurance Group	905.00	905.00
Palestine Insurance Co.	1,127.00	1,127.00
Trust Insurance Co.	8,374.00	8,374.00
Union of Health Work Committees	9,770.00	7,910.00
Culture and Free Thought Association	270.00	1,530.00
Al-Amana Charitable Institute	1,022.00	1,033.00
Al-Takaful Insurance Company	908.00	908.00
Sukhtian and Partners Co.	259.00	259.00
Nat Health	32,716.48	–
Al-Mashreq Insurance Co.	–	468.00
National Insurance Co.	–	5,055.00
Union of Health Work Committees	–	200.00
<b>Total Accounts Receivable – Exhibit (A)</b>	<b>104,666.48</b>	<b>77,084.00</b>

- There are many of accounts receivable stagnant balances from prior years and did not have any changes until the year ended on December 31, 2017.

#### **5. Medicines and Supplies in Stores**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Medicines and Medical Materials	202,601.25	259,998.00
Medical Supplies	300,882.63	548,762.00
Hospitality Supplies	614.87	1,608.00
Stationery Supplies	15,402.70	15,778.00
Cleaning Supplies	3,982.92	73,393.00
Others	12,411.00	5,680.00
Hygiene Supplies – Entrusted with Other	4,680.00	4,680.00
<b>Total Medicines and Supplies in Stores – Exhibit (A)</b>	<b>540,575.37</b>	<b>909,899.00</b>

- The medicines and supplies in the stores have been counted and evaluated by the society's management according to the general manager letter dated on December 24, 2017, for composing the annual inventory committee for the stores and the pharmacies.

#### **6. Other Debit Balances**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Vehicles Insurance Prepaid Expenses	960.00	1,223.00
Employees Insurance Prepaid Expenses	4,200.00	2,979.00
Bids Advertising Prepaid Expenses	2,044.00	3,570.00
Employees Advances	133,500.00	75,000.00
Bank's Deposits – Al-Quds Bank	1,000.00	999.62
Other Accounts	2,469.99	–
Rental Prepaid Expenses	–	66.00
<b>Total Other Debit Balances – Exhibit (A)</b>	<b>144,173.99</b>	<b>83,837.62</b>

## **7. Loans and Advances**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Associations Loans – Union of Health Work Committees *	556,500.00	556,500.00
Palestinian Association for Development and Reconstruction	174,500.00	–
Students Loans – Riyadh Saleh Al-Borno	–	19,500.00
<b>Total Loans and Advances – Exhibit (A)</b>	<b>731,000.00</b>	<b>576,000.00</b>

\* The loan balance submitted to Union of Health Work Committees is stagnant and did not have any changes until the year ended on December 31, 2017.

## **8. Long-Term Deposits**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Arab Bank – Switzerland	17,329,800.00	19,050,000.00
Bank of Palestine – USD – 116420 – 0	–	3,810,000.00
Bank of Palestine – USD – 116420 – 1	–	52,090.00
Bank of Palestine – USD – 116420 – 2	45,067.31	49,111.00
Bank of Palestine – USD – 116420 – 3	41,543.13	45,270.00
Bank of Palestine – USD – 116420 – 4	42,616.71	46,307.00
Bank of Palestine – USD – 116420 – 5	3,465,960.00	3,810,000.00
Bank of Palestine – USD – 116420 – 6	1,732,980.00	1,905,000.00
Bank of Palestine – USD – 116420 – 7	–	952,500.00
Bank of Palestine – USD – 116420 – 9	1,066,565.38	–
Bank of Palestine – USD – 116420 – 3300 – 2	–	35,412.00
Al- Quds Bank – USD – 0	3,587,268.07	3,943,349.00
Al- Quds Bank – USD – 1	3,587,220.63	3,810,000.00
Al- Quds Bank – USD – 2	3,465,960.00	3,810,000.00
Al- Quds Bank – USD – 3	1,732,980.00	–
<b>Total Long-Term Deposits – Exhibit (A)</b>	<b>36,097,961.23</b>	<b>41,319,039.00</b>

## 9. Property, Plant and Equipment

	<u>Furniture</u>	<u>Fixture</u>	<u>Tools &amp; Equipment</u>	<u>Electrical &amp; Medical Devices</u>	<u>Vehicles</u>	<u>Book &amp; Publications</u>	<u>Buildings</u>	<u>Lands</u>	<u>Total</u>
<b><u>Net Book Value on</u></b>									
January 1, 2017	176,497.00	3,679.00	131,283.00	4,873,309.00	170,118.00	12,682.00	6,392,111.00	4,555,823.00	<b>16,315,502.00</b>
Additions	95,993.00	700.00	1,000.00	286,784.76	–	–	–	5,597,055.56	<b>5,981,533.32</b>
Disposals	–	–	–	(82,020.49)	–	–	–	–	<b>(82,020.49)</b>
<b>December 31, 2017</b>	<b><u>272,490.00</u></b>	<b><u>4,379.00</u></b>	<b><u>132,283.00</u></b>	<b><u>5,078,073.27</u></b>	<b><u>170,118.00</u></b>	<b><u>12,682.00</u></b>	<b><u>6,392,111.00</u></b>	<b><u>10,152,878.56</u></b>	<b><u>22,215,014.83</u></b>
<b><u>The Year Depreciation</u></b>									
This Year Depreciation	<u>18,619.75</u>	<u>591.94</u>	<u>1,985.88</u>	<u>887,729.51</u>	<u>25,517.56</u>	<u>3,170.36</u>	<u>119,189.88</u>	<u>–</u>	<b><u>1,056,804.88</u></b>
<b><u>Net Book Value on</u></b>									
<b>December 31, 2017</b>	<b><u>253,870.25</u></b>	<b><u>3,787.06</u></b>	<b><u>130,297.12</u></b>	<b><u>4,190,343.76</u></b>	<b><u>144,600.44</u></b>	<b><u>9,511.64</u></b>	<b><u>6,272,921.12</u></b>	<b><u>10,152,878.56</u></b>	<b><u>21,158,209.95</u></b>
<b>December 31, 2016</b>	<b><u>176,497.00</u></b>	<b><u>3,679.00</u></b>	<b><u>131,283.00</u></b>	<b><u>4,873,309.00</u></b>	<b><u>170,118.00</u></b>	<b><u>12,682.00</u></b>	<b><u>6,392,111.00</u></b>	<b><u>4,555,823.00</u></b>	<b><u>16,315,502.00</u></b>

– We did not receive a physical count minute of the Property, Plant and Equipment for the financial year ended on December 31, 2017.

**10. Accounts Payable**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
SITCO Co.	6,925.00	6,925.00
Wafa Air Conditioning Co.	1,000.00	1,000.00
Accounts Payable – Individuals - Said Al-Hussieny	1,384.00	–
Network Medical Systems Co.	–	1,630.00
Miscellaneous Accounts Payable	–	99,523.00
<b>Total Accounts Payable – Exhibit (A)</b>	<b>9,309.00</b>	<b>109,078.00</b>

**11. Other Credit Balances**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Income Tax Deposits	72,764.41	71,448.00
Accrued End of Service	58,369.32	55,720.00
Accrued Salaries – Temporary Doctors	325.00	1,123.00
Accrued Audit Fees	4,362.50	5,383.00
Accrued Electricity & Water	4,052.80	10,418.00
Accrued Telephone Expenses	1,652.34	1,658.00
Accrued Advertising Expenses	1,146.00	154.00
Accrued Staff Transport Expenses	355.00	638.00
Accrued Dental Installation Expenses	2,636.00	–
Accrued Internet Subscription	300.00	–
Accrued Membership Fees	–	20.00
Accrued Fuel (Bahlol Petrol)	–	2,168.00
Accrued Stationery & Publications	–	236.00
Miscellaneous Accounts Payable	–	2,036.00
<b>Total Other Credit Balances – Exhibit (A)</b>	<b>145,963.37</b>	<b>151,002.00</b>

**12. End of Service Provision**

	<b>2017</b>	<b>2016</b>
Balance January 1,	855,085.00	778,650.00
Additions	58,517.32	76,435.00
Uses	(194,563.00)	–
<b>Total Provision End of Service – Exhibit (A)</b>	<b>719,039.32</b>	<b>855,085.00</b>

**13. Projects and Activities' Revenues**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Children Tutoring Project for Samouni Children – MECA	50,844.56	40,724.00
Gender Equality and Women's Empowerment – UNFPA	9,219.59	240,523.00
Early Detection, Treatment and Support to Women with Breast Cancer	49,823.80	13,281.00
Charity Support Fund – Hashim Ata Al-Shawa	246,000.00	200,500.00
Poor Families Support Grant – Firyal Al-Mohtadi	199,126.66	217,465.00
Canadian Palestinian Foundation	598,220.75	24,711.00
Yara Australian Association Project	48,167.32	–
Human Rights Campaign - Woman's Affaires Center	2,025.80	–
The Swedish Organization for Individuals Relief – Baylasan Center	183,333.78	–
Response to the Increase of Violence (Gender Equality and Women's Empowerment)	569,877.88	–
From Family to Family – Welfare Association	–	40,295.00
Palestinian Child Committee – Canada	–	583,477.00
MAP Foundation – Gaza	–	23,141.00
UNFPA Grant	–	179,879.00
Rehabilitation Grant for Birth Department	–	18,890.00
Italian Finance – CISS	–	810.00
Cash Assistance Project	–	225,422.00
Office of the High Commissioner for Human Rights	–	663.00
Society of Culture and Free Thought	–	1620.00
Canadian Eid Gift	–	881.00
<b>Total Projects and Activities' Revenues – Exhibit (B)</b>	<b>1,956,640.14</b>	<b>1,812,282.00</b>

**14. Grants and Cash Donations**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Ahmed Zaki Al-Yamani Grant	7,410,820.00	7,710,000.00
Miscellaneous Cash Donations	8,961.00	2,803.00
<b>Total Grants and Cash Donations – Exhibit (A)</b>	<b>7,419,781.00</b>	<b>7,712,803.00</b>

**15. In-Kind Grants and Donations**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
UNRWA – Fuel	116,880.00	116,300.00
ANERA	53,022.40	54,795.00
Tamer Association – Gaza	1989.00	48,116.00
Welfare Association	424.05	14,365.00
Miscellaneous Donations	864.00	1,794.00
Al- Quds Bank	7,000.00	–
Al-Wedad Society for Community Rehabilitation	800.00	–
In-Kind Donations – Food Parcels – MAP	38,180.00	–
Discounted Revenues for Medical Services	196,957.00	–
SEDICO	–	111,038.00
Incoming Service Donations	–	21,371.00
Meni Donations – UNDP	–	626,003.00
Diagnostic Radiology Grant	–	145,232.00
MECA	–	184,707.00
Service Donations - GEDCO	–	46,604.00
Mr. Walid Kelani Donations	–	56,850.00
<b>Total In-Kind Grants and Donations – Exhibit (B)</b>	<b>416,116.45</b>	<b>1,427,175.00</b>

**16. Centers and Clinics' Revenues**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Gaza laboratory	214,891.90	221,706.00
Jabalia laboratory	13,938.00	9,729.00
Abasan laboratory	–	27,014.00
Gaza Clinic	968,783.90	894,927.00
Abasan Clinic	–	77,940.00
Gaza – Dental Clinic	461,568.00	471,615.00
Abasan – Dental Clinic	–	34,180.00
Gaza – Women's Health Center	164,443.00	239,846.00
Jabalia – Women's Health Center	83,528.00	58,333.00
Abasan – Women's Health Center	–	18,398.00
Alehidan Ray Diagnostic Center	1,734,255.00	1,702,844.00
Ahmed Zaki Al-Yamani Center	20,592.77	28,473.00
Histopathology Department	194,610.00	136,213.00
Deduct: Sales of Medicines and Supplies	(468,055.20)	(527,765.00)
<b>Total Centers and Clinics' Revenues – Exhibit (B)</b>	<b>3,388,555.37</b>	<b>3,393,453.00</b>

**17. Medicines and Medical Supplies Sales**

	December 31	
	2017	2016
Gaza Center	435,764.20	469,934.00
Jabalia Center	32,291.00	23,180.00
Abasan Center	—	34,651.00
<b>Total Medicines and Medical Supplies Sales – Exhibit (A)</b>	<b>468,055.20</b>	<b>527,765.00</b>

**18. Other Revenues**

	December 31	
	2017	2016
Membership Fees	2,320.00	2,340.00
Hall Rental Revenues	938.82	5,325.00
Bids Sales Fees	6,600.00	22,000.00
Miscellaneous Revenues	40,128.35	618.00
Land Rent Revenues	5,001.59	—
Assets and Consumables Sales Revenues	—	48,840.00
<b>Total Other Revenues – Exhibit (A)</b>	<b>54,988.76</b>	<b>79,123.00</b>

**19. Employees' Salaries and Remunerations**

	December 31	
	2017	2016
Salaries and Remunerations for Permanent Employees	908,199.96	631,909.09
Temporary Salaries	317,169.17	165,884.86
End of Service – Temporary Staff *	87,761.99	45,901.01
Pension Fund	62,872.00	32,883.12
Volunteers Fees	4,867.74	2,545.91
<b>Total Employees' Salaries and Remunerations – Exhibit (A)</b>	<b>1,380,870.86</b>	<b>879,123.99</b>

- The end of service has been paid for the temporary employees by one month salary for each year of service as the last salary paid.



**20. Projects and Activities' Expenses**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Children Tutoring Project for Samouni Children – MECA	44,194.51	46,396.00
Early Detection, Treatment and Support to Women with Breast Cancer	12,215.00	19,350.00
Canadian Palestinian Foundation	6,273.00	5,528.00
Palestinian Child Committee – Canada	596,533.30	432,894.00
Charity Support Fund – Hashim Ata Al-Shawa	246,000.00	200,500.00
Poor Families Support Grant – Firyal Al-Mohtadi	109,216.05	61,241.00
Response to the Increase of Violence (Gender Equality and Women’s Empowerment)	576,526.92	–
Yara Australian Association Project	45,813.00	–
The Swedish Organization for Individuals Relief – Baylasan Center	183,322.00	–
MAP Foundation – Gaza	–	29,117.00
Gender Equality and Women's Empowerment – UNFPA	–	235,389.00
Family to family (1) – Welfare	–	17,442.00
Family to family (2) – Welfare	–	23,678.00
Rehabilitation Grant for Birth Department	–	17,465.00
Cash Aid – Ramadan and Eid	–	235,433.00
Humanitarian Cash Aid	–	13,237.00
Human Rights Campaign – Woman's Affaires Center	–	2,043.00
Italian Finance – CISS	–	655.00
Office of the High Commissioner for Human Rights	–	663.00
<b>Total Projects and Activities' Expenses – Exhibit (B)</b>	<b>1,820,093.78</b>	<b>1,341,031.00</b>

**21. In-Kind Donations Expenses**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
UNRWA – Solar	116,880.00	–
Service Donations	2,372.00	–
Food Parcels Distribution – MAP	38,180.00	203,564.00
Discounted Medical Services Revenues	55,879.00	5,327.00
Medical Discounts - Firyal Al-Mohtadi	140,254.00	112,366.00
In-Kind Donations	39,447.00	–
Al-Amana Charitable Society Donations	–	16,045.00
<b>Total In-Kind Donations Expenses – Exhibit (B)</b>	<b>393,012.00</b>	<b>337,302.00</b>

**22. Centers and Clinics' Expenses**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
Gaza Clinic	1,235,374.88	1,512,330.00
Gaza laboratory	365,144.37	193,888.40
Jabalia laboratory	63,516.17	64,988.10
Abasan laboratory and Clinic	14,166.00	191,259.20
Gaza – Dental Clinic	683,039.95	232,666.10
Gaza – Women's Health Center	612,115.79	680,212.00
Jabalia – Women's Health Center	364,586.37	584,892.90
Alehidan Ray Diagnostic Center	1,115,907.93	1,354,764.00
Ahmed Zaki Al-Yamani Center	310,335.69	241,525.00
Histopathology Department	241,157.83	165,447.00
Abasan – Dental Clinic	–	26,080.30
Abasan – Women's Health Center	–	258,028.00
<b>Total Centers and Clinics' Expenses – Exhibit (B)</b>	<b>5,005,344.98</b>	<b>5,506,081.00</b>

### **23. General and Administrative Expenses**

	<b>December 31</b>	
	<b>2017</b>	<b>2016</b>
End of Service Indemnity Expenses	58,517.32	77,721.00
Electricity & Water	4,722.40	9,107.00
Stationery & Publications	14,065.26	8,206.00
Maintenance & Repairs	28,331.59	12,511.00
Post, Telephone & Internet	19,554.60	13,950.00
Advertisements & Publicity	12,800.00	3,656.00
Fuel	25,574.66	15,766.00
Insurance	4,616.42	918.00
Conferences and Subscriptions	174.50	189.00
Professional Fees	8,725.00	10,780.00
Employees' Transportation	15,192.00	10,294.00
Interest & Bank Commissions	53,201.73	58,165.00
Bad Debts	19,968.00	—
Hospitality	19,915.18	—
Tools, Kits & Supplies	9,811.00	—
Cleaning Materials	30,990.47	—
Attorney Fees	5,122.00	—
Others	23,602.57	—
Financial Manual	41,880.00	—
Management Transportation	—	5,812.00
Consumables Materials	—	4,832.00
Miscellaneous	—	4,510.00
<b>Total General and Administrative Expenses – Exhibit (B)</b>	<b>396,764.70</b>	<b>236,417.00</b>

### **24. Risk Management**

The management of the Society and manages the financial risks relating to its operations and activities of these risks include: foreign exchange risk, credit risk, and liquidity risk.

#### **A. Foreign Exchange Risk:**

The Society's management undertakes certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year. The Society maintains policies and procedures to manage the exchange rate risk exposure.

#### **B. Credit Risk:**

Credit risk refers to the risk that a debtor will default in its contractual obligations resulting in financial loss to the Society. The Society maintains a credit policy that states dealing with only creditworthy parties and obtaining sufficient collateral where appropriate.

#### **C. liquidity Risk**

The Board of Directors adopted an appropriate liquidity risk management framework as the responsibility of liquidity risk management rests with the Board of Directors.

**25. Legal Lawsuits**

According to the legal consultant affidavit, there is a lawsuit brought against the society during June 2017 at Gaza court case no. 996/2014 related to the temporary contracts and the consultant has successfully gained the lawsuit.

**26. Fair value of Financial Instruments**

The carrying values of the financial assets and liabilities are not materially different from their fair values as at the financial position date.

**27. Number of Employees**

The number of employees in the Society at December 2017 was (58) permanent employees, (52) temporary.

**28. Comparative Figures**

Certain balances for the previous year were reclassified to conform to the current year presentation.