

Bethlehem Chamber of Commerce and Industry (BCCI)
(Non- Governmental Organization)

Independent Auditor's Report and Financial Statements

31 December 2023

Bethlehem Chamber of Commerce and Industry (BCCI)
Bethlehem - Palestine

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Independent Auditor's Report

To the Board of Directors of
Bethlehem Chamber of Commerce and Industry (BCCI)
Bethlehem - Palestine

Opinion

We have audited the financial statements of **Bethlehem Chamber of Commerce and Industry (BCCI)**, which comprise the statement of financial position as at **December 31, 2023**, and the statement of comprehensive income, statement of changes in equity and 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, except mentioned below, the accompanying financial statements present fairly, in all material respects, the financial position of **Bethlehem Chamber of Commerce and Industry (BCCI)**, as at **December 31, 2023**, and of its financial performance and its cash flows 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 *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the association in accordance with the ethical requirements that are relevant to our audit of the financial statements 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.

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

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

Auditors' 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 auditors' 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 these financial statements.

Independent Auditor's Report (Cont.)

Auditors' Responsibilities for the Audit of the Financial Statements(cont.)

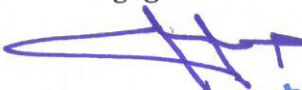
As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- 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 the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates 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 the 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 auditors' 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 auditors' report. However, future events or conditions may cause the 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.

AlShayeb Auditing & Accountancy Co.
Independent Member of Geneva Group International
Jamal Abu Farha
Engagement Partner

Bethlehem
16 March 2024


Jamal AlShayeb Abu Farha
C.P.A
Licence No: 106/2017

Bethlehem Chamber of Commerce and Industry (BCCI)
Financial Statements for the Year Ended 31 December 2023

Statement of Financial Position

(All amounts are in NIS)

	<u>Note</u>	<u>December 31,2023</u>	<u>December 31,2022</u>
<u>Assets</u>			
Current Assets			
Cash and Cash equivalents	3	2,633,786	2,437,660
Pledges receivable	4	390,824	11,794
Accounts receivable		10,441	44,848
Prepaid expenses		8,262	2,950
Total Current Assets		3,043,313	2,497,252
Non-Current Assets			
Fixed assets, Net	5	3,631,304	3,722,850
Investments	D.2	148,405	148,405
Total Non-Current Assets		3,779,709	3,871,255
Total Assets		6,823,022	6,368,507
<u>Liabilities and Net Assets</u>			
Current Liabilities			
Accounts payable	6	181,457	165,766
Outstanding checks		12,110	22,870
Subscriptions - Federation of Chambers of Commerce		102,167	100,932
Total Current Liabilities		295,734	289,568
<u>Non-Current Liabilities</u>			
Accumulated Employees' Severance Benefits	7	531,939	460,748
Employees' Provident Fund		370,191	311,190
Total Non-current Liabilities		902,130	771,938
Total Liabilities		1,197,863	1,061,506
Net Assets			
Unrestricted net assets		1,538,877	1,478,847
Temporarily restricted net asserts (for projects)		317,712	3,967
Temporarily restricted net asserts(for fixed assets)		3,768,570	3,824,187
Total Net Assets		5,625,158	5,307,001
Total Liabilities and Net Assets		6,823,022	6,368,507

The accompanying notes constitute an integral part of the financial statements.



Dr.Samir Hazboun
Chairman, Board of Directors



Mr.Adel Hodali
Treasurer

Bethlehem Chamber of Commerce and Industry (BCCI)
Financial Statements for the Year Ended 31 December 2023

Statement of Activities

(All amounts are in NIS)

		Total	
	Note	2023	2022
Revenues			
Membership Subscriptions	8	841,969	829,716
Service Fees	9	532,561	706,968
Elections Fees		-	75,285
Social Responsibility Fund		-	30,500
Income from Activities and Rentals		12,640	27,780
Other Income		119,559	27,357
Total Revenues		1,506,729	1,697,606
Net Assets Released from Temporary Restriction	10	179,176	129,227
Revenues and Net Assets Released from Temporary Restriction		1,685,905	1,826,833
Expenditures			
Salaries and Related Benefits	11	959,627	894,105
Program Direct Expenses	12	217,918	364,923
General and Administrative Expenses	13	432,544	359,392
Financial Expenses, Net	14	(45,063)	(38,669)
Depreciation	5	116,467	116,575
Total Expenditures		1,681,492	1,696,326
Net Assets during the year		4,413	130,507
Temporarily Restricted Contributions and Donations	10	496,888	-
Net Assets released from temporary restriction		(179,176)	(129,227)
Reclassification		498	-
Returned to Donors		(4,465)	(25,490)
Changes in the Temporarily Restricted Net Assets		313,745	(154,717)
Changes in Net Assets for the Year		318,157	(24,210)

The Accompanying notes constitute an integral part of the financial statements.

Bethlehem Chamber of Commerce and Industry (BCCI)
Financial Statements for the Year Ended 31 December 2023

Statement of Changes in Net Assets

(All amounts are in NIS)

	Unrestricted Net assets	Temporarily Restricted Net assets		
	General	Projects	Fixed Assets	Total
Net assets as of 31/12/2021	1,333,177	158,684	3,879,804	5,371,665
Increase in net assets during the year - statement B	(24,210)	-	-	(24,210)
Prior Year Adjustments - Grants Pledges	(40,454)			(40,454)
Changes in the Temporarily Restricted Net Assets	154,717	(154,717)	-	-
Released from temporary restriction	55,617	-	(55,617)	-
Net assets as of 31/12/2022	1,478,847	3,967	3,824,187	5,307,001
Increase in net assets during the year - statement B	318,157	-	-	318,157
Changes in the Temporarily Restricted Net Assets	(313,745)	313,745	-	-
Released from temporary restriction	55,617	-	(55,617)	-
Net assets as of 31/12/2023	1,538,877	317,712	3,768,570	5,625,158

Bethlehem Chamber of Commerce and Industry (BCCI)
Financial Statements for the Year Ended 31 December 2023

Statement of Cash Flows

(All amounts in NIS)

	<u>December 31,2023</u>	<u>December 31,2022</u>
Cash Flows from Operating Activities		
Changes in net assets for the year	318,157	(24,210)
Adjustments to reconcile current year changes in		
Net assets to net cash provided by operating		
activities:		
Prior Year Adjustments - Grants Pledges	-	(40,454)
Depreciation	116,467	116,575
	<u>434,625</u>	<u>51,911</u>
Change in Working Capital		
Increase (decrease) in inventory	-	-
Increase (decrease) in pledges receivable	(379,030)	170,720
Increase (decrease) in accounts receivable	34,407	9,530
Increase (decrease) in prepaid expenses	(5,312)	(1)
Increase (decrease) in accounts payable	15,691	(34,555)
Increase (decrease) in outstanding checks	(10,760)	(57,054)
Increase (decrease) in accrued expenses	1,235	20,418
Increase (decrease) in employees' provident fund	59,001	61,785
Increase (decrease) in employees' severance benefits	71,191	81,028
Net Cash Provided by Operating Activities :	<u>221,047</u>	<u>303,782</u>
Cash Flows from Investing Activities :		
Decrease in investments	-	-
Purchase of fixed assets	(24,922)	(5,920)
Net Cash Used in Investing Activities	<u>(24,922)</u>	<u>(5,920)</u>
Increase in Cash and Cash Equivalents	196,126	297,862
Cash and Cash equivalents at the beginning of year	<u>2,437,660</u>	<u>2,139,798</u>
Cash and Cash equivalent at the End of year (see	2,633,786	2,437,660
(note 3		

The Accompanying notes constitute an integral part of the financial statements.