



Al Bawader for Greenhouse Plastics

Due Diligence Report

Table of Contents

Acronyms	I
1. Executive Summary	2
2. Corporate Governance	2
2.1. Areas of Assessment	2
2.2. Findings	2
Board of Directors (BOD)	2
Sustainability	3
Organizational structure	3
Other Stakeholders	3
2.3. Impact on Investment readiness	3
2.4. Recommendations	4
3. Financial Management and Accounting Program	4
3.1. Areas of Assessment	4
3.2. Findings	4
3.3. Impact on Investment Readiness	5
3.4. Recommendations	5
3.5. Financial Risk Matrix	6
3.6. Conclusion	7
4. Procurement Management	7
4.1. Areas of Assessment	7
4.2. Findings	7
4.3. Impact on investment readiness	8
4.4. Recommendation	8
4.5. Procurement Risk Assessment	8
4.6. Conclusion	9
5. Disbursement Management	9
5.1. Areas of Assessment	9
5.2. Findings	9
5.3. Impact on Investment Readiness	10

5.4. Recommendations:	10
6. Al Bawader Company Legal Structure & Clearance	10
6.1. Legal Structure	10
6.2. Ownership and Management	10
6.3. Organizational Structure:	11
6.4. Institutional Arrangement	11
Managerial Arrangement	11
Contractual Arrangement	12
7. Finance Status	12
7.1. Balance Sheet Assessment	12
7.2. Liabilities Structure	12
7.3. Equity	13
7.4. Income Statement Assessment	13
7.5. Operating Cash Flow	13
7.6. Investing Activities	13
7.7. Financing Cash Flow	13
8. Project Risk Analysis	13
9. Readiness for investment implementation	14
10. Conclusion	14
Annex: Due Diligence Assessment Tools	15

Acronyms

BoD	Board of Directors
CAPEX	Capital Expenditures
MoNE	Ministry of National Economy
NIS	New Israeli Shekels
OPEX	Operational Expenditures
PIA	Project Implementing Agency
VfM	Value for Money



I. Executive Summary

We conducted an assessment on Al Bawader procurement system, accounting, and financial controls, as well as their governance practices. This exercise aimed to determine their readiness to efficiently manage the project in terms of the robustness of their procurement processes, the transparency and accountability measures of their activities and the soundness of their management practices.

The project will allow farmers in the region, especially Palestinians, to have a higher yield of agricultural production due to the benefits of greenhouse farming, which allows farmers to extend their growing season, have a wider variety of fruits and vegetables, and a controlled environment that reduces threats to crops. Greenhouses account for 36% in 2010, and an estimated 36% in 2020, of the total agricultural production, and therefore represent the potential for creating operational and efficient competencies in agricultural products for both domestic and foreign markets. Over the past 10 years, greenhouses have gone from covering between 15.6 – 18 Thousand Dunams (10,800 in the West Bank alone) to an estimated 14,673 Dunams as of 2020 in the West Bank.

Our assessment of Al Bawader Company's financial system, procurement system and governance structure has revealed that financial system and procurement system is weak and doesn't meet the best commercial practice. Al Bawader needs to tailor the financial and procurement manual which were developed by PIA .in addition to that Al Bawader needs to hire external financial expert and external procurement expert to assist them in implementing manuals and to ensure that the company will comply with best commercial practice.

2. Corporate Governance

2.1. Areas of Assessment

This section evaluates the soundness of Al Bawader Company's management and organizational structure. It examines whether the Board of Directors, senior managers and employees align with the company's mission and overall goals. As well as the existence of well-defined work roles, accountability, and transparency measures.

2.2. Findings

Board of Directors (BOD)

- I. The BOD is comprised of two members headed by Mr. Sameer Yasin (Aljunaidi), who is also the CEO and Ms. Sharha Yasin. No one on the board have accounting or auditing background.

2. The company does not have a modern, documented governance system that is a reference to the Board of Directors.
3. Unofficial and undocumented nature of the board meetings and decisions. Internal unity is accomplished by only adopting collective decisions, the BOD holds meetings on a weekly basis and all members regularly attend these meetings.
4. There is no system to reward Board members, but they have executive and operating positions within the company.
5. Absence of board audit committee or any other committee.

Sustainability

1. Absence of a documented strategic plan, even though there is a cumulative vision. The company's senior management enjoys an ambitious vision and directs steadfast initiatives that seek to achieve vertical integration and expansion in the Agricultural industry.
2. Fully involvement of owners, the BOD members, of day-to-day activities. This involvement has pros and cons, distribution of authorities evolves as a result of ownership and history and create controlling areas of business functions, this situation helps the company as much as the partners are in agreement, however, this will become a burden when disagreement rise and will create nonfunctioning situation.
3. Salaries and its annual increase are determined on the basis of prevailing salary in the market. The yearly employees' assessment is assigned to the CEO in corporation with Administrative Manager.
4. Absence of evaluation activities of the BOD and Business performance.

Organizational structure

1. The current organization of the company is characterized by functional structure, which establish a clearly defined roles, facilitate improved performance and productivity and allow for skill development and specialization. The organization is structured as follows:
(I) The Executive Director oversees the Accountant, Operation Manager and Administrative Manager.
2. Absence of financial, procurement, and admin manuals, business daily practice evolved gradually over a long period.
3. Approved signatories are Mr. Sameer Yasin (Aljunaidi) and Mr. Shahra Yasin
4. Absence of delegation policy, despite instances of actual delegation among family members
5. Top management maintains excellent control of daily business function and relationships, especially through procurement, disbursement, sales and collections.

Other Stakeholders

1. Employees are subject to the Palestinian labor law. The company adopting a culture of respect and care for employees, the company provides workers with comfortable and healthy working conditions and health insurance.
2. Most business relation with suppliers and customer managed through contracts.

2.3. Impact on Investment readiness

1. At present, as the company grows and expands its investments and activities to large-sized enterprise, top management and specifically its Executive Director have become aware of the importance and value of corporate governance and separation of management form ownership. It's expected to achieve good progress and implementation of governance measurement in the short-term.
2. The management overcomes the existing nonprofessional practices through owner's executive trust and direct overseas of main organization functions.
3. All existing drawbacks in governance will not negatively affect readiness for investment.

2.4. Recommendations

1. As soon as possible, the company needs to start an initiative for good governance.
2. Developing of financial, procurement, and admin manuals.
3. Al Bawader Company should recruit a Financial Auditor from the recommended list by world bank to conduct an external audit on the management of funds and financial statements of project activities.

3. Financial Management and Accounting Program

3.1. Areas of Assessment

The effort of assessment focuses on organizing, recording, documenting, separating of related tasks, internal control, and reporting.

3.2. Findings

1. The financial manual which was developed by PIA has been tailored to fit Al Bawader's needs and also approved by their BOD.
(1) Existing financial department includes only one accountant.
2. There is no financial planning and mentoring, except for cash management.
3. Accounting policies and procedures are not documented in manual.
4. Separation of tasks and responsibilities are not existing.
5. Financial Statement Report is issued once a year regularly or upon specific need. It is used for the purpose of preparing yearly-auditing financial statement reports.

6. Al Bawader has no clear petty policy, Petty cash ceiling, Replenishment amount and Expense types that can be paid Via petty cash.
7. The Accountant Department maintains a filing system for purchases, sales, receipts and payments
8. Annual financial reports do not provide sufficient detailed information, such as aging or bad debt.
9. The company allows the personal withdrawals of employees that are not exceeding the monthly salary or the employee's compensation balance, these balances are settled over three months.
10. Accountant ensures compliance to the tax law and any related regulations.
11. There is no clear authority matrix that clarify authority level.
12. Al Bawader hadn't prepared budget before. As its only prepare Cashflow project in order to manage liquidity.
13. We have checked audited financial statements and we found that Al Bawader company is not complied with IFRS as we had observed the following:
 - Financial Statements hadn't prepared in accordance with IAS 1 (regarding the presentation and preparation of financial statement)
 - Cash Flow statement hadn't prepared in accordance with IAS 7.
 - We also noticed that Al Bawader company hadn't recorded depreciation in 2020 and 2021.
14. Al Bawader company hadn't made bank reconciliation before.
15. Reconciliation of suppliers and customers are not documented and are not conducted on monthly or quarterly basis.
16. Al Bawader hadn't recorded a provision for employee end of service.
17. The company uses Alshamel Accounting Software. The system has the following characteristics:
 - (1) It provides separation of responsibilities and authorities.
 - (2) It provides profit centers and cost centers.
 - (3) Alshamel Accounting software has cost allocation feature which will make it easy to track expenses and revenue per cost center.
 - (4) It is easy to closely monitor the overall costs of shipment transactions (cost of goods and related customs, transport and finance).
 - (5) It provides customer reports in terms of purchases, sales, account receivables, advances payment and postpones' cheques.
 - (6) It does provide aging reports for receivables or payables, and aging is prepared outside the program on quarterly basis.
 - (7) It does provide the possibility of monitoring and controlling of credit ceilings to customers.

- (8) The program provides the trial balance report, income statement, balance sheet, and cash flow reports.
- (9) The program complies with tax law.

3.3. Impact on Investment Readiness

- 1. The current capacity and practice of the accounting department will not provide the new investment with desired tools such as:
 - (1) Budgeting for the new investment.
 - (2) Cost management as cost center module.
 - (3) Capitalization of new made-asset
 - (4) Managing efficiently inventory.
 - (5) Managing efficiently collection.
- 2. However, the company management will deal with the above noted negative impacts form out the accounting department.

3.4. Recommendations

- 1. Reorganize and rebuild the financial and accounting department to manage all financials and accounting functions from inside the accounting department.
- 2. Tailor the Financial manual which was developed by PIA to meet the needs of Al Bawader.
- 3. Create authority matrix.
- 4. Recruit new external auditor which is Palestinian certified Public Accountant (PCPA) and approved by world bank.
- 5. Implementing Petty cash policy by taking into account Ceiling, allowed limit per payment, ensuring that petty cash is managed by 3 parties Custodian who is responsible for managing Petty cash, accountant who review petty cash transactions and ensure compliance with company policies and finance manager who approve petty cash transactions.
- 6. Receivables: aging reports should be provided monthly as this is the core cash generator for the company. Also, it is recommended to be generated from Alshamel itself.
- 7. Reconciliations should be documented and approved by the Finance manager. solving non-reconciled issues should be within a month from spotting it. Recommended duration for related parties:
 - Bank reconciliation should be conducted on monthly basis
 - Confirmation of Suppliers and customers Balances should be conducted on quarterly at most
- 8. Activating the budgeting function with needed revision and corrective actions.

3.5. Financial Risk Matrix

Risk Description	Description of mitigation (areas of improvement)	Risk Owner
Insufficient time to keep records of the financial department according to the financial department's policy of 3 years	<ul style="list-style-type: none"> - keeping financial records for at least 7 years. - keeping a scanned (software) copy of all financial records into the company's database. 	AI Bawader
lack of master budget preparation and monitoring practices (mentioned within the findings)	<ul style="list-style-type: none"> - Budget will be prepared, and reviewed in a quarterly basis for AI Bawader Company. 	AI Bawader
Financial management system and controls are inadequate	<ul style="list-style-type: none"> - AI Bawader will provide both financial policies and procedures manuals based on commercial practices and local and international standards. AI Bawader will tailor such a manual to their needs. - AI Bawader will recruit a Financial Auditor to conduct an external audit on the management of funds and financial statements of project activities. - AI Bawader will hire a Financial Auditor to ensure that policies and procedures are being implemented and funds are appropriately allocated and disbursed to agreed project activities. 	AI Bawader
Absence of proper and well-structured reporting package (financial statements, variance reports, budgeting & planning reports)	<ul style="list-style-type: none"> - Preparing timely (monthly / quarterly) financial reporting package; including financial statements, YTD actual vs budgeted results, and the preparation and approval of plans and updates for following periods. 	AI Bawader
Delays in detecting financial misleads that may occur due to: <ul style="list-style-type: none"> - Human errors, and/or - Fraud and corruption 	<ul style="list-style-type: none"> - Conducting regular checks and physical counts over the inventories by the financial personnel on a monthly basis. 	AI Bawader

Risk Description	Description of mitigation (areas of improvement)	Risk Owner
Absence of the Internal audit functionality in the company to follow on implementation of procedures as mentioned within the newly adopted manuals	<ul style="list-style-type: none"> - Al Bawader should recruit internal auditor under the BoD's direct supervision. - The internal auditor's role is to report improper acts by different departments of the company; financial, HR, or procurement 	Al Bawader
risk of inaccurate receivable balances.	<ul style="list-style-type: none"> - Conducting timely aging reports based on updated reconciliations with suppliers/clients - Implementing IFRS 9 over available balances. 	

3.6. Conclusion

It can be concluded that Al Bawader lacks the proper accounting and financial controlling procedures and policies. Al Bawader is required to develop a financial manual policies and procedures in line with local and international standards. Al Bawader needs to hire a Financial Auditor to ensure that policies and procedures are being implemented in line with local and international standards and funds are appropriately allocated and disbursed to agreed project activities. Furthermore, Al Bawader needs to hire additional accountant in order to ensure a strong internal control and strong reporting system are in place.

4. Procurement Management

4.1. Areas of Assessment

The procurement assessment focused on process management adequacy, segregation of duties within the procurement process, and the monitoring and reviewing acts. From this assessment, it can be concluded that Al Bawader Company are following a set of basic procurement procedures derived from common practices and market experience and isn't documented in written procurement manual.

4.2. Findings

Procurement

1. Raw material procurement process including confirming, contacting, approving, and releasing orders is authorized by CEO (Mr. Sameer Aljunaidi), and managed by a simple tendering process depending on personal experience in acquiring suitable prices.

2. A better tendering process is followed for fixed assets acquisition (e.g., production lines). A committee of technical, financial, and managerial staff recognizes needed functionality and specification of an asset and submits needed asset to the CEO. Price quotations from vendors will be collected based on personal experience and network of CEO. Purchase order will then be released for the lowest price, upon confirming specification by the committee. However, procurement process isn't documented.
3. Current practice does not include the preparation of timely procurement plans. Instead, purchase orders depend on demand-driven practice.
4. Al Bawader does not have a standard statement of ethics in regards of procurement procedures and practices.
5. Current practice does not comply with the standard practice of segregation of duties.
6. There are no written operating procedures and policies for procurement.

4.3. Impact on investment readiness

1. Current procurement management will affect negatively the investment readiness.
2. Lacking tendering and awarding procedures may have a negative impact on investment readiness

4.4. Recommendation

1. Tailor the procurement manual developed by PIA to fit the needs of Al Bawader and to ensure that Al Bawader will meet the best commercial practices for domestic and international purchase.

A comprehensive procurement manual should include procedures followed in initiating procurement, setting procurement threshold, tendering process, selecting awarding committee, decision-making process, and implementation process. As well as procedures concerning proper documentation of the process, procurement ethics, and addressing any changes that may occur during the process.

2. Al Bawader Company need to hire procurement officer and storekeeper to ensure that strong internal control in place (As the functions of ordering, recording and receiving aren't separated)
3. Al Bawader needs to hire an external procurement consultant to ensure that policies and procedures will be implemented in line with local and international standards

4.5. Procurement Risk Assessment

Risk Description	Description of mitigation (areas of improvement)	Risk Owner
Procurement system is not in line with the best	- The PIA has developed a Procurement Policies and Procedures Manual based	Al Bawader

Risk Description	Description of mitigation (areas of improvement)	Risk Owner
commercial practices	on Best Commercial Practices. Al Bawader will tailor it to their needs and will adopt it in their daily operations.	
Poor & disorganized vendor's management	<ul style="list-style-type: none"> - Having predefined lists of vendors saved within the company's database for frequent orders. - Automating the vendor management mechanisms with proper documentation. 	Al Bawader
Delays in detecting procurement misleads that may occur due to: Human errors, and/or Fraud and corruption	<ul style="list-style-type: none"> - Implementing effective mechanisms of segregating duties throughout the process. - Create a new rule of internal auditing within the company to conduct continuous audit over the compliance with the approved manual. 	Al Bawader
Delays in delivery of the required Laminating Furnace	<ul style="list-style-type: none"> - Al Bawader have prepared a long-term procurement plan in order to ensure that delivery of equipment and material will be on time and will not cause any delay in project's implementation plan. 	Al Bawader

4.6. Conclusion

1. Al Bawader needs to enhance its procurement system, where they must have clearly specified policies that follow commercial procurement best practices and procedures for domestic and international purchases that are acceptable. To assist in this, Al Bawader needs to hire an external procurement consultant which to ensure that

policies and procedures are being implemented in line with local and international standards and in best commercial procurement practice.

2. The Procurement manual of PIA should be tailored to meet the needs of Al Bawader in order to ensure that it follow best commercial procurement practices and procedures for domestic and international purchases that are worldly acceptable.

5. Disbursement Management

5.1. Areas of Assessment

The effort of assessment focuses on disbursement cycle based on the company's financial manual and procurement plan.

5.2. Findings

1. Disbursement is managed directly by the Executive Director Mr. Sameer Yasin (Aljunaidi).
2. For International procurement, the payment go-in-line with purchase contracts, through three forms: Issuing letters of credit (LC) for 90 days, payment upon receiving of products or paying 30% at the contract signing and paying 70% upon receiving of products. Payment orders are issued by Executive Director, Mr. Sameer Yasin (Aljunaidi) to banks to transfer cash to suppliers. All of these disbursements are carried out based on agreement and shipping document.
3. Raw material disbursement, disbursement process started after all documents have been completed, and the suppliers' invoices and statements of account have been attached and approved by accountant and the Executive Director.
 - (1) In order to pay for local purchases, CEO Mr. Sameer Yasin (Aljunaidi) check the liquidity and writes the payment cheques according to payment arrangement with suppliers and sign the cheques.
 - (2) The agreements/arrangements with local suppliers are communicated orally to the Financial Department in order to audit and record the payments to suppliers.
 - (3) After that, cheques to suppliers submitted with the signed receipt and follow-up of payment carry out through reconciled statement of account.
4. The disbursements for other expense are prepared by the financial department and paid by cheques, main observations are:
 - (1) Employees' salaries accounting is based on the report of the registration machine for working time, salary slip recoded on the accounting program, and payment occurs in cash through an envelope for each employee.
 - (2) Maintenance expenses manage directly by Operation Manager.
 - (3) All of these payment process recoded and filled by the financial department

5.3. Impact on Investment Readiness

Disbursement management practice for imported products will impact positively investment readiness.

5.4. Recommendations:

- (1) Paying salaries via bank transfer.
- (2) Communications with suppliers should be documented through email or official letters instead of oral negotiations.

6. Al Bawader Company Legal Structure & Clearance

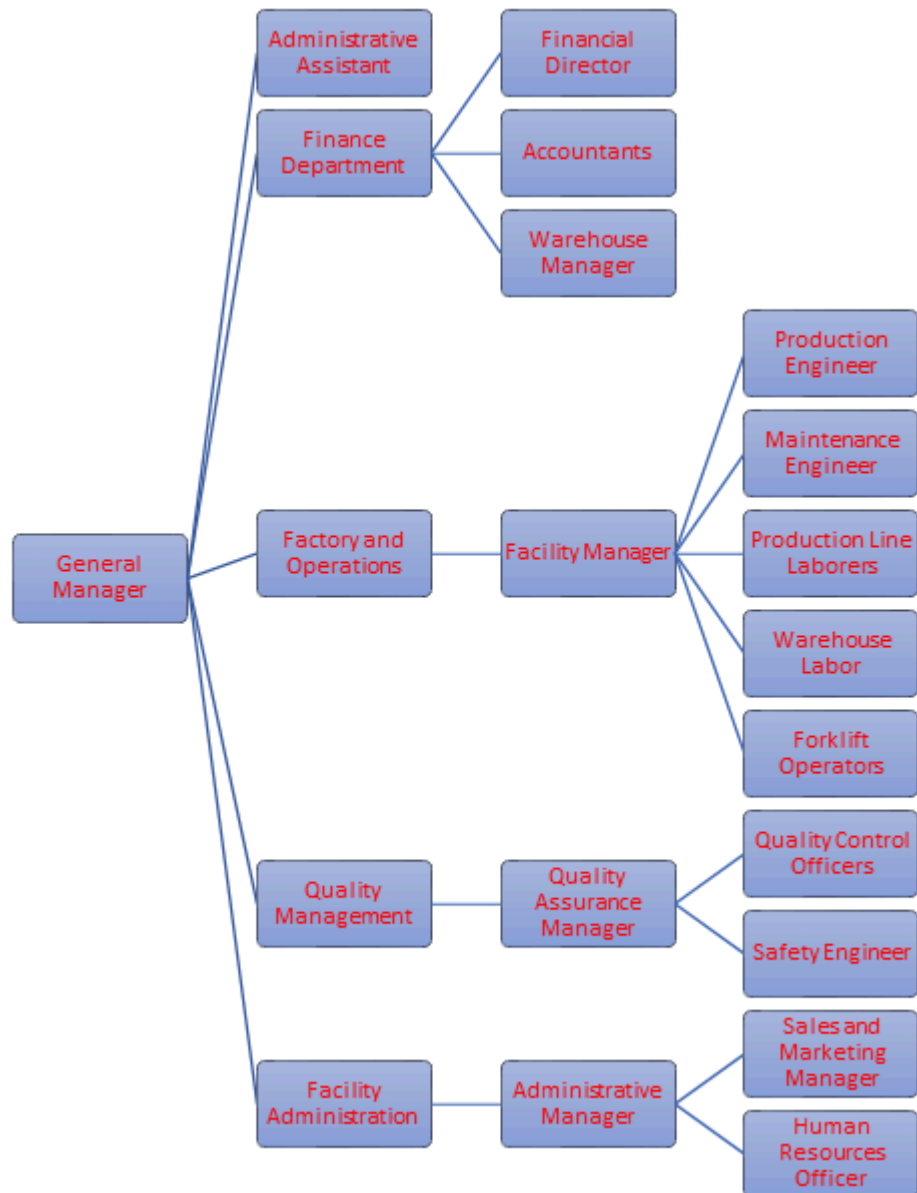
6.1. Legal Structure

- The company is licensed by the Ministry of National Economy (MoNE) Nablus on Feb 26, 2014 under registration no. 562531368 with an authorized and registered capital amount of JOD 20,000.
- The approved signatories are Mr. Sameer Hasan Hussein Yasin and Ms. Shahra Yasin.
- As a business operating in Palestine, Al Bawader Company is registered at the Income Tax Department according to the Palestinian Income Tax Law Number Eight for the year 2011, and it has a valid clearance from income tax. In addition, local sales and purchases are also subject to Value Added Tax (VAT) at 16% rate. A VAT clearance certificate, valid until September 2021.

6.2. Ownership and Management

<i>Investor Name</i>	<i>Equity Stake</i>
<i>Sameer Hassan Husain Yasin (Aljunaidi)</i>	<i>10,200</i>
<i>Shahra Fathi Yousef Yasin Yasin (Aljunaidi)</i>	<i>9,800</i>

6.3. Organizational Structure:



6.4. Institutional Arrangement

Managerial Arrangement

The institutional and management agreement set for Al Bawader Company are as follows:

Company	Description	Role
Al Bawader	Sponsor	The initiator of the project will ensure that the project delivers the agreed project benefits.
Arab Bank	Lender	Al Bawader has a verbal agreement with both banks to acquire loans that are collectively worth USD 4,000,000.

Company	Description	Role
Islamic Arab Bank	Lender	
Shareholders	Shareholders	The shareholder will inject additional USD 2,000,000.
Sameer Yasin (albuneid)	Shareholder	A land of 5,000 Sqm space owned by Mr. Sameer will be dedicated to the new project. Estimated land value is 1,000,000 USD.

Contractual Arrangement

- The company, headed by Sameer Yasin, will be established on a 5 dunum area, which are part of 15 dunums in area B and are owned by him. Mr. Sameer has contracts that approve the clause of ownership.
- Since the company is licensed as a fruit and vegetable trader, to produce greenhouse plastic they are required to acquire licenses from the ministry of National Economy, Ministry of Agriculture, Ministry of Health, and get the PSI stamp; thus far none are available and are still in process

7. Finance Status

Key observations of Al Bawader's financial management practices include the following:

Assumption

The analysis is based on the following:

- All the figures are in New Israel Shekel (NIS or ILS) since this is the official reporting currency of Al Bawader Company.
- The audited financial statements correspond to the 2020 and 2021 data (All available historical data)
- The audited financial statements correspond to Al Bawader Company.

7.1. Balance Sheet Assessment

Assets

- In 2021 Al Bawader had purchased **Fixed assets** of NIS 78,707.
- **Current Assets** was NIS 169,276 and NIS 332,508 in 2020 and 2021 respectively. Inventory represent 60% and 25% of Total Current Assets in 2020 and 2021 respectively.
- Al Bawader **current Ratio** and **Quick Ratio** in 2021 Was 1X and 0.76X respectively. This indicates that Al Bawader liquidity position is good and Al Bawader will be able to pay its short-term obligations.

7.2. Liabilities Structure

Total Current liabilities was 133,689 NIS and 333,689 NIS in 2020 and 2021 respectively.

No loans has been obtained by Al Bawader Company.

7.3. Equity

- Al Bawader's Equity has been increased from NIS 35,587 to NIS 77,526 by the end of 2021. Which represent 117% increase.

7.4. Income Statement Assessment

- Al Bawader recorded yearly gains/losses of NIS (64,413) and NIS 41,939 during 2020 and 2021 respectively.

7.5. Operating Cash Flow

- The Company's **operating cash inflow** has decreased from NIS 109,307 in 2020 to NIS 2,531 in 2021. But Al Bawader still has a positive cash flow from operations which will allow it to manage its short-term obligation and planning for future installments and maintain its liquidity position.

7.6. Investing Activities

- Al Bawader has invested 78,707 NIS in 2021.

7.7. Financing Cash Flow

There is no financing activities in 2020 and 2021.

8. Project Risk Analysis

Risk Description	Description of mitigation	Risk owner
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Lack of finance to secure the needed capital to complete the project and/or purchased items.	<ul style="list-style-type: none"> - Al Bawader will secure the needed amount by injecting USD 2 million and obtaining a loan of 4m USD. - land of 5,000 Sqm space owned by Mr. Sameer will be dedicated to the new project. Estimated land value is 1,000,000 USD. - Engage with consultants to facilitate networking with institutional investors. 	Al Bawader
Insufficient competition in procurement	<ul style="list-style-type: none"> - All proposed bidding packages will be subject for open competitive bidding. - Proper packaging of contracts to maximize competition. 	Al Bawader
Delays in procurement process especially bid specifications and procurement capacity	- Al Bawader will provide both procurement and financial policies and procedures manuals based on commercial practices. Al Bawader will tailor such a manual to their needs. This manual will provide a clear instruction on bid preparation process, bid analysis, Evaluation, Awarding, Issuing Purchase Order and receiving the required items.	Al Bawader
Delays in contract and project 's implementation	- Al Bawader will prepare a long-term procurement plan in order to ensure that delivery of equipment and material will be on time and will not cause any delay in project's implementation plan.	Al Bawader

9. Readiness for investment implementation

The following is an overall assessment of the company's readiness for investment implementation, achieved progress and required task as follows:

- I. The project holds strong promise since it will be the first of its kind in the Palestinian territories. Based on the business plan, al Bawader needs USD 10 million over a period of 6 months, which requires the assurance of the implementation of the necessary procedures to prevent its failure. The following are a specific note on project management:
 - Al Bawader needs to obtain license from the Ministry of Health to approve of their plastic production process.
 - They need to obtain a license from the Ministry of National Economy to get another profession license to get approval for plastic production.

- They need to obtain a license from the Ministry of Agriculture to assure the plastic meets the required standards.
 - It is advisable to get a PSI certification to assure the meeting of Palestinian standards.
 - Al Bawader tailored financial and procurement manual which were developed by PIA.
2. Total required investment around USD 10 million. Shareholders will inject USD 2 million in kind land USD 1 million and will obtain a loan of 4m NIS, leaving a funding gap of USD 3 million.
 3. The overall readiness is supported by project plan, procurement plan, disbursement plan, recourse and uses statement (see excel workbook).

10. Conclusion

Our assessment of Al Bawader Company's financial system, procurement system and governance structure has revealed that financial system and procurement system is weak and doesn't meet the best commercial practice. Al Bawader needs to tailor the financial and procurement manual which were developed by PIA .in addition to that Al Bawader needs to hire external financial expert and external procurement expert to assist them in implementing manuals and to ensure that the company will comply with best commercial practice.

Annex: Due Diligence Assessment Tools

Company Name: Al Bawader Company

Official in charge: Sameer Yasin (Aljunaidi) ,Chief Executive Officer

Officials participate in this assessment:

Name: Sameer Yasin (Aljunaidi)

Position Chief Executive Officer

Name:

Position:

Name:

Position:

Date: 16/02/2021

Conducted by: Hani Skaik

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
I-Legal status	<ul style="list-style-type: none"> - Article of incorporation/ registration certificates and all amendments thereto. - Bylaws and all amended thereto. - List of counties and jurisdictions in which qualified to do business and in which the company has offices , holds property of conducts business. - Reports and documents furnished to shareholders and to directors. 	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Al Bawader Company was established as a private limited shareholding company and registered in the shareholding company in Companies Controller under No. 562531368 on February 26, 2014.</u> - <u>The available Article of registration certificates, incorporation bylaws and memorandum of association are attached.</u> <p>Impact of findings and Recommendations:</p> <ul style="list-style-type: none"> - <u>After checking all legal documents, we can conclude that Al Bawader have completed legal procedures and documentations.</u> <p>Document Verification:</p> <p><u>Ref# 1 Registration Document Companies Controller</u> <u>Ref# 2 Bylaw</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
		<u>Ref# 3 Memorandum of association</u> <u>Ref# 4 Professional License</u>
2-Organization It is necessary to check if the Company has an established and verifiable organization and procedures which are appropriate to their tasks. (Check using organization chart, procedural manuals, working instructions etc. Comparison with actual structures, staffing of establishment positions, suitability of personnel)	Rules and practices by which senior management ensures accountability, fairness and transparency in the institution's relationship with its stakeholders. Required documents for revision: - The Financial policies and procedures manual. - The procurement manual. - Operations manual. - The latest organizational chart. - Governance structure (BOD, Committee, Advisory body) - Legal Firm/Advior - Communication and media (websites, events, etc)	Findings and observation: - <u>There is no written financial manual.</u> - <u>There is no written Procurement Manual.</u> - <u>Al Bawader has a HR Manual (attached)</u> - <u>Organizational structure (attached)</u> Impact of findings and Recommendations: - <u>A recommendation has been made to Al Bawader to tailor the financial manual developed by PIA to ensure it will meet the best commercial practice and follow local and international standards.</u> - <u>A recommendation has been made to Al Bawader to tailor the procurement manual developed by PIA to ensure it will meet the best commercial practice and follow local and international standards.</u> Document Verification: <u>Ref# 2 Bylaw</u> <u>Ref# 3 Memorandum of association</u> <u>Ref# 5 Organization Structure</u>
	2.1: Will the Company establish and maintain policies and/or procedures that integrate the Word Bank guidelines and requirements along with their internal policies?	Findings and observation: - <u>Al Bawader haven't financial manual, Procurement manual and operational manual</u> - <u>Al Bawader will establish and maintain policies and procedures that integrate the world bank requirement along with Al Bawader's internal policies.</u> Impact of findings and Recommendations: - <u>A recommendation has been made to Al Bawader to adopt the tailored Financial and Procurement manuals developed by PIA to ensure future good practices.</u> Document Verification:

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	2.2: who will be responsible for the day to day management and oversight of this grant?	<p>Findings and observation: <u>Mr. Sameer Yasin (Aljunaidi) will be responsible for managing and oversight the grant.</u></p> <p>Impact of findings and Recommendations:</p> <ul style="list-style-type: none"> - <u>Mr. Sameer Yasin (Aljunaidi) has extensive experience and knowledge in the agricultural sector and managing production facilities. Acting as the Executive Director, he will manage the implementation of the project and the oversight of the day-to-day work.</u> <p>Document Verification: <u>NA</u></p>
	2.3: Is the organizational structure of the accounting department appropriate for the level of financial volume? review organization Chart.	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Al Bawader's current staff have the required technical qualification and experience to ensure that Al Bawader will adhere to accountability, fairness, and transparency.</u> - <u>Finance department includes only one accountant which is not enough to ensure segregation of duties.</u> <p>Impact of findings and Recommendations:</p> <ul style="list-style-type: none"> - <u>The existing finance department is not enough to run operations effectively and to ensure strong internal control and strong financial system in place.</u> <p>Document Verification:</p>
<p>3-Accounting It is necessary to check if there is an appropriate accounting system with qualified personnel. It must meet at least national standards, and where larger sums are involved</p>	<p>Accounting Policies and Procedures:</p>	

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
<p>possibly also international accounting standards. (Submission of annual budget and proper annual financial statements, annual sales and implemented budgets for the past three years, comparison with level of planned financing)</p>	<p>3.1: Does the entity have an accounting system that allows for the proper recording of financial transactions, including the allocation of expenditures in accordance with the respective components, disbursement categories, and sources of funds?</p>	<p>Findings and observation: <u>Al Bawader uses Alshamel Accounting software.</u> <u>Alshamel Accounting software will ensure proper recording of financial transactions.</u> <u>Producing Financial reports and managing sources of funds.</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>NA</u></p>
	<p>3.2: Are controls in place concerning the preparation and approval of transactions, ensuring that all transactions are correctly made and adequately documented?</p>	<p>Findings and observation: - <u>There is no clear authority matrix that clarify authority level.</u> - <u>There is no Procurement and Financial Manual to the clarify the best practice for Al Bawader and to meet local and international standards.</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>NA</u></p>
	<p>3.3: Is the chart of accounts adequate to properly account for and report on activities and disbursement categories? review the "chart of accounts"</p>	<p>Findings and observation: <u>Existing Chart of accounts needs some modification to to properly account for and report on activities, disbursement categories and revenues.</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>Ref# 15 : Chart of accounts</u></p>
	<p>3.4: Are cost allocations to the various Departments made accurately?</p>	<p>Findings and observation: <u>Currently Al Bawader has one cost center so, it hadn't allocated cost to different department before.</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
		Impact of findings and Recommendations: <u>A new cost center will be used for the new project in order to track all expenses and revenues and to manage the feasibility of the project.</u> <u>Alshamel Accounting software has cost allocation feature which will make it easy to track expenses and revenue per cost center.</u> Document Verification: <u>NA</u>
	3.5: Are the general ledger and subsidiary ledgers reconciled and in balance?	Findings and observation: <u>Yes</u> <u>This task is prepared automatically as Al Bawader is using Alshamel Accounting Software.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	3.6: Are all accounting and supporting documents retained on a permanent basis in a defined system that allows authorized users easy access?	Findings and observation: <u>Yes</u> <u>All documents are kept safe in finance department and allows only authorized user to access.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	Segregation of duties:	
	3.7 Are the following functional responsibilities performed by different units or persons: (a)	Findings and observation:

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	authorization to execute a transaction; (b) recording of the transaction; and (c) custody of assets involved in the transaction?	<p>- <u>segregation of duties is existed as functional duties such as authorization to execute a transaction, recording and custody of assets involved in the transaction are conducted by different units</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p> <p><u>NA</u></p>
	3.8 Are the functions of ordering, receiving, accounting for, and paying for goods and services appropriately segregated?	<p>Findings and observation:</p> <p>Purchasing of Raw material:</p> <p>- <u>Mr. Sameer Yasin has good knowledge in business administration and procurement. However, procurement practices are not fully in line with the expected procurement standards and are not documented formally.</u></p> <p>- <u>CAPEX for example, are managed by a simple tendering process depending on personal experience in acquiring suitable fixed asset (e.g. main processing line), reaching out to major suppliers and manufacturers globally through the internet and discussing finding with Al Bawader's BoD committees. The whole process is managed by the CEO, with the support of an external accounting services office. Ahmed Al menawi– certified public accountant in Nablus Governorate – for logistics, customs, and related issues.</u></p> <p>Impact of findings and Recommendations:</p> <p>- <u>A procurement manual should be developed to clearly clarify the best practice for Al Bawader and ensure compliance with laws and regulations.</u></p> <p>- <u>A Procurement officer should be hired to manage procurement issues.</u></p> <p>Document Verification:</p> <p><u>NA</u></p>
	Budgeting system:	

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	3.9 Are budgets prepared for all significant activities in sufficient detail to provide a meaningful tool with which to monitor subsequent performance?	Findings and observation: <u>No</u> <u>Al Bawader hadn't prepared budget before. As its only prepare Cashflow projection in order to manage liquidity.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	3.10 Are actual expenditures compared to the budget with reasonable frequency, and explanations required for significant variations from the budget?	Findings and observation: <u>Actual Expenditures hadn't compared to Budget before.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	3.11 Are approvals from variations from the budget required in advance or after the fact?	Findings and observation: <u>No</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	3.12 Are procedures in place to plan activities, collect information from the units in charge of the different components, and prepare the budgets? Are the plans and budgets of activities realistic, based on valid	Findings and observation: <u>No</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	assumptions, and developed by knowledgeable individuals?	
	Payments:	
	<p>3.13 Do invoice processing procedures provide for:</p> <ul style="list-style-type: none"> - Copies of purchase orders and receiving reports to be obtained directly from issuing departments? - Comparison of invoice quantities, prices, and terms with those indicated on the purchase order and with records of goods actually received? - Comparison of invoice quantities with those indicated on the receiving reports? - Checking the accuracy of calculations? 	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>The expenditure cycle isn't prepared efficiently, the authorization and required approvals weren't adopted efficiently.</u> - <u>Quantity, prices and footing were checked efficiently.</u> <p>Impact of findings and Recommendations:</p> <ul style="list-style-type: none"> - <u>A Financial manual should be developed to clearly clarify the best practice for Al Bawader and ensure compliance with local standards and IFRS.</u> <p>Document Verification: <u>NA</u></p>
	3.14 Are all invoices stamped PAID, dated, reviewed and approved, and clearly marked for account code assignment?	<p>Findings and observation: <u>No, all invoices aren't stamped with PAID.</u></p> <p>Impact of findings and Recommendations: <u>A recommendation has been given to Stamp All invoices with PAID to ensure there is no duplication of payments.</u></p> <p>Document Verification: <u>NA</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	3.15 Do controls exist for the preparation of the payroll and are changes to the payroll properly authorized?	Findings and observation: <u>- There is no control in place regarding the preparation and approval of payroll. As payroll is approved by Mr. Sameer Yasin and paid via cash envelopes.</u> Impact of findings and Recommendations: <u>- A recommendation has been provided to Al Bawader to pay salary using bank transfer.</u> Document Verification:
	Policies and Procedures:	
	3.16 Describe the basis of accounting (e.g., cash, accrual)?	Findings and observation: <u>Al Bawader Applies accrual Basis of accounting</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	3.17 Are internationally accepted accounting standards followed? If so, which standard?	Findings and observation: <u>Al Bawader is complied with IFRS</u> <u>We had check the financial statements for Al Bawader and we found the following:</u> <u>- Financial statement hadn't prepared in accordance with IAS 1.</u> <u>- Cash flow statement is not prepared in accordance with IAS 7.</u> <u>- In 2020, 2021 we notice that the company hadn't recorded depreciation expenses.</u> <u>- In 2020, the auditor had issue a qualified audit opinion as there was no supporting documents regarding expenses. the only supporting documents were payment voucher.</u> Impact of findings and Recommendations: Document Verification: <u>Ref# 7 Audited Financial Statement</u>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	<p>3.18 Does the entity have an adequate policies and procedures manual to guide activities and ensure staff accountability?</p> <p>Are there written policies and procedures covering all routine financial management and related administrative activities? Are these accessible?</p>	<p>Findings and observation:</p> <p>- <u>There is no Financial/Procurement manual to cover all routine financial management and related administrative actives.</u></p> <p>Impact of findings and Recommendations:</p> <p>- <u>A recommendation has been made to Al Bawader to tailor the financial manual developed by PIA to ensure it will meet the best commercial practice and follow local and international standards.</u></p> <p>- <u>A recommendation has been made to Al Bawader to tailor the procurement manual developed by PIA to ensure it will meet the best commercial practice and follow local and international standards.</u></p> <p>Document Verification: <u>Ref# 6 HR Manual</u></p>
	<p>Cash and banks:</p>	
	<p>3.19 Indicate in remarks/comments section the names and positions of authorized signatories on the bank accounts.</p>	<p>Findings and observation:</p> <p>- <u>Approved signatories are Mr. Sameer Yasin (Aljunaidi) and Ms. Shahra Yasin (Aljunaidi)</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>Ref# 1 Registration Document Companies Controller</u></p>
	<p>3.20 Does the implementing partner maintain an adequate, up-to-date cashbook, recording receipts and payments?</p>	<p>Findings and observation:</p> <p><u>Yes</u> <u>All transactions are recorded in Alshamel accounting software and are archived in finance department.</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
		<u>NA</u>
	3.21 Are bank and cash reconciled on a monthly basis?	Findings and observation: <u>Yes</u> <u>The bank isn't reconciled on monthly basis.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	Financial Statements and Reporting:	
	3.22 Are financial statements prepared for the entity?	Findings and observation: <u>Al Bawader is preparing financial statement on yearly basis.</u> Impact of findings and Recommendations: :Document Verification <u>NA</u>
	3.23 What is the frequency of preparation of financial statements? Are the reports prepared in a timely fashion so as to be useful to management for decision making?	Findings and observation: <u>Al Bawader is preparing financial statement on yearly basis.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
4-Contract award procedure Are there rules which meet national legislation and international standards? Are they verifiably applied?	4.1 Does the recipient follow certain contracting procedures that comply with the local law and meet donors' requirements? <i>Please check contract with suppliers, clients and partners to ensure its compliance with laws and regulations</i>	Findings and observation: - <u>Al Bawader company follows ministry of economic</u> - <u>Al Bawader has official contract signed between Al Bawader and employee.</u> - <u>There is no provision for end of service for employee.</u> Impact of findings and Recommendations:

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification						
(Prevailing law on contract award, application, results of reviews)		<p>- <u>A recommendation has been provided to Al Bawader to start recording provision for employee end of service.</u></p> <p>Document Verification: <u>Ref # 8 Employee Contract Template</u></p>						
	4.2 Does the recipient have a procurement manual that states the types of contracts and methods of contracting? review of the procurement manual, ensure the accuracy and transparency of the procurement/contracting process	<p>Findings and observation: <u>No</u> <u>Al Bawader haven't procurement manual</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>NA</u></p>						
	4.3 Please list investors, banks or other lenders with whom the company has financial relationship	<p>Findings and observation: <i>Investors:</i></p> <table><tr><th>Investor Name</th><th>Equity Stake</th></tr><tr><td>Sameer Hassan Husain Yasin (Aljunaidi)</td><td>51,000</td></tr><tr><td>Shahra Fathi Yousef Yasin Yasin (Aljunaidi)</td><td>49,000</td></tr></table> <p>Banks: <u>Al Bawader will obtain a Loan from Arab Islamic Bank and Arab Bank.</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p>	Investor Name	Equity Stake	Sameer Hassan Husain Yasin (Aljunaidi)	51,000	Shahra Fathi Yousef Yasin Yasin (Aljunaidi)	49,000
	Investor Name	Equity Stake						
Sameer Hassan Husain Yasin (Aljunaidi)	51,000							
Shahra Fathi Yousef Yasin Yasin (Aljunaidi)	49,000							
4.4 Check Employment and consulting agreements, loan agreements and documents relating	<p>Findings and observation: <u>One employment contract.</u></p>							

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	to other financing transactions with directors, key employees and related parties.	Impact of findings and Recommendations: Employee's contract is in accordance Palestinian labor law. Document Verification: <u>Ref# 8 Employee Contract</u>
	4.5 Check Licenses, permits, approvals and other material contracts.	Findings and observation: Impact of findings and Recommendations: Document Verification: NA
5-Internal and external controls Existence, mandate, quality of international control bodies. External auditors and reports, including other donors.	5.1.1 Which of the following controls over purchases applies to your organization <ul style="list-style-type: none"> - Supporting documentation held for all items of expenditure (i.e. invoices, vouchers, receipts)? - All expenditure properly authorized on a Payment Voucher? - Invoices checked against orders made? - The quality and quantity of goods supplied checked against orders made? - Payments only made against original invoices? 	Findings and observation: <ul style="list-style-type: none"> - <u>Supporting documentation held for all items of expenditure (i.e. invoices, vouchers, receipts) are kept in safe place in finance department.</u> - <u>Invoices checked against orders made and The quality and quantity of goods supplied checked against orders made</u> - <u>Payments only made against original invoices.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>
	5.1.2 Which of the following controls over payments by	Findings and observation: <u>There are Conditions set down in the governing document about who can sign cheques. As Mr Sameer Yasin (Aljunaidi) and Shahra Yasin are the approved signatories.</u>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	<p>cheque are followed by your organization:</p> <ul style="list-style-type: none"> - Conditions set down in the governing document about who can sign cheques complied with? - At least 2 signatories on the bank mandate? - All cheque expenditure is recorded in the cashbook and noted with the relevant cheque number? - Cheques are signed only with proper documentary evidence of the nature of the payment? 	<p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>Ref# / Registration Document Companies Controller</u></p>
	<p>5.1.3 Which of the following controls over payments by petty cash are followed:</p> <ul style="list-style-type: none"> - All petty cash payments have supporting documentation? - Supporting documentation authorized by someone other than the cashier or claimant? - All payments noted in a petty cash book? - Regular checks made of petty cash records by someone other than the cashier? 	<p>Findings and observation: - <u>Petty cash policy has been checked, our check revealed that there is no clear petty policy, Petty cash ceiling, Replenishment amount and Expense types that can be paid Via petty cash.</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>NA</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	<p>5.1.4 Which of the following controls over bank accounts are complied with:</p> <ul style="list-style-type: none"> - All bank accounts are held in the name of the organization, not individuals - Instructions to open or close accounts are properly authorized and / or reported to management of the organization. - Regular bank reconciliations are carried out. - Bank statements are regularly inspected by the management. 	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Al Bawader had a separate bank account in Al Quds Bank which held in the name of Al Bawader;</u> - <u>Instructions to open or close accounts are properly authorized.</u> - <u>Regular bank reconciliations aren't carried out</u> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p> <p><u>Ref# 2 Bylaw</u> <u>Ref# 3 Memorandum of Association</u></p>
	<p>5.1.5 Do you have the following controls for employee payroll management:</p> <ul style="list-style-type: none"> - Salary levels are properly authorized and recorded - Staff are employed under a proper contract of employment - Compliance with statutory tax regulations are ensured 	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Salary levels are properly authorized as Al Bawader follow the salary level of government. And these levels are approved by board's members.</u> - <u>Al Bawader isn't deducting employee income tax.</u> - <u>Al Bawader hadn't recorded a provision for employee end of service before.</u> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p> <p><u>Ref# 8 Employee Contract</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	<p>5.1.6 If the organization owns fixed assets (vehicles, office equipment, etc.):</p> <ul style="list-style-type: none"> - Is an Assets Register/inventory held and updated regularly? - Are assets checked regularly to ensure that they are still in good condition and in a proper location? - Has insurance cover been considered for all valuable assets? - Is the use of fixed assets reviewed annually to ensure they are put to best use and serving the organization's interest? 	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Fixed Assets Register isn't updated regularly.</u> - <u>Physical inspection of the condition and location of assets aren't conducted on regular basis.</u> - <u>The use of fixed assets isn't reviewed annually to ensure that the assets are in the best use and serve Al Bawader Company's interest.</u> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>Ref# 9 Fixed Asset Register</u></p>
	<p>5.2.1 Does the organization produce financial statements (including a Balance Sheet and Profit & Loss or Income & Expenditure account)? If yes:</p> <ul style="list-style-type: none"> - How often? - Period covered by the most recent statements? - Who receives copies of the financial statements? <p>Are the annual financial statements subjected to an independent audit by a qualified professional?</p>	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Al Bawader produces yearly profit and loss.</u> - <u>The most recent audited financial statements are 2021.</u> - <u>The annual financial statements are subjected to an independent audit by Ahmed Al Menawi...</u> - <u>The most recent audited financial statements are 2020,2021</u> - <u>Al Bawader hadn't produced financial reports for managers which compare performance against budgets before.</u> <p>Impact of findings and Recommendations:</p> <p>Document Verification: <u>Ref# 7 Audited Financial Statement</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	If yes: When was the last external audit conducted and by whom?	
6-Experience to date with processing Extent, quality of technical and administrative implementation of earlier financing, including other donors.	6.1 <ul style="list-style-type: none"> - Review the annual report - Review Financial or operating budgets or projections. - Review any documents relating to material write-downs or write-offs other than in the ordinary course. - Review Revenue, Cost of revenue, and gross margin. - Review Breakdown of G&A expenses 	Findings and observation: <u>- There is no material written down of assets or inventory.</u> Impact of findings and Recommendations: Document Verification:
	6.2 Review the audit report for the last 3 years along with management letters.	Findings and observation: <u>Audited financial statement for the 2020 and 2021 were reviewed.</u> Impact of findings and Recommendations: Document Verification: <u>Ref# 7 Audited Financial Statement.</u>
7- Litigations	7.1 Copies of any pleadings or correspondence for pending or prior lawsuits involving the ICF applicant Company or the Founders. 7.2 Summary of disputes with suppliers, competitors, employees or customers.	Findings and observation: <u>There is no lawsuits against Al Bawader company.</u> Impact of findings and Recommendations: Document Verification: <u>NA</u>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
	<p>7.3 Correspondence with auditor or accountant regarding threatened or pending litigation, assessment or claims.</p> <p>7.4 Decrees, orders or judgments of courts or governmental agencies.</p> <p>7.5 Settlement documentation.</p>	
8- Taxation	<p>8.1 Any notice of assessment from tax authorities with respect to any currently "open" years.</p> <p>8.2 Income tax returns for the last three years, if any.</p> <p>8.3 Evidence of ICF Company being current on sales tax, VAT, employee tax, and other tax payments.</p>	<p>Findings and observation:</p> <ul style="list-style-type: none"> - <u>Al Bawader company is cleared from VAT.</u> - <u>Al Bawader company haven't deducted income tax from employee before.</u> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p> <p><u>Ref# 6 VAT Clearance</u></p>
9- Miscelaneous	<p>9.1 Press releases during the last two years</p> <p>9.2 Unified Query System (UQS) for the ICF applicant</p>	<p>Findings and observation:</p> <p><u>NA</u></p> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p> <p><u>NA</u></p>
10- Conclusions	<p>10.1 Are they ready to implement the project and have all permits on place?</p> <p>10.2 Do they pursue development objectives besides commercial ones?</p> <p>10.3 Overall financial performance</p>	<p>Findings and observation:</p> <p><u>Readiness to implement the project:</u></p> <ul style="list-style-type: none"> - <u>Al Bawader has the necessary technical qualification for conducting the new project.</u> - <u>Total required investment around 10 million USD. Al Bawader will inject 2 million USD, in kind land and obtain a loan from bank of 4m USD , leaving a funding gap of 3m USD.</u> <p><u>Overall Financial Performance:</u></p>

Area of Review	Review criteria	Observation/ Impact of findings and Recommendations/ Document Verification
		<ul style="list-style-type: none"> - <u>Al Bawader's Organizational staff are qualified and expert in their fields.</u> - <u>Finance department includes only one accountant which isn't enough to ensure strong internal control in place regarding segregation of duties, authorization, recording and custody of assets.</u> <p>Impact of findings and Recommendations:</p> <p>Document Verification:</p> <p><u>NA</u></p>