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Basma Society For Culture and Arts
GAZA – PALESTINE
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED
DECEMBER 31, 2015



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Basma Society For Culture and Arts

Gaza – Palestine

Financial statements and Independent Auditor's Report

For the Year Ended December 31, 2015

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Independent Auditor's Report

Messrs Friends of Basma Society For Culture and Arts
Gaza – Palestine

Report on the financial statements

We have audited the accompanying financial statements of **Basma Society For Culture and Arts– Gaza**, which comprise of statement of financial position as of December 31, 2015, statement of activities, statement of changes in net assets, and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and the United States of America Statements on Financial Accounting Standards applicable to not for profit organizations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements,





whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of Basma Society For Culture and Arts- Gaza, as of December 31, 2015, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards on Financial Accounting Standards applicable to not for profit organizations.

United Accountants

Gaza,

Jan 25, 2016



Basma Society For Culture and Arts
Gaza – Palestine

Statement of Financial Position
For the Year Ended December 31, 2015



	Note	December 31,	
		2014	2015
		NIS	NIS
Assets			
Current assets			
Cash and cash equivalents	1	32,649.06	45,514.42
Jawal In hand		528	528.00
Advances staff		2,515.50	0.00
Total current assets		35,692.56	46,042.42
Fixed assets – net	2A	112,166.66	84,748.37
Total Assets		147,859.22	130,790.79
Liabilities and net assets			
Liabilities			
Note payable		8,420.00	14,848.00
Acquired Exp.	9	17,650.50	21,515.50
Total liabilities		26,070.50	36,363.50
Accumulated surplus		113,894.54	121,788.72
Surplus of the current year	B	7,894.18	(27,361.43)
Overall surplus		121,788.72	94,427.29
Total liabilities & Overall surplus & Paid-in capital		147,859.22	130,790.79

The accompanying notes form an integral part of these financial statements

Chairman of Board of Directors



Financial Manager

Basma Society For Culture and Arts
Gaza – Palestine

Statement of Activities

For the Year Ended December 31, 2015



	Note	December 31	
		2014	2015
		NIS	NIS
Membership fees		510.00	300.00
Cash donation received		4,140.00	5,000.00
Grants and projects	5	851,931.33	454,041.30
“Cash collections” revenue		264,758.00	84,317.16
Kind Donation		3,150.00	0.00
Revenue from sale of fixed assets		1,261.01	0.00
Other revenue		4,776.45	9,178.00
Total donations received		1,130,526.79	552,836.46
Expenses			
Grants and projects expenses	6	28,267.34	27,418.29
General and administrative expenses	7	862,812.72	407,403.53
Depreciation	3C	231,073.33	145,376.07
Loss on sale of assets		479.22	0.00
Total expenses		1,122,632.61	580,197.89
Surplus of the current year	B	7,894.18	(27,361.43)

The accompanying notes form an integral part of these financial statements

Chairman of Board of Directors



Financial Manager

Basma Society For Culture and Arts

Gaza – Palestine

Statement of Cash flows

For the Year Ended December 31, 2015



	December 31	
	2014	2015
	NIS	NIS
Cash flows (applications) from operating activities		
Change in assets for the year	7,894.18	(27,361.43)
Adjustments:		
Depreciation of fixed assets	28,267.34	27,418.29
Decrease (increase) Debit balances	8,076.82	2,515.50
Increase (decrease) credit balances	(69,134.72)	10,293.00
Net cash flows from operating activities	(24,896.38)	12,865.36
 Cash flows from investing activities		
	18,468.21	0.00
Scrapping of fixed assets	(14,402.00)	0.00
Additions to fixed assets	4,066.21	0.00
Net cash flows from investing activities		
Net change in cash and cash equivalents for the year	(20,830.17)	12,865.36
Cash and cash equivalents at beginning of year	53,479.23	32,649.06
Cash and cash equivalents at the end of the year	32,649.06	45,514.42

The accompanying notes form an integral part of these financial statements

Chairman of Board of Directors



Financial Manager

Basma Society For Culture and Arts
Gaza – Palestine
Notes to the Financial Statements
For the Year Ended December 31, 2015



1. Legal form and activity

Basma Society for Culture and Arts (BSCA) is a Palestinian Non-Governmental and non for profit organization working in the field of culture and arts. The BSCA was established in Gaza on September 1994 with the aim of contributing to the development of Palestinian community through creative cultural and Artistic programs.

Objectives:

- Establishing a cultural and artistic movement in Palestinian society
- Highlighting the social problems facing society
- Promoting a culture of dialogue and tolerance through cultural and artistic activities to contribute to building Palestinian civil society
- Developing the organizational capacity, and reinforcing fundraising activities to ensure the sustainability of our work.

What do we do?

Basma Society for Culture and Arts provides interactive cultural, educational, recreational and psychosocial support, as well as other creative programs and activities through theatrical performances for children and youth, video presentations, Puppets Theater, as well as I/Big deal, Parents deal, animation, and drama training cycles for children. In addition to other creative programs. These activities are directed to all of Gaza's areas and groups, with special focus on people in the most marginalized areas of the Gaza Strip, by combining education with entertainment to encourage participants to actively express their viewpoints and share experience.

2. Summary of significant accounting policies

- Basis for preparing the financial statements

Financial statements are prepared in accordance with the accounting policies set out below:

Revenue and expenses

Revenue is recognized when received rather than when due.

Expenses are under a comprehensive value-added tax period in which that obligation arises.

Basma Society For Culture and Arts

Gaza – Palestine

Notes to the Financial Statements

As of December 31, 2015



Summary of significant accounting policies (continued)

➤ **Property**

The property shown at its historical cost inclusive of Value Added Tax 'VAT' and then less accumulated depreciation. The depreciation is calculated according to straight line method on the actual length of service expected of the property as follows:

	%
Furniture and Decor	10
Communication equipment's	10
Computers	20
Cars	10
Cameras	10
Photocopier	20
Theater equipment's	20
Electric equipment's	10

When the recoverable amount reach less than the net book value of any property, it is being reduced the value of such property to the recoverable amount and impairment loss is disclosed in the statement of activities.

➤ **Cash and Cash Equivalents**

Cash and cash equivalent is comprised of cash on hand and at banks maturing within three months net of balances due to banks maturing within three months.

➤ **Foreign Currencies**

The books of accounts are maintained in New Israeli shekel. Transactions in foreign currencies are translated to New Israeli shekel equivalent at the rate of exchange prevailing on the date of the transactions. Assets and liabilities denominated in foreign currencies are translated to New Israeli shekel equivalent at the exchange rates prevailing on the date of the statement of the financial position. Exchange gains and losses, including foreign currency revaluation gains and losses are included in the statement of activities.



3. Cash and Cash equivalents (Note No. 1)

	December 31	
	2014	2015
	NIS	NIS
Cash on hand (NIS)	727.00	615.00
Bank of Cairo Amman \$ 00	10,888.41	2,933.54
Bank of Cairo Amman \$ 01	302.28	7,785.78
Bank of Cairo Amman \$ 02	1,054.80	159.48
Bank of Cairo Amman \$ 03	143.34	(161.57)
Bank of Cairo Amman Nis 00	9,405.45	6,520.20
Bank of Cairo Amman Nis 01	8,698.16	508.52
Bank of Cairo Amman Nis3	(31.65)	(31.04)
Bank of Cairo Amman Nis5	(60.80)	11.62
Bank of Cairo Amman Nis6	1,091.26	7,720.08
Bank of Cairo Amman (Saving)	430.81	19,452.81
	32,649.06	45,514.42

4. Fixed Assets – Net (Note No. 2)

	Cost	Last Accumulated depreciation	Depreciation 2014	Accumulated depreciation	Net value
Furniture and Decor	32,333.38	9,926.98	3,026.09	12,953.07	19,380.31
Cars	66,300.00	39,780.00	9,945.00	49,725.00	16,575.00
Office equipment's	8,951.20	4,542.59	1,280.24	5,822.83	3,128.37
Theater equipment's	9,303.28	4,130.33	930.32	5,060.65	4,242.63
Electric equipment's	112,138.53	58,479.83	12,236.64	70,716.47	41,422.06
	229,026.39	116,859.73	27,418.29	144,278.02	84,748.37



5. Accounts payables (Note No. 3)

December 31

	2014	2015
	NIS	NIS
Accrued Communication expenses	0.00	259.00
Accrued Indemnity expenses	11,475.00	18,965.00
Accrued audit expenses	975.00	1,072.50
Accrued tax expenses	2,515.50	0:00
Accrued other expenses	2,685.00	1,219.00
	17,650.50	21,515.50

6. Grants and projects (Note No. 4)

December 31

	2014	2015
	NIS	NIS
Diakonia	34,210.82	31,358.61
CRS	325,506.61	118,955.00
War child 2015	410,202.00	195,241.00
War child 2014	0.00	37,000.00
Quttan	0.00	15,400.00
US Consulate	27,600.00	6,619.97
Future Society for the Deaf Donation	21,662.02	0.00
WC/HPF	0.00	30,969.00
Tamer Institute Donation	16,419.38	18,497.72
THEATER HOLLAND Donation	16,330.50	0.00
	851,931.33	454,041.30

	Grants and projects expenses (Note 8 (No.6)		Total	Psychosocial support for persons with disabilities (PWDs), in Northern of Gaza Strip		Schmidt	Recovering from war through child protection and psychosocial support in Gaza Strip.		Provision of gender - sensitive child protection services vulnerable children and their caregivers		Total
	2014	2015		2015	2015		2015	2015	2015	2015	
salary	233,024.00	10,844.80	7,294.00	0.00	23,782.00	5,947.00	46,937.00	94,804.80			
Trainers+actors+assistant	271,333.48	9,760.50	0.00	13,541.40	79,475.00	13,780.00	92,400.00	208,956.90			
Hospitality	105,564.30	2,714.51	0.00	0.00	3,340.00	10,648.50	27,032.00	43,735.01			
Stationary	85,760.74	2,750.00	92.00	0.00	0.00	4,560.00	6,204.00	13,606.00			
transportation	44,739.70	3,087.16	0.00	0.00	5,521.00	3,457.34	13,644.24	25,709.74			
End of service benefits	7,775.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Others	0.00	0.00	350.00	0.00	0.00	795.00	0.00	1,145.00			
Rent & Hall rent	33,829.86	1,384.70	0.00	0.00	1,000.00	0.00	4,600.00	6,984.70			
Communication	21,004.00	250.00	90.00	0.00	2,124.38	443.50	574.00	3,481.88			
Service, water, Electric.	3,091.00	0.00	0.00	0.00	0.00	500.00	2,652.00	3,152.00			
Decors	7,046.40	0.00	0.00	0.00	3,429.00	0.00	0.00	3,429.00			
volunteers	38,900.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
System development	2,800.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
Banks fees	909.24	0.00	17.55	0.00	283.62	33.15	149.18	483.50			
Auditing fees	346.00	390.00	0.00	0.00	0.00	0.00	0.00	390.00			
	3,250.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00			
	1,900.00	0.00	0.00	0.00	0.00	475.00	1,050.00	1,525.00			
	1,539.00	0.00	0.00	0.00*	0.00	0.00	0.00	0.00			
	862,812.72	31,181.67	7,843.55	13,541.40	118,955.00	40,639.49	195,242.42	407,403.53			

Note : Purchases assets within the project expenditure has been included directly in fixed assets in the financial report



Basma Society For Culture and Arts
Gaza – Palestine

Notes to the Financial Statements
As of December 31, 2015



9. General and administrative expense(Note No. 6)

	December 31	
	2014	2015
	NIS	NIS
Salaries	190,356.87	111,192.26
Rent	13,561.76	7,190.00
Tax	3,586.55	3,969.24
Audit fees	1,693.00	1,566.75
Car insurance	2,180.00	2,530.00
maintenance	1,048.00	235.00
End of service benefits	10,750.00	11,655.00
Communication	115.00	998.12
Stationary	3,210.20	724.00
Service , water . electric .	1,595.00	1,534.00
fees	348.00	0.00
Material donation	2,000.00	0.00
Transportation	(44.00)	228.00
Other expenses	349.00	1,190.25
Currency differences	(2,643.93)	485.41
Bank commissions	1,117.88	1,728.04
Hospitality	700.00	150.00
Web Design	1,150.00	0.00
	231,073.33	145,376.07

10. Court cases

There are no material cases that the Centre was involved in as of December 31, 2015.

11. Prior Year Financial Statements

Certain figures of the financial statements for the prior year were adjusted and reclassified to conform with the current year presentation.