

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

FOR THE YEAR ENDED
DECEMBER 31, 2020



Basma Society For Culture and Arts

Gaza – Palestine

Financial statements and Independent Auditor's Report

For the Year Ended December 31, 2020

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Independent Auditor's Report

United group

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, 2020, 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.

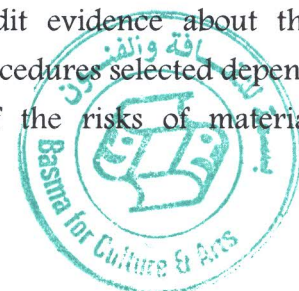
Management's responsibility for the financial statements

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, 2020, 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 Group

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Basma Society For Culture and Arts

Gaza – Palestine

Statement of Financial Position

For the Year Ended December 31, 2020

United group

	Note	December 31,	
		2020	2019
Assets		NIS	NIS
Current assets			
Cash and cash equivalents	1	42,018.24	30,930.30
Prepaid Revenue		7,440.00	21,010.00
Total current assets		49,458.24	51,940.30
Fixed assets – net	2A	34,522.47	61,994.07
Total Assets		83,980.71	113,934.37
Liabilities and Overall surplus			
Liabilities			
Note payable		7,416.64	0.00
Acquired Exp.	9	39,667.50	78,599.95
Total liabilities		47,084.14	78,599.95
		35,334.42	63,888.88
Accumulated surplus		163.00	2,289.97
Surplus of the current year	B	1,399.15	(30,844.43)
Overall surplus		36,896.57	35,334.42
Total liabilities & Overall surplus		83,980.71	113,934.37

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, 2020

United group

	Note	December 31	
		2020	2019
		NIS	NIS
Membership fees		440.00	560.00
Cash donation received		69,348.00	37,340.00
Grants and projects	5	292,214.73	355,162.67
“Cash collections” revenue		0.00	21,497.30
Revenue from sale of fixed assets		5,601.50	4,000.00
Other revenue		0.00	6,419.65
Total donations received		367,604.23	424,979.62
Expenses			
Depreciation		27,471.60	19,671.21
Grants and projects expenses	6	228,502.08	341,727.06
General and administrative expenses	7	106,625.31	82,931.94
Currency change	3C	317.09	2,265.84
Salaries		3,289.00	8,778.00
Assets donation		0.00	450.00
Total expenses		366,205.08	455,824.05
Surplus of the current year	B	1,399.15	(30,844.43)

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, 2020

United group

	December 31	
	2020	2019
	NIS	NIS
Cash flows (applications) from operating activities		
Change in Overall surplus for the year	1,399.15	(30,844.43)
Adjustments:		
Depreciation of fixed assets	27,471.60	19,671.21
Adjusted	163.00	2,289.97
Decrease (increase) Debit balances	13,570.00	(20,482.00)
Increase (decrease) credit balances	(31,515.81)	53,305.95
Net cash flows from operating activities	11,088.57	23,940.70
Cash flows from investing activities		
Additions to fixed assets	0.00	(31,010.00)
Scrapping of fixed assets	0.00	450.00
Net cash flows from investing activities	0.00	(30,560.00)
Net change in cash and cash equivalents for the year	11,088.57	(6,619.30)
Cash and cash equivalents at beginning of year	30,930.30	37,549.60
Cash and cash equivalents at the end of the year	42,018.24	30,930.30

The accompanying notes form an integral part of these financial statements

Chairman of Board of Directors



Financial Manager



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.



Notes to the Financial Statements
As of December 31, 2020

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.



Basma Society For Culture and Arts
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Notes to the Financial Statements
As of December 31, 2020

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

	December 31	
	2020	2019
	NIS	NIS
Bank of Cairo Amman \$ 00	6,774.83	26,172.28
Bank of Cairo Amman \$ 01	299.37	141.26
Bank of Cairo Amman \$ 02	0.00	169.12
Bank of Cairo Amman \$ 03	0.00	554.12
Bank of Cairo Amman Nis 00	757.71	601.84
Bank of Cairo Amman Nis3	0.00	(1.78)
Bank of Cairo Amman Nis5	317.16	0.00
Bank of Cairo Amman (Saving	68.32	3,070.00
Bank of Cairo Amman EURO0	22,959.43	223.43
Bank of Cairo Amman EUR1	0.00	0.03
Bank of Cairo Amman EUR2	10,841.42	0.00
	42,018.24	30,930.30



Basma Society For Culture and Arts
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Notes to the Financial Statements
As of December 31, 2020

4. Fixed Assets – Net (Note No. 2)

Cost	Total		Computers		Office tools		Equipment's		Furniture		Cars	
	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS
January 1, 2020	267,664.07	53,568.02	53,568.02	11,693.90	69,837.07	41,736.38	90,828.70					
Additions 2020	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
Reclassification	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
December 31, 2020	267,664.07	53,568.02	53,568.02	11,693.90	69,837.07	41,736.38	90,828.70					
Accumulated depreciation												
January 1, 2020	205,670.00	46,396.52	46,396.52	7,753.30	55,138.61	26,696.71	69,684.86					
Additions 2020	27,471.60	3,715.63	3,715.63	1,137.87	5,764.90	3,228.89	13,624.31					
December 31, 2020	233,141.60	50,112.15	50,112.15	8,891.17	60,903.51	29,925.60	83,309.17					
Net Book Value	34,522.47	3,455.87	3,455.87	2,802.73	8,933.56	11,810.78	7,519.53					
2019	61,994.07	7,171.50	7,171.50	3,940.60	14,698.46	15,039.67	21,143.84					

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Basma Society For Culture and Arts
 Gaza – Palestine
 Notes to the Financial Statements
 As of December 31, 2020

United group

5. Accounts payables (Note No. 3)

	December 31	
	2020	2019
	NIS	NIS
Accrued End of service benefits Indemnity expenses	36,371.00	28,391.00
Accrued communication	0.00	263.11
Palestine UNV.	0.00	3,520.00
Accrued Salary	1,158.00	18,284.64
Accrued of insurance car	600.00	1,800.00
Accrued electric	0.00	704.00
Accrued audit expenses	1,538.50	1,584.00
Accrued transportation	0.00	2,235.20
Accrued SHSHAT project EXP.	0.00	21,818.00
	39,667.50	78,599.95

6. Grants and projects (Note No. 4)

	December 31	
	2020	2019
	NIS	NIS
Diakonia	0.00	15,684.02
CRS	0.00	133,869.13
Quttan	0.00	6,520.96
UNESCO	147,809.31	159,730.56
SHASHAT	0.00	21,010.00
Pal think	5,115.00	2,808.00
Culture centers union	0.00	15,540.00
GIZ	139,290.42	0.00
	292,214.73	355,162.67



Basma Society For Culture and Arts
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Notes to the Financial Statements
As of December 31, 2020

Grants and projects expenses (Note (No. 5	Total	IFCD/ UNESCO		GIZ		Palthink / FXB		Total
		2019	2020	2019	2020	2019	2020	
salary		48,622.15	23,079.01	53,250.63	0.00			76,329.64
Technical salaries		144,568.15	55,034.64	17,177.00	3,932.40			76,144.04
Hospitality		15,768.00	3,553.38	10,004.04	0.00			13,557.42
Stationary & printing		25,833.72	4,551.58	3,901.61	0.00			8,453.19
transportation & fuels		24,421.68	2,045.16	1,771.60	0.00			3,816.76
Others		243.80	0.00	0.00	70.00			70.00
Rent & Hall rent		12,368.00	10,467.00	3,805.96	0.00			14,272.96
Communication		5,127.27	0.00	1,174.00	229.00			1,403.00
Service, water, Electric.		7,004.00	347.00	0.00	0.00			347.00
Decors		18,157.70	3,420.00	0.00	0.00			3,420.00
Workshops, studies and activities		9,495.00	8,208.00	0.00	0.00			8,208.00
Banks fees		269.51	29.96	0.00	0.00			29.96
Auditing fees		352.00	0.00	0.00	0.00			0.00
Training and making dolls		11,358.00	2,462.40	1,158.00	0.00			3,620.40
Design.		0.00	2,052.00	1,158.00	508.50			3,718.50
Advertising and media		2,242.08	0.00	0.00	0.00			0.00
Project materials requirements		15,896.00	0.00	15,111.21	0.00			15,111.21
		341,727.06	115,250.13	108,512.05	4,739.90			228,502.08



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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, 2020

	December 31	
	2020	2019
	NIS	NIS
9. General and administrative expense(Note No. 6)		
Salaries	83,726.31	43,176.88
Rent	7,417.00	7,202.00
Audit fees	1,141.00	1,232.00
Car insurance	665.00	1,800.00
maintenance	0.00	810.00
End of service benefits	7,980.00	7,980.00
Communication	1,555.65	550.11
Training	0.00	12,320.00
Service , water . electric .	422.00	21.00
fees	343.00	1,284.50
Adv.	0.00	1,235.50
Transportation	581.00	220.00
Other expenses	976.40	1,094.00
Bank commissions	1,317.95	1,331.95
Hospitality	0.00	0.00
Web Design	500.00	2,674.00
	106,625.31	82,931.94

10. Court cases

There are no material cases that the Centre was involved in as of December 31, 2020.

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.

