

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

**FOR THE YEAR ENDED
DECEMBER 31, 2021**

Basma Society For Culture and Arts

Gaza – Palestine

Financial statements and Independent Auditor's Report

For the Year Ended December 31, 2021

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Independent Auditor's Report

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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, 2021, 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, 2021, 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
accounting & Auditing
Gaza,

Jan 11, 2022

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Basma Society For Culture and Arts
Gaza – Palestine

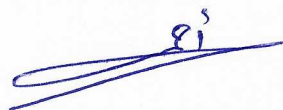
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Statement of Financial Position
For the Year Ended December 31, 2021

	Note	December 31,	
		2021	2020
		NIS	NIS
Assets			
Current assets			
Cash and cash equivalents	1	23,954.64	42,018.24
Prepaid Revenue		14,400.00	7,440.00
Total current assets		38,354.64	49,458.24
Fixed assets – net	2A	87,315.28	34,522.47
Total Assets		125,669.92	83,980.71
Liabilities and Overall surplus			
Liabilities			
Note payable		0.00	7,416.64
Acquired Exp.	3	47,658.75	39,667.50
Total liabilities		47,658.75	47,084.14
Accumulated surplus		36,896.57	35,334.42
Surplus of the current year	B	1,562.50	163.00
Overall surplus		39,552.10	1,399.15
Total liabilities & Overall surplus		78,011.17	36,896.57
		125,669.92	83,980.71

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, 2021

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	Note	December 31	
		2021	2020
		NIS	NIS
Membership fees		440.00	440.00
Cash donation received		66,938.00	69,348.00
Grants and projects	4	233,912.20	292,214.73
“Cash collections” revenue		185,603.00	0.00
Revenue from sale of fixed assets		0.00	5,601.50
Other revenue		3,810.00	0.00
Total donations received		490,703.20	367,604.23
Expenses			
Depreciation		8,868.25	27,471.60
Grants and projects expenses	5	232,610.87	228,502.08
General and administrative expenses	6	114,576.33	106,625.31
Currency change	2C	(237.29)	317.09
Salaries		0.00	3,289.00
Assets donation		95,332.94	0.00
Total expenses		451,151.10	366,205.08
Surplus of the current year	B	39,552.10	1,399.15

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

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Statement of Cash flows
For the Year Ended December 31, 2021

	December 31	
	2021	2020
	NIS	NIS
Cash flows (applications) from operating activities		
Change in Overall surplus for the year	39,552.10	1,399.15
Adjustments:	8,868.25	27,471.60
Depreciation of fixed assets	1,562.50	163.00
Adjusted	(6,960.00)	13,570.00
Decrease (increase) Debit balances	574.61	(31,515.81)
Increase (decrease) credit balances	<u>43,597.46</u>	<u>11,088.57</u>
Net cash flows from operating activities		
Cash flows from investing activities		
Additions to fixed assets	(156,994.00)	0.00
Scrapping of fixed assets	95,332.94	0.00
Net cash flows from investing activities	<u>(61,661.06)</u>	<u>0.00</u>
Net change in cash and cash equivalents for the year	(18,063.60)	11,088.57
Cash and cash equivalents at beginning of year	42,018.24	30,930.30
Cash and cash equivalents at the end of the year	<u><u>23,954.64</u></u>	<u><u>42,018.24</u></u>

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, 2021

United group

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, 2021

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.

Notes to the Financial Statements
As of December 31, 2021

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

	December 31	
	2021	2020
	NIS	NIS
Bank of Cairo Amman \$ 00	491.79	6,774.83
Bank of Cairo Amman \$ 01	0.00	299.37
Bank of Cairo Amman \$ 02	15,614.34	0.00
Bank of Cairo Amman Nis 00	1,842.10	757.71
Bank of Cairo Amman Nis5	0.00	317.16
Bank of Cairo Amman (Saving	15.72	68.32
Bank of Cairo Amman EURO0	5,974.25	22,959.43
Bank of Cairo Amman EUR2	16.44	10,841.42
	23,954.64	42,018.24

Basma Society For Culture and Arts
Gaza – Palestine

Notes to the Financial Statements
As of December 31, 2021

4. Fixed Assets – Net (Note No. 2)

	Total		Computers		Office tools		Equipment's		Furniture		Cars	
	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS	NIS
Cost												
January 1, 2021	267,664.07	53,568.02	11,693.90	69,837.07	41,736.38	90,828.70						
Additions 2021	156,994.00	36,444.00	0	83,020.00	37,530.00	0						
Reclassification	-243,481.77	-51,884.42	-11,693.90	-138,167.07	-41,736.38	0						
December 31, 2021	181,176.30	38,127.60	0	14,690.00	37,530.00	90,828.70						
Accumulated depreciation												
January 1, 2021	233,141.60	50,112.15	8,891.17	60,903.51	29,925.60	83,309.17						
Additions 2021	8,868.25	1,005.64	0	40.25	102.83	7,519.53						
Reclassification	-147,948.83	-48,228.55	-8,891.17	-60,903.51	-29,925.60	0						
December 31, 2021	93,861.02	2,889.24	0	40.25	102.83	90,828.70						
Net Book Value												
2020	87,315.28	35,238.36	0.00	14,649.75	37,427.17	0.00						

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Basma Society For Culture and Arts
 Gaza – Palestine
 Notes to the Financial Statements
 As of December 31, 2021

United group

5. Accounts payables (Note No. 3)

	December 31	
	2021	2020
	NIS	NIS
Accrued End of service benefits Indemnity expenses	44,351.00	36,371.00
Accrued Salary	0.00	1,158.00
Accrued of insurance car	2,172.00	600.00
Accrued audit expenses	1,135.75	1,538.50
	47,658.75	39,667.50

6. Grants and projects (Note No. 4)

	December 31	
	2021	2020
	NIS	NIS
Palestinian Ministry of Culture/Cultural Fund	12,777.60	0.00
Palestinian NGOs Network/PENGO	2,360.30	0.00
Maan Center	14,725.00	0.00
UNESCO	0.00	147,809.31
Palthink/FXB	13,404.00	5,115.00
General Union of Cultural Centers/GUCC	16,072.50	0.00
GIZ	174,572.80	139,290.42
	233,912.20	292,214.73

Basma Society For Culture and Arts

Gaza – Palestine

Notes to the Financial Statements

As of December 31, 2021

(Note No.5) Grants and projects expenses	Total	We are one, not ten		Building Gaza Children's Resilience Through Drama (Phase II)		Restoring hope to the youth and children of Gaza after the war		Your voice is your right		Cultural incubators in the Gaza Strip		Total
		2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	
Doners	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020	2021
salary	76,329.64	0.00	42,287.70	1,906.50	270.00	0.00	44,464.20					
Technical salaries	76,144.04	8,651.18	66,228.40	2,968.00	608.00	10,596.60	89,052.18					
Hospitality	13,557.42	0.00	21,631.24	1,298.00	380.00	1,330.31	24,639.55					
Stationary & prenting	8,453.19	0.00	6,774.00	1,785.37	370.00	21.50	8,950.87					
transportation & fuels	3,816.76	0.00	5,334.57	1,161.02	0.00	282.08	6,777.67					
Others	70.00	0.00	19,565.40	0.00	0.00	835.20	20,400.60					
Rent & Hall rent	14,272.96	644.50	18,943.00	1,466.74	560.00	1,296.00	22,910.24					
Communication	1,403.00	0.00	1,289.00	0.00	0.00	141.00	1,430.00					
Service, water, Electric.	347.00	0.00	0.00	0.00	0.00	0.00	0.00					
Decors	3,420.00	0.00	0.00	0.00	0.00	0.00	0.00					
Workshops, studies and activities	8,208.00	0.00	0.00	0.00	0.00	0.00	0.00					
Banks fees	29.96	12.80	318.24	0.00	0.00	0.00	331.04					
Auditing fees	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
Training and making dolls	3,620.40	3,537.70	0.00	2,777.82	180.00	0.00	6,495.52					
Design	3,718.50	0.00	5,652.80	0.00	95.00	1,411.20	7,159.00					
Advertising and media	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
Project materials requirements	15,111.21	0.00	0.00	0.00	0.00	0.00	0.00					
	228,502.08	12,846.18	188,024.35	13,363.45	2,463.00	15,913.89	232,610.87					

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

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Notes to the Financial Statements
As of December 31, 2021

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

	December 31	
	2021	2020
	NIS	NIS
Salaries	80,925.65	83,726.31
Rent	2,596.00	7,417.00
Audit fees	1,135.75	1,141.00
Car insurance	1,572.00	665.00
maintenance	1,458.00	0.00
End of service benefits	7,980.00	7,980.00
Communication	1,113.00	1,555.65
Service , water . electric .	266.00	422.00
fees	320.50	343.00
Office needs	14,753.00	0.00
Transportation	0.00	581.00
Other expenses	373.00	976.40
Bank commissions	1,783.43	1,317.95
Web Design	300.00	500.00
	<u>114,576.33</u>	<u>106,625.31</u>

10. Court cases

There are no material cases that the Centre was involved in as of December 31, 2021.

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.