

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

**FOR THE YEAR ENDED
DECEMBER 31, 2022**

Basma Society For Culture and Arts

Gaza – Palestine

Financial statements and Independent Auditor's Report

For the Year Ended December 31, 2022

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المجموعة المتحدة للمحاسبة و التدقيق United Group For Accounting & Auditing

Gaza - Palestine

059-9340974

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United group

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, 2022, 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, 2022, 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, 2023


-United group

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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, 2022

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	Note	December 31,	
		2022	2021
Assets		NIS	NIS
Current assets			
Cash and cash equivalents	1	136,100.62	23,954.64
Prepaid Revenue		14,400.00	14,400.00
Total current assets		150,500.62	38,354.64
Fixed assets – net	2A	74,648.88	87,315.28
Total Assets		225,149.50	125,669.92
Liabilities and Overall surplus			
Liabilities			
Note payable		65,242.88	0.00
Acquired Exp.	3	23,359.00	47,658.75
Total liabilities		88,601.88	47,658.75
Accumulated surplus		78,011.17	36,896.57
Adjustment for past years		(217.78)	1,562.50
Surplus of the current year	B	58,754.18	39,552.10
Overall surplus		136,547.62	78,011.17
Total liabilities & Overall surplus		225,149.50	125,669.92

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, 2022

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United group

	Note	December 31	
		2022	2021
		NIS	NIS
Membership fees		580.00	440.00
Cash donation received		67,173.28	66,938.00
Grants and projects	4	394,712.47	233,912.20
"Cash collections" revenue		0.00	185,603.00
Revenue from sale of fixed assets		908.60	0.00
Other revenue		8,689.02	3,810.00
Total donations received		472,063.37	490,703.20
Expenses			
Depreciation		12,666.40	8,868.25
Grants and projects expenses	5	326,585.95	232,610.87
General and administrative expenses	6	90,867.31	114,576.33
Currency change	2C	(16,810.47)	(237.29)
Assets donation		0.00	95,332.94
Total expenses		413,309.19	451,151.10
Surplus of the current year	B	58,754.18	39,552.10

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, 2022

United group

	December 31	
	2022	2021
	NIS	NIS
Cash flows (applications) from operating activities		
Change in Overall surplus for the year	58,536.45	39,552.10
Adjustments:		
Depreciation of fixed assets	12,666.40	8,868.25
Adjusted	0.00	1,562.50
Decrease (increase) Debit balances	0.00	(6,960.00)
Increase (decrease) credit balances	40,943.13	574.61
Net cash flows from operating activities	112,145.98	43,597.46
Cash flows from investing activities		
Additions to fixed assets	0.00	(156,994.00)
Scrapping of fixed assets	0.00	95,332.94
Net cash flows from investing activities	0.00	(61,661.06)
Net change in cash and cash equivalents for the year	112,145.98	(18,063.60)
Cash and cash equivalents at beginning of year	23,954.64	42,018.24
Cash and cash equivalents at the end of the year	136,100.62	23,954.64

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, 2022

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.

Basma Society For Culture and Arts
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Notes to the Financial Statements
As of December 31, 2022

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.

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Notes to the Financial Statements
As of December 31, 2022

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

	December 31	
	2022	2021
	NIS	NIS
Bank of Cairo Amman \$ 00	2,960.01	491.79
Bank of Cairo Amman \$ 01	23,676.27	0.00
Bank of Cairo Amman \$ 02	1,768.20	15,614.34
Bank of Cairo Amman Nis 00	21,072.06	1,842.10
Bank of Cairo Amman Nis5	295.68	0.00
Bank of Cairo Amman (Saving	15.72	15.72
Bank of Cairo Amman EUR00	4,946.53	5,974.25
Bank of Cairo Amman EUR2	81,366.15	16.44
	136,100.62	23,954.64

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Notes to the Financial Statements
As of December 31, 2022



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, 2022	181,176.30	38,127.60	38,127.60	14,690.00	37,530.00	90,828.70	38,127.60					
Additions 2022	0.00	0.00	0.00	0.00	0.00	0.00	0.00					
December 31, 2022	181,176.30	38,127.60	38,127.60	14,690.00	37,530.00	90,828.70	38,127.60					
Accumulated depreciation												
January 1, 2022	93,861.02	2,889.24	2,889.24	40.25	102.83	90,828.70	2,889.24					
Additions 2022	12,666.40	7,444.40	7,444.40	1,469.00	3,753.00	0.00	7,444.40					
December 31, 2022	106,527.42	10,333.64	10,333.64	1,509.25	3,855.83	90,828.70	10,333.64					
Net Book Value	74,648.88	27,793.96	27,793.96	13,180.75	33,674.17	0.00	27,793.96					
2021	87,315.28	35,238.36	35,238.36	14,649.75	37,427.17	0.00	35,238.36					

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Notes to the Financial Statements
As of December 31, 2022

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5. Accounts payables (Note No. 3)

	December 31	
	2022	2021
	NIS	NIS
Accrued End of service benefits Indemnity expenses	52,331.00	44,351.00
Accrued Salary	8,112.00	0.00
Accrued of insurance car	2,215.00	2,172.00
Accrued audit expenses	1,134.00	1,135.75
Other Due Exp.	1,450.88	0.00
	65,242.88	47,658.75

6. Grants and projects (Note No. 4)

	December 31	
	2022	2021
	NIS	NIS
Palestinian Ministry of Culture/Cultural Fund	0.00	12,777.60
Palestinian NGOs Network/PENGO	0.0	2,360.30
Maan Center	15,413.75	14,725.00
Taawon	123,464.13	0.00
Palthink/FXB	0.00	13,404.00
General Union of Cultural Centers/GUCC	0.00	16,072.50
GIZ	224,346.59	174,572.80
A.M. Qattan Foundation (AMQF)	31,488.00	0.00
	394,712.47	233,912.20

Basma Society For Culture and Arts

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Notes to the Financial Statements

As of December 31, 2022

Grants and projects expenses (Note No:5	Total	2022		2022		2022		Total
		Ma'an Development Center	Taawon	Zusammenarbeit (GIZ) GmbH	A.M. Qattan Foundation (AMQF)			
Reactivating of Small Projects, Enterprises, and Cooperatives Affected during war 2021 in the Gaza Strip								
Stones Told never to Forget - Protecting the Palestinian Archaeological Heritage through Arts								
Promoting Gaza Children's Well-Being and Creativity through Psychodrama of marionette and puppet								
Reproducing the International Theater play "Moghannet Raes Elhamrouk Jabber - The Adventure of Slave Jabber's Head" - within the Grant of the Palestinian Cultural Organizations - Takatiff 2022								
Doners								
2022	2022	2022	2022	2022	2022	2022	2022	2022
salary	44,464.20	0.00	32,144.00	35,313.94	8,376.00	75,833.94		
recurrent salaries	89,052.18	0.00	76,734.13	59,483.33	342.00	136,559.46		
Hospitality	24,639.55	0.00	0.00	16,703.59	387.00	17,090.59		
stationary & printing	8,950.87	0.00	644.30	9,950.60	356.00	10,950.90		
transportation & fuels	6,777.67	0.00	1,402.53	1,112.00	68.24	2,582.77		
Others	20,400.60	0.00	0.00	0.00	0.00	0.00		
Rent & Hall rent	22,910.24	0.00	0.00	8,902.26	0.00	8,902.26		
Communication	1,430.00	0.00	905.30	0.00	379.00	1,284.30		
Service water, Electric	0.00	450.80	0.00	0.00	0.00	450.80		
Decorations	0.00	0.00	4,194.49	0.00	1,134.25	5,328.74		
Workshops, studies and activities	0.00	0.00	8,149.00	0.00	0.00	8,149.00		
Banks fees	331.04	0.00	223.72	0.00	0.00	223.72		
Auditing fees	0.00	0.00	0.00	4,954.97	0.00	4,954.97		
Training and making dolls	6,495.52	0.00	2,536.00	21,823.77	0.00	24,359.77		
Design	7,159.00	0.00	660.00	0.00	0.00	660.00		
Advertising and media	0.00	0.00	0.00	0.00	0.00	0.00		
Project materials requirements	0.00	29,254.73	0.00	0.00	0.00	29,254.73		
	232,610.87	29,705.53	127,593.47	158,244.46	11,042.49	326,585.95		

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, 2022

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

	December 31	
	2022	2021
	NIS	NIS
Salaries	67,937.50	80,925.65
Rent	5,064.75	2,596.00
Audit fees	1,134.00	1,135.75
Car insurance	1,230.00	1,572.00
maintenance	990.00	1,458.00
End of service benefits	7,980.00	7,980.00
Communication	1,190.93	1,113.00
Service , water . electric . fees	1,900.00	266.00
Office needs	0.00	14,753.00
Transportation	1,337.00	0.00
Other expenses	334.00	373.00
Bank commissions	1,222.93	1,783.43
Web Design	197.20	300.00
	90,867.31	114,576.33

10. Court cases

There are no material cases that the Centre was involved in as of December 31, 2022.

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.