

**Anar for Empowerment and Psychosocial Support
Bethlehem**

**Financial Statement for
The Year Ended December 31,2023
And Auditors Report**

**El-Dar For Auditing
Certified Public Accountants**

**Anar for Empowerment and Psychosocial Support
Bethlehem**

Table of contents

	<u>Page No</u>
Independent Auditor Report	1
Statement of Financial Position	2
Statement of Activities and Net Assets	3
Statements of Cash flows	4
Notes to Financial Statements	5 - 8

Mrs.: Member of the General Assembly for
Anar Charitable Society for Empowerment and Psychosocial Support
Bethlehem

Independent Auditor's Report

The opinion

In our opinion, the financial statements show fairly, in all material respects, the financial position of Anar Charitable Society for Empowerment and Psychosocial Support as of December 31, 2023, and its financial performance and cash flows for the year ending on that date in accordance with the accounting policies as shown in Note No. (2)

Basis of opinion

We conducted the audit in accordance with the International Standards on Auditing (ISAS). Our responsibility under those standards is explained in the Auditor's responsibility for auditing the financial Statements paragraph of our report. We are also independent from the Association in accordance with the International Conduct Standards of the Council of Accountants "Code of Conduct for Professional Accountants" and the Code of Professional Conduct related to our audit of the Association's financial statements. We have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management responsibility

Management is responsible for preparing and presenting these financial statements in a fair manner in accordance with the accounting policies as stated in Note No. (2) And for the internal control that enables it to prepare and present the financial statements in a fair manner free from fundamental errors, whether arising from Fraud or error.

When preparing the financial statements, management is responsible for evaluating the association's ability to continue as a going concern, disclosing, where appropriate, matters related to continuity and adopting the continuity of accounting principle unless management intends to liquidate the association or cease operations or has no real alternatives but to do so. The Management is responsible for supervising the association's financial reports.

The Auditor's responsibility for auditing the financial statements

Our goal is to obtain reasonable assurance as to whether the financial statements are generally free from material misstatements, whether resulting from fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, and does not guarantee that an audit conducted in accordance with International Standards of Auditing will always detect any material misstatement if it exists. Errors may arise from fraud or error and are considered material, individually or collectively, if they are expected to affect the economic decisions taken by users based on these financial statements.

As part of the audit process in accordance with International Auditing Standards, we exercise professional judgment and use professional skepticism in all aspects of the audit, in addition to the following.

1. Identify and assess the risks of material misstatement in the financial statements, whether resulting from fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may include collusion, forgery, intentional omissions, misrepresentations, or the override of internal control .
2. Review the internal control system relevant to the audit in order to design audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of internal control.
3. Evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related clarifications prepared by the Board of Directors.

4. Conclusion about the appropriateness of management's use of the continuity of accounting principle based on the audit evidence obtained, whether there are cases of uncertainty in the presence of events or circumstances that could raise doubts about the association's ability to continue as a going concern. If we find that such cases exist, we must draw the attention of management in our report as Auditors to the relevant disclosures contained in the financial statements, or if those disclosures are insufficient, we must modify our opinion accordingly. Our conclusion is based on the audit evidence obtained up to the date of our report as auditors. However, future events or circumstances may cause the Association to cease to continue as a going concern.

5. Evaluating the comprehensive presentation of the financial statements, their structure, and the data contained therein, including the clarifications, and whether the financial statements show the relevant operations and events in a way that achieves fair presentation.

We communicate with management regarding other matters, including the extent of planned audit procedures, the timing of the audit, and significant audit results, in addition to any material deficiencies in internal control that are identified and discovered during the audit process.

We also provide management with a statement of our compliance with the Code of Business Conduct relating to independence, and we communicate with them regarding all matters that could reasonably affect our independence.

Al Dar Auditing



Sami Bannoura

License No. 110/98

EL-Dar for Auditing
Certified Public Accountants
Sami M. Bannoura
License no: 110/98

Date: 23/3/2024

Anar for Empowerment and Psychosocial Support

Bethlehem

Balance Sheet as of December 31,2023

Exhibit - A

		2023
		Amount
Assets	Disc.	NIS
Current Assets		
Cash in Banks	4	141,263.31
Accounts Receivable		<u>1,078.68</u>
Total Current Assets		142,341.99
Fixed assets		
Fixed Assets- Net	5	<u>20,860.99</u>
Total Fixed Assets		<u>20,860.99</u>
Total Assets		<u><u>163,202.98</u></u>
Liabilities and Net Assets		
Current Liabilities		
Accounts Payable	9	32,899.26
Accrued Expenses		<u>1,500.00</u>
Total Current Liabilities		34,399.26
Non Current Liabilities		
Reserve for Severance Pay	8	<u>4,122.23</u>
Total Non Current Liabilities		4,122.23
Net Asset		
Temporary Restricted Net Assets	10	126,718.93
Net Assets December 31,2023	Exhibit-B	<u>-2,037.44</u>
Total Net Assets		<u>124,681.49</u>
Total Payable nd Net Assets		<u><u>163,202.98</u></u>

the accompanying disclosures are an integrant part of these statements

Anar for Empowerment and Psychosocial Support
Bethlehem
Statement of Activities and Changes in Net Assets for
The Year Ended December 31,2023

Exhibit - B

		2023
		Amount
	Note	NIS
Revenues		
Unrestricted Contributions		55,539.47
Restricted Contributions		10,955.00
Temporary Restricted Contributions		9,240.00
Donation In Kind		<u>12,900.00</u>
Total Revenues		<u>88,634.47</u>
Less: Operational Expenses	12	6,861.90
Administration expenses	11	<u>79,760.18</u>
Total Operating and Administration Expenses		<u>86,622.08</u>
Net changes in Net Assets before Depreciation and difference of Currency		2,012.39
Less:		
Depreciation expense		-1574.01
Loss from difference of Currency		<u>-2475.82</u>
Net Change in Assets for the year	Exhibit A	<u><u>-2,037.44</u></u>

the accompanying disclosures are an integral part of these statements

Anar for Empowerment and Psychosocial Support
Bethlehem
Statement of Cash Flow for the Year Ended December,31,2023
Exhibit - C

	Note	2023 Amount NIS
Cash flow From Operating Activity		
Net Assets	Exhibit - B	-2,037.44
Temporary Restricted Net Assets		<u>126,718.93</u>
Total Net Assets		124,681.49
Adjustment :		
Depreciation of Fixed Assets		1,574.01
Provision For Indemnity		<u>4,122.23</u>
Cash flow From Operating Activity		130,377.73
Changes In Current Assets and Liabilities		
Increase in Accounts Receivable		-1,078.68
Increase in Current Liabilities		32,899.26
Increase in Accrued Expenses		<u>1,500.00</u>
Net Changes In Operating Activities		163,698.31
Investment Activities		
Investment In Fixed Assets		<u>-22435.00</u>
Total Cash Used in Investment Activity		-22435.00
Increase In Cash During the Year		141,263.31
Cash on Hand Beginning of the Year		<u>0.00</u>
Cash on Hand End of the Year	Exhibit -A	<u>141,263.31</u>

the accompanying disclosures are an integrant part of these statements

Anar for Empowerment and Psychosocial Support Association

Bethlehem

Disclosure of Financial Statements for the Year Ended December 31, 2023

1. Establishment of the Association and its Objectives:

Anar Society for Empowerment and Psychosocial Support was established in compliance with the Charitable Society and Civil Society Law no (1) of 2000 AD, dated August 27, under registration No. BL-3499-C.

The society's objectives are outlined as follows:

- To empower Palestinian children who have endured the adverse effects of oppression and violence by bolstering their psychological well-being, aiding in their recovery journey, and facilitating their holistic development, with a primary focus on providing psychological and social support and empowering these children.
- To facilitate access to community-based psychosocial health support programs for Palestinian children impacted by violence and injustice.
- To advocate for psychosocial support and healing by fostering awareness and capacity-building within the community.
- To enhance the skills and capabilities of psychosocial support practitioners, community leaders, and volunteers to advance psychosocial well-being.
- To facilitate cultural and artistic programs aimed at fostering resilience.

2. Summary of Significant Accounting Policies:

The financial statements have been prepared in accordance with the significant accounting policies outlined below and based on the accrual basis of accounting using the historical cost principle.

- **Cash and Cash Equivalents:** Cash and cash equivalents consist of cash on hand and balances with various banks.
- **Unrestricted Net Assets:** They are assets used by the association that are not subject to restrictions imposed by donors.
- **Temporarily Restricted Net Assets:** They are assets used by the association that are restricted for use due to conditions imposed by donors, which either expire over time or can be released by the association upon meeting the conditions imposed by the donors.
- **Restricted Net Assets for Fixed Assets:** They are fixed assets that are restricted in use against the fixed assets owned by the association and presented in financial statements.

3. Grants Revenues:

- Unconditional donor pledges are pledges provided to the association by donors without any attached conditions.
- Grant revenues from unrestricted and temporarily restricted donor pledges are recognized as follows:
- Grant revenues from unrestricted pledges, intended for specific purposes, are recognized upon receipt of an unconditional pledge from the donor.

- Grant revenues from temporarily restricted pledges, designated for a specific purpose or subject to a specified period of time, are recognized as revenue upon the execution of that purpose or upon the specified time period elapsing.

In-kind Donations:

In-kind donations are recognized at their fair value when received.

Recognition of Expenses:

Expenses are recorded when they are incurred in accordance with the accrual principle, which includes any applicable value-added tax

Property and Equipment

Property and Equipment are stated at cost net of accumulated depreciation. Depreciation is computed on a straight-line basis over the estimated useful life of the respective assets. The designated depreciation rates are as follows:

Assets	Percentage
Equipment	20%
Computers	20%
Office Furniture	10-15%
Electrical Equipment	15%

End of Service Benefits:

The severance provision is calculated in accordance with the Palestinian Labour law no. (7) Of 2000AD.

Foreign Currencies:

- Foreign currency transactions throughout the fiscal year are converted based on prevailing exchange rates at the transaction dates. At the end of the year, current assets and liabilities are converted using the exchange rate effective on the date of the Financial Statements. Any gains or losses resulting from currency fluctuations are reflected in the Statement of Activity and changes in net assets. Below is the exchange rate as of December 31, 2023:

Currency	Exchange Rate / NIS
US Dollar	3.5956
Sterling Pound	4.57731
Euro	3.96825
Jordanian Dinar	5.07137

4. Cash and Cash Equivalent:

The following are the cash and cash equivalent as of December 31, 2023

Bank Name	Amount (NIS)
Bank of Palestine Current Nis	134,792.95
Bank of Palestine Current USD	1,348.13
Bank of Palestine check deposit Nis	1,000.00
Bank of Palestine Saving Nis	41,22.23
Total	141,263.31

5. Fixed Assets and Accumulated Depreciation:

Assets	Cost	Depreciation	Accumulated Depreciation	Net Book Value
	NIS	NIS	NIS	NIS
Equipment's	9,000.00	824.39	824.39	8,175.61
Computers	5,900.00	688.60	688.60	5,211.40
Office Furniture	7,535.00	61.02	61.02	7,473.98
	22,435.00	1,574.01	1,574.01	20,860.99

6. Employees' Pension Fund:

Eight percent is deducted from the fixed employee and an equal amount is recorded for the employees' fund account.

7. Postdated Checks:

These are checks issued in 2023, payable in 2024.

8. Provision for end of service Severance payments:

At the end of each year, the end of service bonus for employees is calculated according to Labor law in Palestine.

Description	Amount (NIS)
Provision for Severance 1-1-2023	0.00
Additional during the year	4,122.23
Balance end of year	4,122.23

9. Accounts Payable:

The Accounts Payable stand as follows:

Description	Amount (NIS)
Postdated checks	24,684.00
Pension (Provident) fund	7,914.66
Other payable	300.60
Total	32,899.26

10. Temporary restricted net assets:

Description	Amount (NIS)
Temporary restricted Net Assets- Shababeek	81,898.54
Temporary restricted Net Asset- Makan	28,455.25
Temporary restricted Net Assets- other donors	16,365.14
Total	126718.93

11. Administrative Expenses:

Description	Amount (NIS)
Salaries	51,066.66
End of service expense	4,122.23
Pension (Provident) fund expense – Anar Share	3,957.33
Office rent	3,205.30
Advertisement	2,548.04
Bisan program subscription	2,596.66
Audit fees	1,500.00
Stationary expense	291.00
Newspaper and Online Subscriptions Expenses	1,180.00
Legal fees	1,100.00
Maintenance expense	2,094.50
Office supplies	2,094.00
Kitchen expense	933.00
Entertainment expense	1,004.00
Electricity expense	550.00
Telephone and internet expense	800.25
Bank charges	364.21
Cleaning expense	353.00
Total	79,760.18

12. Operation Expenses:

Description	Amount (NIS)
Professional fees expenses	200.00
Transportation expenses	3,099.00
Tools, supplies, and stationary expenses	2,413.00
Refreshments, and Meals expenses	1,149.90
Total Operating Expenses	6,861.90