

HIMAYA

**Independent Audit report
and Financial statements
for the year ended 31 December 2022**

HIMAYA

Independent auditor's report for the year ended 31 December 2022

Table of contents

Page

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	3
NOTES TO THE FINANCIAL STATEMENTS	5

INDEPENDENT AUDITOR'S REPORT

To the Management Committee of HIMAYA

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **HIMAYA** (the Association), which comprise the statement of financial position as at 31st December 2022, and the statement of operations and cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at 31st December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standard Board for Accountants' Code of Ethics for Professional Accountants (IASBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, and 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.

Going Concern

The Association financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Association's ability to continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Association is responsible for the preparation and fair presentation of these financial statements in accordance with IFRSs and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the planning and performance of the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to 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 involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We are also required to provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Nadim A. Daher.

DAHER & PARTNERS

Civil Professional Company - LACPA registration number 70/2009

Mazda center - Boukather building - Jal El Dib highway - Jal El Dib - Lebanon

Beirut, 11th February 2023



HIMAYA

Financial statements for the year ended 31 December 2022

STATEMENT OF FINANCIAL POSITION

<i>Amounts in US Dollars</i>	<i>Note</i>	31-Dec-22	31-Dec-21
ASSETS			
Non-current assets			
Tangible fixed assets, gross		293,411	293,411
Accumulated depreciation		(145,511)	(131,638)
Total non-current assets, net	6	147,900	161,773
Current assets			
Other accounts receivable	7	4,163	36,928
Donations to be received	8	23,999	60,385
Advances to employees		2,066	655
Cash & banks	9	2,054,401	1,692,540
Total current assets		2,084,629	1,790,508
Total Assets		2,232,529	1,952,281
EQUITY & LIABILITIES			
Equity			
Accumulated surplus		1,372,664	1,670,099
Previous years adjustments		-	(407,345)
Surplus (deficit) of the year		(24,768)	109,910
Total equity		1,347,896	1,372,664
Non-current liabilities			
Provision for end of service indemnity		81,441	81,441
Total non-current liabilities		81,441	81,441
Current liabilities			
Tax and social security payables	10	16,138	24,936
Other accounts payable	11	9,452	6,883
Unearned donations	12	777,602	466,357
Total current liabilities		803,192	498,176
Total Equity & Liabilities		2,232,529	1,952,281

The accompanying notes form an integral part of the financial statements and should be read in conjunction with them.

HIMAYA

Financial statements for the year ended 31 December 2022

STATEMENT OF OPERATIONS

<i>Amounts in US Dollars</i>	<i>Note</i>	31-Dec-22	31-Dec-21
Income / sources of funds			
Funds received	13	3,990,733	4,361,837
Interest revenues earned from banks		710	70
Total income		3,991,443	4,361,907
Disbursements			
Cost of projects		(1,383,116)	(1,613,807)
Salaries & Social security charges		(2,468,269)	(2,533,647)
Administrative expenses	14	(31,348)	(94,722)
Depreciation charge		(13,873)	(15,554)
Taxes and fees		(17,528)	(15,512)
Provision for end of service indemnity		-	(7,508)
Financial income / (cost)		(102,077)	28,753
Total disbursements		(4,016,211)	(4,251,997)
Surplus (Deficit) of the year		(24,768)	109,910
Depreciation and amortization		13,873	15,554
Provision for end of service indemnity		-	7,508
Reversal of non-cash charges		13,873	23,062
(Increase) decrease in other receivables & related accounts		67,740	45,033
Increase (decrease) in other payables & related accounts		305,016	498,176
Net change in working capital		386,629	566,271
Variation in fixed assets		-	220,311
Cash flows from investing activities		-	220,311
Previous years adjustments		-	(407,345)
Cash flows from financing activities		-	(407,345)
Net cash flow of the year		361,861	489,147
Cash brought forward from last year		1,692,540	1,203,393
Net cash position at the end of the year		2,054,401	1,692,540
Cash and cash equivalents (In USD)		31-Dec-22	31-Dec-21
Banks		2,042,774	1,650,162
Cash on hand		11,627	42,378
Total cash and cash equivalents		2,054,401	1,692,540

The accompanying notes form an integral part of the financial statements and should be read in conjunction with them.

1. Establishment and operations

HIMAYA was incorporated under Ministry of Interior notification n° 748 dated 27th May 2009.

2. Local address

The address of the association is in St. Rita Building, Street 58, Fanar, Lebanon.

3. Objectives and activities

The objectives of the association are as follows:

- Support and encourage the creation of protective societies for children and adolescents who are exposed to neglect, abuse, violence and moral harassment.
- Conduct campaigns to engage the community in supporting and protecting vulnerable groups.

4. Representative of the Association

The general assembly of HIMAYA held on the 10th September 2021 elected the following executive board members representing the association:

Mrs. Viviane Debbas:	President
Mrs. Lilia Sabbagh:	Vice President
Mr. Richard Haykel:	Secretary and accountant
Mr. Joseph Otayek:	Treasurer

5. Main accounting principles

The financial statements and accompanying notes are prepared in accordance with International Financial Reporting Standards (IFRS) applied in Lebanon on a cash basis.

Consistency

In order for users to be able to compare the performance of the association in between periods, consistent accounting policies and procedures are applied by the association from one period to another. This does not mean that the association cannot change accounting policies if it changes in its activities, however, the cumulative effect of the change must be accounted for and disclosed in the financial statements.

Going concern assumption

It is presumed (subject to rebuttal by evidence to the contrary) that the association will continue to operate in the foreseeable future.

HIMAYA

Notes to the financial statements for the year ended 31 December 2022

6. Non-Current assets

This caption represents the net fixed assets detailed as follows:

<i>Amounts in US Dollars</i>	<u>Gross value</u>	<u>Accumulated depreciation</u>			<u>Net book value as at</u>
	<u>Balance as at</u> <u>31-Dec-22</u>	<u>Balance as at</u> <u>1-Jan-22</u>	<u>Additions</u> <u>of the year</u>	<u>Balance as at</u> <u>31-Dec-22</u>	<u>31-Dec-22</u>
Tangible assets					
General installations	67,489	(21,510)	(4,076)	(25,586)	41,903
Transportation equipment	33,544	(13,228)	(2,007)	(15,235)	18,309
Office & computer equipment & software	128,838	(63,833)	(1,160)	(64,993)	63,845
Furniture	63,540	(33,067)	(6,630)	(39,697)	23,843
Total	293,411	(131,638)	(13,873)	(145,511)	147,900

7. Other accounts receivable

This caption represents the balances due from third parties detailed as follows:

Description	31-Dec-22		31-Dec-21	
	In LBP	In USD	In LBP	In USD
Cash United SAL	-	3,072	-	23,379
Total Liban SAL	46,382,504	1,091	19,881,000	13,188
Other receivables	-	-	-	361
Total		4,163		36,928

8. Donations to be received

This caption represents the donations not yet received for ended projects detailed as follows:

Description (In USD)	31-Dec-22	31-Dec-21
SSI	19,303	19,303
Expertise France	4,696	-
Plan International	-	39,915
World Vision	-	1,167
Total	23,999	60,385

HIMAYA

Notes to the financial statements for the year ended 31 December 2022

9. Cash & Banks

The balance of this caption represents the cash on hand and available at banks detailed as follows:

Description	31-Dec-22		31-Dec-21	
	In F.C.	In USD	In F.C.	In USD
BLF Bank SAL / USD	-	1,293,867	-	1,075,580
BLF Bank SAL / EUR	12,404	13,197	11,380	12,844
BLF Bank SAL / LBP	475,836,866	11,196	(9,955,872)	(6,604)
BLF Bank SAL / GBP	7,985	9,608	8,063	10,820
BLF Bank SAL / CHF	33	36	5,145	5,596
Total BLF Bank SAL		1,327,904		1,098,236
Arab Bank Switzerland / USD (Fresh account)	-	756,180	-	550,045
Astro Bank Cyprus / USD (Fresh account)	-	1,881	-	1,881
BOB Finance SAL / USD	-	(39,300)	-	-
BOB Finance SAL / LBP	(165,377,075)	(3,891)	-	-
Total BOB Finance SAL		(43,191)		-
Total Banks		2,042,774		1,650,162
Petty Cash / USD	-	6,958	-	187
Petty Cash / LBP	198,421,611	4,669	63,603,256	42,191
Total Cash on hand		11,627		42,378
Total		2,054,401		1,692,540

10. Tax and social security payables

This caption represents the tax and social security payables detailed as follows:

Description	31-Dec-21		31-Dec-21	
	In LBP	In USD	In LBP	In USD
Tax on salaries	340,287,000	8,007	34,374,015	22,802
Non-resident tax	2,271,000	53	3,217,005	2,134
Total taxes due		8,060		24,936
NSSF payables	343,324,033	8,078	-	-
Total		16,138		24,936

11. Other accounts payable

This caption represents the balances due to third parties detailed as follows:

Description (In USD)	31-Dec-22	31-Dec-21
Christelle Fransawi	5,000	-
IDM	2,956	-
Other payables	1,496	6,883
Total	9,452	6,883

HIMAYA

Notes to the financial statements for the year ended 31 December 2022

12. Unearned donations

This caption represents the donations received for ongoing projects for the year 2023 detailed as follows:

Description (In USD)	31-Dec-22	31-Dec-21
UNHCR	569,667	26,791
LHF	121,351	-
UNICEF	43,741	322,728
Suleiman Olayan Foundation	18,282	18,282
OCHA	12,617	-
RDPP	7,576	24,731
Plan International	4,368	-
Other projects	-	73,825
Total	777,602	466,357

13. Received donations

The donations received by the association are detailed by donor as follows:

Description (In USD)	31-Dec-22	31-Dec-21
UNICEF	1,675,523	1,590,547
UNHCR	959,865	804,828
DFAT	407,455	-
RDPP	253,750	353,525
OCHA	138,502	-
LHF	102,703	-
Other donations	452,935	1,612,937
Total	3,990,733	4,361,837

14. Administrative expenses

The administrative expenses are detailed as follows:

Description (In USD)	31-Dec-22	31-Dec-21
Consultancy expenses	12,000	18,750
Formality charges	5,039	4,562
Stationery, printings and office supplies	4,709	3,984
Entertainment and reception expenses	1,772	3,354
NSSF fees	1,500	1,500
Other expenses	6,328	62,572
Total	31,348	94,722