

**REBIRTH BEIRUT**  
**Financial statements**  
**As at December 31, 2022**

(With Independent auditors' report)

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**Independent auditor's report**

To the Board of:  
**REBIRTH BEIRUT**  
Beirut - Lebanon

**Report on the Audit of the Financial Statements****Opinion**

We have audited the financial statements of **REBIRTH BEIRUT**, which comprise the statement of financial position as at December 31, 2022, and the statement of financial activities, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the association as at December 31, 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 association in accordance 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.

**Emphasis of Matter**

Without qualifying our opinion, we draw attention to note (1.1) to the financial statements, which refers to the economic, financial and health crisis that Lebanon is going through.

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

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the association ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the association financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives 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.

- 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 association internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.
- 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 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 identified during our audit.

The engagement partner on the audit resulting in this independent auditor's report is

**Jad HATEM, CPA**

**Date**  
**05/04/2023**

**Beirut, Lebanon**



**REBIRTH BEIRUT**  
**Statement of financial position**  
**As at December 31, 2022**  
(Amounts expressed in Fresh USD)

<b>Assets</b>	<b>Notes</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
<b>Non-current assets</b>		<b>64,777</b>	<b>17,701</b>
Tangible fixed assets	3	64,777	17,701
<b>Current assets</b>		<b>105,554</b>	<b>32,482</b>
Trade & other receivables	4	76,356	17,907
Banks & cash	5	29,198	14,575
<b>Total assets</b>		<b>170,331</b>	<b>50,183</b>
<b>Equity &amp; liabilities</b>			
Surplus for the period		19,314	50,124
Accumulated excess		50,124	-
<b>Total equity</b>		<b>69,438</b>	<b>50,124</b>
<b>Current liabilities</b>		<b>100,893</b>	<b>59</b>
Trade & other payables	6	100,893	59
<b>Total liabilities</b>		<b>100,893</b>	<b>59</b>
<b>Total liabilities &amp; equity</b>		<b>170,331</b>	<b>50,183</b>

The accompanying notes are an integral part of these financial statements.

Board approval: .....



**REBIRTH BEIRUT**  
**Statement of financial activities**  
**For the year 2022**  
(Amounts expressed in Fresh USD)

	Notes	2022	2021
Donations & other income	7	647,384	70,253
Projects	8	(581,003)	(15,815)
Administrative expenses	9	(49,490)	(3,141)
Other operating result	10	(2,488)	(102)
<b>Surplus from operations</b>		<b>14,403</b>	<b>51,195</b>
Financial result	11	4,911	(1,071)
<b>Surplus for the period</b>		<b>19,314</b>	<b>50,124</b>

The accompanying notes are an integral part of these financial statements.

Board approval: .....

**REBIRTH BEIRUT**  
**Statement of cash flows**  
**For the year 2022**  
(Amounts expressed in Fresh USD)

	<b>2022</b>	<b>2021</b>
<b>Cash flows from operating activities:</b>		
<b>Result of the period - surplus</b>	<b>19,314</b>	<b>50,124</b>
Adjustment to reconcile net income to net cash		
<b>Operating activities</b>		
Depreciation	2,349	66
Accounts receivable	5,961	(16,672)
Accounts payable	47,576	59
Regularization accounts	(11,152)	(1,235)
<b>Net cash used in operating activities</b>	<b>64,048</b>	<b>32,342</b>
<b>Cash flows from investing activities:</b>		
Acquisition of fixed assets	(49,424)	(17,767)
<b>Net cash used in investing activities</b>	<b>(49,424)</b>	<b>(17,767)</b>
<b>Net (decrease) increase in cash &amp; cash equivalents</b>	<b>14,623</b>	<b>14,575</b>
<b>Cash and cash equivalents - beginning of year</b>	<b>14,575</b>	<b>-</b>
<b>Cash and cash equivalents - end of year</b>	<b>29,198</b>	<b>14,575</b>

The accompanying notes are an integral part of these financial statements.

**REBIRTH BEIRUT**  
**Statement of changes in equity**  
**For the year 2022**  
(Amounts expressed in Fresh USD)

	Surplus	Total
<b>At May 19, 2021</b>	-	-
Surplus for the year 2021	50,124	50,124
<b>At December 31, 2021</b>	<b>50,124</b>	<b>50,124</b>
Surplus for the year 2022	19,314	19,314
<b>At December 31, 2022</b>	<b>69,438</b>	<b>69,438</b>

The accompanying notes are an integral part of those financial statements.



**REBIRTH BEIRUT**  
**Notes to financial statements**  
**As of December 31, 2022**  
(Amount expressed in Fresh USD)

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**1. Formation and object of REBIRTH BEIRUT:**

“REBIRTH BEIRUT” is a non-for-profit organization, and it's exempt from income tax. This association has been registered in the ministry of interior & municipality on May 19, 2021.

The association shall carry out the following activity:

- Participation in the development activities of the city of Beirut.
- Providing material, moral and health assistance to the needy.
- Organizing and participating in all cultural, recreational and tourism activities.

**1.1 Macroeconomic situation in Lebanon:**

The association's operations during 2022 were in Lebanon that has been witnessing, since the last quarter of 2019, severe events that have set off an interconnected fiscal, monetary and economic crisis as well as deep recession that have reached unprecedented levels. The ability of the Lebanese Government and the banking sector in Lebanon to borrow funds from international markets was significantly affected. Banks have imposed unofficial capital controls, restricted transfers of foreign currencies outside Lebanon and significantly reduced credit lines to companies and withdrawal of cash to private depositors, all of which added to the disruption of the country's economic activity, as the economic model of Lebanon relies mainly on imports and consumption. Businesses are downsizing, closing or going bankrupt and unemployment and poverty are rising fast and have reached unprecedented levels.

The difficulty in accessing foreign currencies led to the emergence of a parallel market to the peg whereby the price to access foreign currencies has been increasing constantly, deviating significantly from the peg of 1,507.5 US\$/LBP. This has resulted in an uncontrolled rise in prices and the incessant de facto depreciation of the Lebanese pound, impacting intensely the purchasing power of the Lebanese citizens, driving high inflation and rise in the consumer price index. All these and other factors have led to:

- Imposing a ceiling on withdrawals in US dollars and Lebanese pounds, resulting from a shortage in liquidity to meet the daily withdrawal and transfer needs;
- Reducing credit limits to the used balances which had a negative effect on the economy and led to a recession, the closure of some companies, a high rate of unemployment, and the reduced ability of debtors to pay their obligations;
- Stopping or restricting the opening of import credits, which led to a shortage of basic and primary materials, including medical supplies. Remittances in foreign currency to the outside also stopped, except in very exceptional cases.
- The presence of a gap between the official exchange rate of the dollar that is LBP /1,507.5/ and the market price that increased drastically.

**REBIRTH BEIRUT**  
**Notes to financial statements**  
**As of December 31, 2022**  
(Amount expressed in Fresh USD)

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**Operating environment**

As a result of the unofficial capital controls, the multitude of exchange rates, the hyperinflation, and, the potential repercussions of the Lebanese Government's Financial Recovery Plan on (i) the banks operating in Lebanon, and (ii) the Lebanese people's net worth, their local businesses and their local bank accounts, the Lebanese market saw the need to differentiate between onshore assets and offshore assets, foreign currency bank accounts that are subject to unofficial capital controls and those that are not subject to capital controls, onshore liabilities and offshore liabilities. The need to differentiate is mostly due to the difference in the perceived real economic value. Hence the new terms in the Lebanese market, such as "lollars" to designate local US Dollars bank accounts that are subject to unofficial capital controls and "fresh funds", to designate foreign currency cash and foreign currency bank accounts which are free from capital controls (as they are sourced from foreign currency cash and / or from incoming transfers from abroad starting).

**Particular situation**

Assets and liabilities in foreign currency, transactions in foreign currency, regardless of whether they are onshore or offshore, were reflected in these financial statements at the official published exchange rate of 1 US\$ / LL 1,507.5, as published by the Central Bank of Lebanon on a monthly basis. The official published exchange rate was changed to 1 US\$/LL 15,000 on February 1<sup>st</sup>, 2023.

However, several exchange rates have emerged since the last quarter of 2019 that vary significantly among each other and from the official one: parallel exchange markets and the Sayrafa rate that are highly volatile, the Platform Rate, estimated exchange rates detailed in the government's Financial Recovery Plan, in addition to different exchange rates adopted for commercial transactions purposes in Lebanon.

**2. Significant accounting policies:**

The principal accounting policies applied in the preparation of these financial statements are set out below:

- a) **Statement of compliance:** The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).
- b) **Basis of measurement:** The financial statements have been prepared on the historical cost convention.
- c) **Functional and presentation currency:** These financial statements are presented in Fresh USD.
- d) **Use of estimates and judgments:** The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

**REBIRTH BEIRUT**  
**Notes to financial statements**  
**As of December 31, 2022**  
(Amount expressed in Fresh USD)

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**e) *Foreign currencies:*** Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign Lbanese at the statement of financial position date are translated to USD at the foreign exchange rate ruling at the date. Translation gain and losses are taken to the income statement.

**f) *Property, plant and equipment:*** Property, plant and equipment are stated at historical cost or revaluated value less depreciation.

Depreciation is computed on a straight-line basis over the estimated useful life of each item. Land is not depreciated.

Gain and losses on disposals are determined by comparing proceeds with carrying amounts and they are included in the financial activities.

Repairs and maintenance are charged to the financial activities during the financial period in which they are incurred.

**g) *Trade receivables:*** Trade receivables are carried at original invoice amount less provision for doubtful debts.

**h) *Cash and banks:*** For the purpose of the statement of cash flows, cash and banks consist of cash in hand, bank balances and short term deposits with an original maturity of free months or less, net of outstanding bank overdrafts.

**i) *Employees end of service benefits:*** End of service benefits are due to employees after completing 20 years of service, or at the retirement age, or if the employee permanently leaves employment; in this respect subscriptions are paid to the National Social Security Fund (NSSF).

The association is liable to pay to the NSSF the difference between the subscriptions paid calculated at 8% and the final end of service benefits due to employee; this difference is covered by a specific provision under liabilities.

**j) *Accounts payables and accruals:*** Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**k) *Provisions:*** Provisions are recognized when the association has a present obligation (legal or constructive) as a result of a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

**REBIRTH BEIRUT**  
**Notes to financial statements**  
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**3. Fixed assets:**

The movement during the period ended 31/12/2022 of tangible fixed assets accounts is summarized hereunder:

	<b>Balances</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balances</b>
	<b>31/12/2021</b>	<b>2022</b>	<b>2022</b>	<b>31/12/2022</b>
General installations	10,128	36,053	-	46,181
Office equipment	5,084	616	-	5,700
Computer equipment	2,555	7,260	-	9,815
Furniture	-	5,495	-	5,495
<b>Total tangible fixed assets</b>	<b>17,767</b>	<b>49,424</b>	<b>-</b>	<b>67,191</b>

The movement during the period ended 31/12/2022 of the depreciation accounts is summarized hereunder:

	<b>Balances</b>	<b>Additions</b>	<b>Disposals</b>	<b>Balances</b>
	<b>31/12/2021</b>	<b>2022</b>	<b>2022</b>	<b>31/12/2022</b>
General installations	26	859	-	885
Office equipment	17	392	-	409
Computer equipment	23	814	-	837
Furniture	-	284	-	284
<b>Total tangible fixed assets</b>	<b>66</b>	<b>2,349</b>	<b>-</b>	<b>2,414</b>
<b>Net tangible fixed assets</b>	<b>17,701</b>			<b>64,777</b>

**4. Trade & other receivables:**

Trade & other receivables as at 31 December 2022 consist of the following:

	<b>Notes</b>	<b>31/12/2022</b>	<b>31/12/2021</b>
Suppliers advance payments		711	16,672
Other debtors		10,000	-
Regularization accounts	4.1	65,645	1,235
<b>Total trade &amp; other receivables</b>		<b>76,356</b>	<b>17,907</b>

**4.1- Regularization accounts:**

Regularization accounts as at 31 December 2022 consist of the following:

	<b>31/12/2022</b>	<b>31/12/2021</b>
Income expected for Adonis concert	63,776	-
Other	1,869	1,235
<b>Total</b>	<b>65,645</b>	<b>1,235</b>

**REBIRTH BEIRUT**  
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**5. Banks & cash:**

Banks & cash as at 31 December 2022 consist, after reconciliation, of the following:

	Original curr.	31/12/2022	31/12/2021
Bank current accounts - LBP	LBP 18,160,253	599	764
Bank current accounts - USD	USD 59,303	15,651	2,508
Bank current accounts - fresh account		1,777	11,303
Cash		11,171	-
<b>Total banks &amp; cash</b>		<b>29,198</b>	<b>14,575</b>

**6. Trade & other payables:**

Trade & other payables as at 31 December 2022 consist of the following:

	Notes	31/12/2022	31/12/2021
Suppliers		16,105	37
Fixed assets suppliers		15,571	22
Other creditors		15,959	-
Regularization accounts	6.1	53,258	-
<b>Total trade &amp; other payables</b>		<b>100,893</b>	<b>59</b>

**6.1- Regularization accounts:**

Regularization accounts as at 31 December 2022 consist of the following:

	31/12/2022	31/12/2021
Charges expected for Adonis concert	53,258	-
<b>Total</b>	<b>53,258</b>	<b>-</b>

**7. Donations & other income:**

Donations & other income for the year 2022 consist of the following:

	2022
Traffic light campaign	103,687
Street lighting campaign	108,201
Shielding road potholes initiative	13,000
Rebirth art exhibition	53,983
Fete de la musique	2,245
Rodge event	13,080
Adonis concert	262,058
Italian conference	15,941
Others	75,189
<b>Total donations &amp; other income</b>	<b>647,384</b>

**REBIRTH BEIRUT**  
**Notes to financial statements**  
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(Amount expressed in Fresh USD)

**8. Projects:**

Projects for the year 2022 consist of the following:

	<b>2022</b>
Traffic light campaign	127,650
Street lighting campaign	151,302
Shielding road potholes initiative	17,286
Rebirth art exhibition	26,809
Fete de la musique	2,245
Rodge event	2,517
Adonis concert	226,119
Elizabeth Sombart concert	3,370
Italian conference	18,381
Food boxes distribution	1,222
Events	2,896
Financial support	466
Nursing day project	740
<b>Total projects</b>	<b>581,003</b>

**9. Administrative expenses:**

Administrative expenses for the year 2022 consist of the following:

	<b>2022</b>	<b>2021</b>
Transportation	495	229
Post & Telecommunication charges	545	2
Rent	4,834	-
Office stationnary & supplies	8,587	2,406
Advertising & promotion	4,838	-
Generator expenses	6,079	-
Maintenance	3,862	-
Cleaning expenses	856	-
Entertainment	2,283	-
Hotel & resorts	-	145
Insurance premium	2,979	-
Other expenses	14,132	359
<b>Total administrative expenses</b>	<b>49,490</b>	<b>3,141</b>

**REBIRTH BEIRUT**  
**Notes to financial statements**  
**As of December 31, 2022**  
(Amount expressed in Fresh USD)

**10. Other operating result:**

Other operating result for the year 2022 consist of the following:

	<b>2022</b>	<b>2021</b>
Registration fees	139	36
Depreciation	2,349	66
<b>Total other operating result</b>	<b>2,488</b>	<b>102</b>

**11. Financial result:**

Financial result for the year 2022 consist of the following:

	<b>2022</b>	<b>2021</b>
Banks charges & interest	(2,629)	(441)
Negative difference of exchange	(16,580)	(630)
<b>Total</b>	<b>(19,209)</b>	<b>(1,071)</b>
Banks Interest	3	-
Positive difference of exchange	24,117	-
<b>Total</b>	<b>24,120</b>	<b>-</b>
<b>Financial result</b>	<b>4,911</b>	<b>(1,071)</b>

**12. Approval of financial statements:**

The financial statements were approved by the management and were authorized to issue on March 10, 2023.

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