

REBIRTH BEIRUT
Financial statements
As at December 31, 2024

(With Independent auditors' report)

Contents

Independent auditors' report	Pages 3 - 4
Statement of financial position	Page 5
Statement of financial activities	Page 6
Statement of cash flows	Page 7
Statement of changes in equity	Page 8
Notes to financial statements	Pages 9 - 15

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, 2024, 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, 2023, 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
05/03/2025

Beirut, Lebanon

REBIRTH BEIRUT
Statement of financial position
As at December 31, 2024
(Amounts expressed in Fresh USD)

Assets	Notes	31/12/2024	31/12/2023
Non-current assets			
Tangible fixed assets	3	91,020	91,265
		91,020	91,265
Current assets			
Trade & other receivables	4	60,374	109,153
Banks & cash	5	11,975	19,246
		48,399	89,907
Total assets		151,394	200,418
Equity & liabilities			
Accumulated excess			
		156,787	69,438
Surplus (deficit) for the period			
		(40,531)	87,349
Total equity		116,256	156,787
Current liabilities			
Trade & other payables	6	35,138	43,631
		35,138	43,631
Total liabilities		35,138	43,631
Total liabilities & equity		151,394	200,418

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

Board approval:

REBIRTH BEIRUT
Statement of financial activities
For the year 2024
(Amounts expressed in Fresh USD)

	Notes	2024	2023
Donations & other income	7	266,108	528,374
Projects	8	(168,303)	(308,209)
Administrative expenses	10	(134,583)	(112,456)
Other operating result	9	(3,430)	(3,076)
Surplus from operations		(40,208)	104,633
Financial result	11	(323)	(17,284)
Surplus (deficit) for the period		(40,531)	87,349

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

Board approval:

REBIRTH BEIRUT
Statement of cash flows
For the year 2024
(Amounts expressed in Fresh USD)

	2024	2023
Cash flows from operating activities:		
Result of the period - surplus (deficit)	(40,531)	87,349
Adjustment to reconcile net income to net cash		
Operating activities		
Depreciation	3,430	3,049
Accounts receivable	3,998	6,713
Accounts payable	(11,170)	(4,004)
Regularization accounts	5,950	(2,861)
Net cash used in operating activities	(38,323)	90,246
Cash flows from investing activities:		
Acquisition of fixed assets	(3,185)	(29,537)
Net cash used in investing activities	(3,185)	(29,537)
Net (decrease) increase in cash & cash equivalents	(41,508)	60,709
Cash and cash equivalents - beginning of year	89,907	29,198
Cash and cash equivalents - end of year	48,399	89,907

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

REBIRTH BEIRUT
Statement of changes in equity
For the year 2024
(Amounts expressed in Fresh USD)

	Surplus	Total
At December 31, 2022	69,438	69,438
Surplus for the year 2023	87,349	87,349
At December 31, 2023	156,787	156,787
Deficit for the year 2024	(40,531)	(40,531)
At December 31, 2024	116,256	116,256

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

REBIRTH BEIRUT
Notes to financial statements
As of December 31, 2024
(Amount expressed in Fresh USD)

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 tousrim 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 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 lead 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, 2024
(Amount expressed in Fresh USD)

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

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.

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

REBIRTH BEIRUT
Notes to financial statements
As of December 31, 2024
(Amount expressed in Fresh USD)

Monetary assets and liabilities denominated in foreign Lenanese 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 as 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
As of December 31, 2024
(Amount expressed in Fresh USD)

3. Fixed assets:

The movement during the period ended 31/12/2024 of tangible fixed assets accounts is summarized hereunder:

	Balances 31/12/2023	Additions 2024	Disposals 2024	Balances 31/12/2024
General installations	71,865	-	-	71,865
Office equipment	8,389	-	-	8,389
Computer equipment	10,213	3,185	-	13,398
Furniture	6,261	-	-	6,261
Total tangible fixed assets	96,728	3,185	-	99,913

The movement during the period ended 31/12/2024 of the depreciation accounts is summarized hereunder:

	Balances 31/12/2023	Additions 2024	Disposals 2024	Balances 31/12/2024
General installations	2,537	1,918	-	4,455
Office equipment	708	502	-	1,210
Computer equipment	1,724	797	-	2,521
Furniture	495	213	-	708
Total tangible fixed assets	5,463	3,430	-	8,893
Net tangible fixed assets	91,265			91,020

4. Trade & other receivables:

Trade & other receivables as at 31 December 2024 consist of the following:

	Notes	31/12/2024	31/12/2023
Other debtors		-	3,998
Regularization accounts	4.1	11,975	15,248
Total trade & other receivables		11,975	19,246

4.1- Regularization accounts:

Regularization accounts as at 31 December 2024 consist of the following:

	31/12/2024	31/12/2023
Rent paid in advance	11,975	15,248
Total	11,975	15,248

REBIRTH BEIRUT
Notes to financial statements
As of December 31, 2024
(Amount expressed in Fresh USD)

5. Banks & cash:

Banks & cash as at 31 December 2024 consist, after reconciliation, of the following:

	Currency	31/12/2024	31/12/2023
Bank current accounts	LBP	10	567
Bank current accounts	USD	4,280	4,298
Bank current accounts - Fresh	USD	8,304	28,538
Bank current accounts - Fresh	EUR	762	6,858
Cash		35,043	49,646
Total banks & cash		48,399	89,907

Current accounts with local banks :

Current accounts with local banks in foreign currencies that are subject to unofficial capital controls and restricted transfers outside Lebanon. Accordingly, these balances are not considered readily convertible to known amounts of cash in the denomination currency without a risk of changes in value. However, the Association maintains their classification as cash and cash equivalents as they are freely transferrable within the Lebanese territory.

6. Trade & other payables:

Trade & other payables as at 31 December 2024 consist of the following:

	Notes	31/12/2024	31/12/2023
Suppliers		7,895	14,068
Fixed assets suppliers		22,726	27,453
Other creditors		1,840	2,110
Regularization accounts	6.1	2,677	-
Total trade & other payables		35,138	43,631

6.1- Regularization accounts:

Regularization accounts as at 31 December 2024 consist of the following:

	31/12/2024	31/12/2023
Donations received in advance for year 2025	2,677	-
Total	2,677	-

REBIRTH BEIRUT
Notes to financial statements
As of December 31, 2024
(Amount expressed in Fresh USD)

7. Donations & other income:

Donations & other income for the year 2024 consist of the following:

	2024
Traffic lights campaign	9,100
Maintenance Traffic lights campaign	22,635
Street lighting	63,191
Maintenance Street lighting	2,500
Shielding road potholes	1,000
Other infrastructure projects	1,000
Art, Design & Cultural events	72,486
Events	80,845
Membership	1,500
Others	11,851
Total donations & other income	266,108

8. Projects:

Projects for the year 2024 consist of the following:

	2024
Traffic lights campaign	6,228
Maintenance Traffic lights campaign	21,380
Street lighting	52,289
Maintenance Street lighting	8,965
Shielding road potholes	1,050
Other infrastructure projects	11,602
Art, Design & Cultural events	23,504
Events	43,285
Total projects	168,303

9. Other operating result:

Other operating result for the year 2024 consist of the following:

	2024	2023
Registration fees	-	27
Depreciation	3,430	3,049
Total other operating result	3,430	3,076

REBIRTH BEIRUT
Notes to financial statements
As of December 31, 2024
(Amount expressed in Fresh USD)

10. Administrative expenses:

Administrative expenses for the year 2024 consist of the following:

	2024	2023
Transportation	1,435	-
Post & telecommunication charges	1,389	1,026
Rent	6,881	3,420
Office stationnary & supplies	7,034	5,255
Advertising & promotion	522	6,790
EDL & generator expenses	7,322	7,813
Maintenance	5,240	5,274
Cleaning expenses	3,430	3,750
Entertainment	4,670	2,927
Audit & legal fees	3,480	5,722
Temporary personel	58,677	38,850
Insurance premium	7,395	7,575
Website & e-mails	4,092	6,141
Other expenses	23,016	17,913
Total administrative expenses	134,583	112,456

11. Financial result:

Financial result for the year 2024 consist of the following:

	2024	2023
Banks charges & interest	(930)	(1,158)
Negative difference of exchange	(2)	(186,047)
Total	(932)	(187,205)
Positive difference of exchange	609	169,921
Total	609	169,921
Total financial result	(323)	(17,284)

12. Approval of financial statements:

The financial statements were approved by the management and were authorized to issue on February 20, 2025.

* * * * *
* * *
*