

For a Sustainable Recovery - LiBeirut

**Report and financial statements
for the year ended 31 December 2023**

For a Sustainable Recovery - LiBeirut

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Independent auditor's report

**To the Board of Trustees
For a Sustainable Recovery - LiBeirut
Beirut, Lebanon**

Opinion

We have audited the accompanying financial statements of For a Sustainable Recovery - LiBeirut, which comprise the statement of financial position as at 31 December 2023, and the statement of operations, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of For a Sustainable Recovery - LiBeirut as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs).

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, 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 audit opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the IFRS for SMEs 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's 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's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance 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.

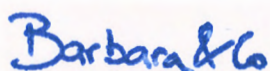
Auditor's responsibilities for the audit of the financial statements (continued)

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exist 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 exist, 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 cost 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 management 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.

Beirut, Lebanon
8 May 2024



BARBARA & Co
An independent member firm of PrimeGlobal

For a Sustainable Recovery - LiBeirut
Statement of financial position
as at 31 December 2023

	Notes	2023 USD	2022 USD
ASSETS			
Current assets			
Other receivables	4	11,544	-
Cash and cash equivalents	5	68,183	148,214
TOTAL ASSETS		<u>79,727</u>	<u>148,214</u>
EQUITY AND LIABILITIES			
Equity			
Retained earnings		78,627	148,214
		<u>78,627</u>	<u>148,214</u>
Current liabilities			
Other payables	6	1,100	-
Total liabilities		<u>1,100</u>	<u>-</u>
TOTAL EQUITY AND LIABILITIES		<u>79,727</u>	<u>148,214</u>

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

For a Sustainable Recovery - LiBeirut
Statement of operations
for the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Donations received	7	<u>42,963</u>	<u>144,468</u>
		<u>42,963</u>	<u>144,468</u>
Projects	8	(10,091)	(25,662)
Donations to NGOs	9	(76,122)	(116,001)
Marketing & fundraising expenses		(11,084)	(9,670)
Other expenses	10	<u>(8,175)</u>	<u>(562)</u>
Operating loss		<u>(62,509)</u>	<u>(7,427)</u>
Finance costs - net	11	(7,078)	(720)
Balance at the end of the period		<u>(69,587)</u>	<u>(8,147)</u>

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

For a Sustainable Recovery - LiBeirut
Statement of cash flows
for the year ended 31 December 2023

	Notes	2023 USD	2022 USD
Cash flows from operating activities			
Balance at the end of the period		(69,587)	(8,147)
<i>Changes in working capital</i>			
Other receivables		(11,544)	-
Other payables		1,100	(2,300)
Net cash used in operating activities		<u>(80,031)</u>	<u>(10,447)</u>
Net decrease in cash, cash equivalents and bank overdrafts			
Cash, cash equivalents and overdrafts at beginning of year	5	<u>148,214</u>	<u>158,661</u>
Cash, cash equivalents and overdrafts at end of year	5	<u><u>68,183</u></u>	<u><u>148,214</u></u>

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

For a Sustainable Recovery - LiBeirut
Notes to the financial statements
for the year ended 31 December 2023

1 General information

For a Sustainable Recovery - LiBeirut is a Lebanese non-governmental Association established on 6 October 2020 and registered at the Ministry of Interior and Municipalities under number 15903.

The Association's principal activity consists of having a collaborative platform where experts, nonprofit organizations, and social innovators partner to design and implement sustainable solutions to pressing social and economic needs in Lebanon. Its registered head office is in Beirut, Lebanon.

The financial statements were authorized for issue by Management on 2 May 2024.

2 Summary of significant accounting policies

Basis of preparation

The financial statements of For a Sustainable Recovery - LiBeirut have been prepared in accordance with the 'International Financial Reporting Standard for Small and Medium-sized Entities' (IFRS for SMEs). They have been prepared under the historical cost convention. The accounting policies adopted are consistent with those used in the previous financial year, unless otherwise stated.

The preparation of financial statements in conformity with the IFRS for SMEs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Association's accounting policies. Areas involving a higher degree of judgment or complexity, or areas where assumptions and estimations are significant to the financial statements, are disclosed in note 3.

The accounting records as well as the financial statements are prepared in US Dollars (USD).

Operating environment of the Association

General event

The Association's operations are in Lebanon which is in a severe interconnected fiscal, monetary and economic crisis. Lebanon has long relied on steady flow of dollars from overseas to help fund its financial system. This has been chocked off following the loss of confidence in the economic and political system and the credit rating downgrade of the Lebanese Republic. On 7 March 2020 the Lebanese Republic announced that it would withhold payment on the bonds due on 9 March 2020 in order to safeguard the country's foreign currency reserves. On 23 March 2020 the Lebanese Republic announced that it would discontinue payments on all of its US Dollars denominated Eurobonds due to further pressure on Lebanon's access to foreign currency and that it would take all measure it deems necessary to prudently manage its limited foreign currency reserves. At the date of the authorization of these financial statements, banks are unable to borrow from international markets, have imposed unofficial capital controls, restricted transfers of foreign currencies outside Lebanon and significantly reduced credit lines to companies, which has resulted in the disruption of the economic activity and had a negative impact on obtaining sources of liquidity. This has been intensified by a devastating explosion at the Beirut Port on 4 August 2020.

For a Sustainable Recovery - LiBeirut
Notes to the financial statements
for the year ended 31 December 2023

2 Summary of significant accounting policies (continued)

Operating environment of the Association (continued)

Foreign Currency Translation

There are currently several legal exchange rates and other legal exchange mechanisms that can be used in Lebanon. The several exchange rates in addition to a parallel market rate for foreign exchange currency is due to the sharp devaluation of the Lebanese Pound. This has impacted intensely the purchasing power of the Lebanese citizens due to the heavy reliance on imported goods. As stated in Section 30 - Foreign Currency Translation of IFRS for SMEs, the Association shall record a foreign currency transaction, on initial recognition in the functional currency, by applying the foreign currency amount spot exchange rate between the functional currency and the foreign currency at the date of the transaction. The Association is currently unable to apply the provision of Section 30 for the year ended 31 December 2023. We cannot currently determine the actual effect arising from the non-application of Section 30.

Possible risks

The persisting economic crisis in Lebanon, the unavailability of financing, the imposition of unofficial capital controls together with current instability, might lead to significant deterioration in the Association's future financial performance. The management is closely monitoring the environment in which the Association operates, including key indicators within its business, in order to minimize risks facing the Association and its future performance.

Foreign currencies

Functional and presentation currency

Items included in the financial statements of the Association are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in US Dollars, which is the Association's functional and presentation currency.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, demand deposits and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within borrowings in current liabilities on the statement of financial position.

3 Critical accounting estimates and judgments

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The resulting accounting estimates will, by definition, seldom equal the related actual results.

The Association has made no major estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

For a Sustainable Recovery - LiBeirut
Notes to the financial statements
for the year ended 31 December 2023

4 Other receivables	2023	2022
	USD	USD
Miscellaneous receivables	11,544	-
	<u>11,544</u>	<u>-</u>
	<u><u>11,544</u></u>	<u><u>-</u></u>
5 Cash and cash equivalents	2023	2022
	USD	USD
Cash on hand	47	25,062
Cash at bank	68,136	123,152
	<u>68,183</u>	<u>148,214</u>
	<u><u>68,183</u></u>	<u><u>148,214</u></u>
6 Other payables	2023	2022
	USD	USD
Miscellaneous payables	1,100	-
	<u>1,100</u>	<u>-</u>
	<u><u>1,100</u></u>	<u><u>-</u></u>
7 Donations received	2023	2022
	USD	USD
Individual donors	39,235	80,000
In kind donations	967	1,051
Sport Challenge	-	61,121
Corporate donors	70	-
Sports Challenge Merchandise	2,691	2,296
	<u>42,963</u>	<u>144,468</u>
	<u><u>42,963</u></u>	<u><u>144,468</u></u>
8 Projects	2023	2022
	USD	USD
Sport Challenge	10,071	17,312
Beirut Baada Hon	-	5,200
Sports Challenge Merchandise	20	3,150
	<u>10,091</u>	<u>25,662</u>
	<u><u>10,091</u></u>	<u><u>25,662</u></u>

For a Sustainable Recovery - LiBeirut
Notes to the financial statements
for the year ended 31 December 2023

9 Donations to NGOs	2023	2022
	USD	USD
Heritage sector - The House of Christmas	40,300	110,001
Healthcare sector - The HSE taskforce	5,822	3,000
Mental Health sector - Cenacle de la Lumiere (CDLL)	30,000	-
Livelihood sector - The House of Christmas	-	3,000
	<u>76,122</u>	<u>116,001</u>
	<u><u>76,122</u></u>	<u><u>116,001</u></u>
10 Other expenses	2023	2022
	USD	USD
Admin cost	8,175	562
	<u>8,175</u>	<u>562</u>
	<u><u>8,175</u></u>	<u><u>562</u></u>
11 Finance costs - net	2023	2022
	USD	USD
Bank charges	393	159
Net exchange loss	6,685	561
	<u>7,078</u>	<u>720</u>
	<u><u>7,078</u></u>	<u><u>720</u></u>