

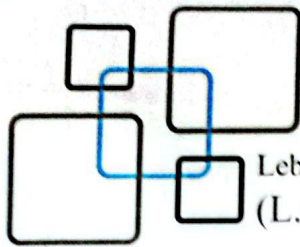
**MALEK  
KABBANI**

Lebanese Certified Public Accountant  
(L.C.P.A.)

**Mousawat  
Financial Statements & Auditor's Report  
December 31, 2024**

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## **INDEPENDENT AUDITOR'S REPORT**

### **"Mousawat" Organization Report on the Audit of the Financial Statements**

#### **Opinion**

We have audited the financial statements of **Mousawat**, which comprise the statement of financial position as at December 31, 2024, and the Income Statement, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

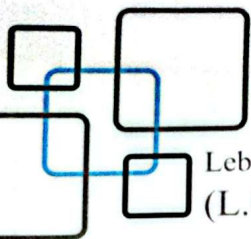
In our opinion, the accompanying financial statements present fairly, in all material respects, Mousawat the financial position of the organization as at December 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (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 organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Mousawat** follows a specific policy for the contributions and donations, by categorizing and classifying them according to its type, group and target to be served. The donations and contributions will be released after the donor's consent and approval to proceed in the process.





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

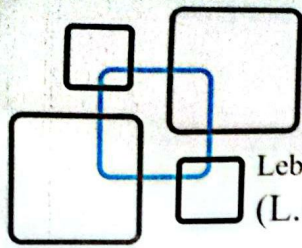
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the organization's 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. 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 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 organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.





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- 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 organization'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 organization 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 identify during the audit.

**"Mousawat",**

**MALEK KABBANI**  
**Lebanese Certified Public Accountant**  
**Expert Sworn At Court**

Malek Kabbani  
Lebanese Certified Public Accountant  
LACPA No. 7033

**Beirut - Lebanon**  
**March 10<sup>th</sup>, 2025**

**Mousawat**  
**Financial Position**  
**As of December 31 , 2024**

<b>Assets</b>	<b>Notes</b>	<b>2024 USD</b>
Fixed assets	3	<u>209,469</u>
<b>Total fixed assets</b>		<u><b>209,469</b></u>
Accounts Receivables	4	167,631
Cash and bank	5	221,044
Order and regularization accounts- Db		<u>13,902</u>
<b>Total current assets</b>		<u><b>402,577</b></u>
<b>Total</b>		<u><u><b>612,046</b></u></u>

<b>Liabilities and Equity</b>	<b>Notes</b>	<b>2024 USD</b>
Savings (spending) brought forward		39,791
Result of the year- Surplus		<u>378,695</u>
<b>Total Savings / Projects In progress-(Deficit)</b>	6	<u><b>418,486</b></u>
Accounts Payables on Projects	7	52,068
Payables Accounts	8	99,512
Banks -Credit Balances	9	41,980
Order and regularization accounts- Cr.		<u>-</u>
<b>Total current liabilities</b>		<u><b>193,560</b></u>
<b>Total</b>		<u><u><b>612,046</b></u></u>

The attached notes 1 to 14 form an integral part of the financial statements and should be read with them.



**Mousawat**  
**Revenues and Expenditures Statement**  
**For the year ended 31 December 2024**

	Notes	2024 USD
<b><u>Revenues</u></b>		
Grants and Revenues` Projects	10	2,712,990
Financial Revenue-Difference of exchange		140
<b>Total Revenues</b>		<b>2,713,130</b>
<b><u>Operating Expenses</u></b>		
Medical Supplies & Assistive Devices		(231,872)
Medical Equipment-Consumables		(17,924)
Training Sessions, Awareness and Conference		(39,439)
MHPSS Activities		(30)
Personnel- Staff & Professional Services	11	(858,890)
Medicines		(13,999)
Food Parcels		(73,487)
Hygiene Kits & Sterilizers		(29,000)
Grants and Donations		(3,866)
Rehabilitation-Construction		(26,777)
Projects-Income Generating		(19,325)
Kitchen Tools,First Aid,Dignity Kits,Diapers,Mattresses,School Kits,Winterization..		(129,185)
Venue Support-Camps & Trips		(5,431)
Educational and Specialists Tools & Toys		(16,768)
Refreshment for Training		(13,967)
Transportation for Beneficiaries		(69,649)
School Registration		(12,900)
Medical Testing		(308)
Home and Environment Adaption & other Distribution		(9,887)
External Expenses	12	(391,713)
Salaries	13	(350,927)
Other Taxes		(1,072)
Financial Charges	14	(18,019)
<b>Total Expenses</b>		<b>(2,334,435)</b>
<b>Result of the year - Savings</b>		<b>378,695</b>

The attached notes 1 to 14 form an integral part of the financial statements and should be read with them.

**Mousawat**  
**Statement of Cash Flows**  
**For the year ended 31 December 2024**

	Consumption USD	Resources USD
<b>Cash flow from operations</b>		
Result of the year-Savings	-	378,695
Depreciation of fixed Assets	-	-
<b>Net cash from (used in) operations</b>	<u>-</u>	<u>378,695</u>
<b>Cash flows from working capital</b>		
(Increase) decrease in other operating receivables	87,268	-
Increase (decrease) in suppliers and other operating payables	-	115,127
Increase (decrease) in employees & social security& taxes	43,910	-
(Increase) decrease inregularization accounts-db	13,902	-
Increase (decrease) inregularization accounts-cr	-	-
<b>Net cash from (used in) working capital</b>	<u>145,080</u>	<u>115,127</u>
<b>Net cash from (used in) operating activities and working capital</b>	<u>-</u>	<u>348,742</u>
<b>Cash flows from investing activities</b>		
Acquisition of tangible & intangible fixed assets	209,469	-
revaluation of tangible & intangible fixed assets	-	-
<b>Net cash from (used in) investing activities</b>	<u>209,469</u>	<u>-</u>
<b>Cash flow from financing activities</b>	<u>-</u>	<u>39,791</u>
<b>Net cash flow from financing activities</b>	<u>-</u>	<u>39,791</u>
<b>Net increase (decrease) in cash and cash equivalents</b>	<u>179,064</u>	<u>-</u>
<b>Cash and cash equivalents at beginning of period</b>	<u>-</u>	<u>-</u>
<b>Cash and cash equivalents at end of period</b>	<u>179,064</u>	<u>-</u>

The attached notes 1 to 14 form an integral part of the financial statements and should be read with them.



**Mousawat**  
**Notes to Financial Statements**  
**December 31<sup>st</sup>, 2024**

**1- Incorporation and Principal Activities**

**Mousawat** is a local NGO that is well respected by the local community for the work that has been doing since it was officially registered with the Lebanese ministry of interior and municipalities in 14 August 2008 under the notification number 107/59, Mousawat has the experience in delivering wide range of Rehabilitation, Inclusion, Outreach Primary Healthcare and relief and has received funding from international donors. Also Mousawat has the requirements and qualifications set by the donors.

**2- Significant Accounting Policies**

**A - Basis of preparation**

The financial statements have been prepared by Standards issued or adopted by the International Accounting Standards Board, interpretations issued by the International Financial Reporting Interpretations Committee, and applicable local laws and regulations.

The financial statements have been presented in USD.

The financial statements have been prepared under the historical cost convention.

The organization follows the accrual basis of accounting in the preparation of its financial statements. Reserves are made at the end of the year for all accrued and unpaid expenses, and all accrued and un-received revenues of the accounting period are recorded in the profit and loss statement. As for the amounts paid and belonging to the subsequent periods, they are recorded within the settlement accounts - assets, while the receipts received and belonging to the subsequent periods are recorded within the settlement accounts - liabilities.

As of 31 December 2020, all conditions have been met for the Organization's financial statements for the year ended such date to incorporate the inflation adjustment provided under IAS 29 "Financial Reporting in Hyperinflationary Economies".

IFRS requires that the organization's financial statements whose functional currency is the currency of a hyperinflationary inflationary economy be restated into the current purchasing power at the end of the reporting period. Paragraph 4 of IAS 29 states that it is preferable for all firms reporting in the currency of a hyperinflationary economy to apply the standard on the same date.



**Mousawat**  
**Notes to Financial Statements**  
**December 31<sup>st</sup>, 2024**

**2 -Significant accounting policies/ continued**

As of the date of the accompanying financial statements for the reasons described below, management is temporarily unable to apply the above standard nor is it able to determine the effect of applying IAS 29 on the presented financial statements.

In addition, IAS 29 requires the use of a general price index to reflect changes in purchasing power. Most governments release periodic price indices that vary in scope, and all companies reporting in the same currency must use the same currency index.

Such matters impede the appropriate application of IAS 29 because any application under the current circumstances will not provide an addition that contributes to making the financial statements relevant for management, shareholders, and other users.

The Organization is currently assessing the date on which it will apply IAS 29. The application of IAS 29 is very complex and requires the Organization to develop new accounting programs and processes, internal controls, and governance frameworks. The failure of the Lebanese state to adopt a unified price index and the failure to issue any decision by the Ministry of Finance specifying a unified application mechanism for the effects of inflation for all existing companies in Lebanon hinders the benefit from the information that would have been produced in the manner of applying International Accounting Standard No. 29. Accordingly, the organization did not apply International Accounting Standard No. 29, until this application will provide users with relevant information.

**B - Financial instruments**

Financial instruments include accounts that contain a contractual right that must ultimately lead to the delivery or receipt of cash or the acquisition of equity instruments, and they consist of financial assets, financial liabilities, shares, and bonds.

Financial assets included in the organization's records consist of cash and cash equivalents, debit bank accounts, customers' debit accounts, notes receivable, and related party debit accounts. Financial liabilities consist of suppliers' accounts, notes payable, and accounts payable to related parties.



**Mousawat**  
**Notes to Financial Statements**  
**December 31<sup>st</sup>, 2024**

**2 - Significant accounting policies/ continued**

The book values of most of these financial instruments are equivalent to their fair value because they are short-term or the nature of the demand for them. Financial instruments are subject to the risks of changes in value.

**C- Cash and cash equivalents**

Cash consists of cash on hand and deposits in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

The banks' credit accounts, which constitute an integral part of the cash management of the organization, are considered among the cash and cash equivalents in the preparation of the cash flow statement.

**D- Tangible fixed assets**

Fixed assets are recorded at historical cost.

Fixed assets acquired in foreign currency are recorded in the Organization's records at the cost of obtaining them in Lebanese pounds, according to the actual value of the foreign currency at the date of obtaining those assets, and this value is approved at the end of the financial period and is depreciated on this basis.

Tangible fixed assets are shown in the balance sheet at their net book value (historical cost minus accumulated depreciation).

Impairment of asset values: at each balance sheet date, the book values of the organization's assets are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value fewer costs to sell, and their value in use.

Expenditure incurred to replace a component of an item of the tangible fixed assets is recognized and capitalized separately and the carrying amount of the items replaced is written off. Subsequent expenditures are capitalized only when the future economic benefits of the related component of the fixed asset increase. All other expenses are recognized in the statement of comprehensive income as the expense incurred.

**Mousawat**  
**Notes to Financial Statements**  
**December 31<sup>st</sup>, 2024**

**3 - Significant accounting policies/ continued**

Depreciation is calculated using the straight line method at the following depreciation rates:

- General installations	6 %
- Vehicles	10 %
- Computer Equipment	20 %
- Office & Communication Equipment	8 %
- Furniture & Fixtures	8 %

**E- Foreign currency exchange**

Account balances in foreign currencies are converted at the end of the year into Lebanese pounds according to the official exchange rates, and the differences resulting from this evaluation are recorded in the profit and loss account. As for the revenues and expenses in foreign currencies, they are recorded in Lebanese pounds according to the exchange rates prevailing on the date of the operations.

All profits or losses resulting from the payment and conversion of items listed in foreign currencies are recorded in the profit and loss accounts.

Fixed assets purchased in foreign currencies are recorded in Lebanese Pounds according to the exchange rate prevailing on the date of completion of the transaction.

**F Account receivables and accrued expenses**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**G Recognition of revenues and expenses**

Revenues resulting from the sale of works are recorded in the profit and loss statement in the percentage of completion of the operation on the balance sheet date. The stage of completion of the process is determined by referring to the work that has been completed. Revenues are not recognized if there are significant doubts about the possibility of recovering the dues and related costs.



**2 - Significant accounting policies/ continued**

**H Risk Management**

The organization is exposed to various financial risks such as market risk, credit risk, and liquidity risk. Financial risk is associated with the following financial instruments: cash and cash equivalents, accounts receivable, accounts payable, other liabilities, debt, and more

**- Currency risk**

Currency risk is the foreign exchange risk that arises from a decrease in the value of the portfolio as a result of sharp changes in foreign exchange rates. The organization is subject to currency risk on financial assets and liabilities that are denominated in currencies other than the Lebanese pound. The organization reduces this risk relatively by receiving all funds and grants in foreign currencies in exchange for its obligations to avoid the sharp difference between the official exchange rate issued by the Central Bank of Lebanon and the market price, as the difference amounted to more than 100% of the declared official price.

**- Credit risk**

Credit risk is the risk that the organization will sustain a loss because its customers fail to fulfill their contractual obligations. The organization is exposed to credit risk from its operating activities including bank deposits and financial institutions. The management has established a policy according to which customers are individually analyzed in terms of credit capacity. It takes appropriate measures based on developments in the situation in the country.

**- Liquidity risk**

Liquidity risk is the risk that the organization will encounter difficulty in meeting the obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises due to the possibility that the organization will not be able to fulfill its payment obligations when they are due. In the difficult circumstances and current crises of the situation in Lebanon and the financial sector, in particular, the risks of liquidity and cash flow management are urgent.

**- Interest rate risk**

Interest rate risk arises from the possibility that sharp changes in interest rates will affect future profitability or the fair value of financial instruments. Given the current economic situation in light of the low-interest rate, the organization is exposed to interest rate risk on bank loans. The organization does not have any loans that would expose the organization to this type of risk.

**Mousawat**  
**Notes to Financial Statements**  
**December 31<sup>st</sup>, 2024**

**2 - Significant accounting policies/ continued**

**I Contingent liabilities**

The organization remains subject to review by the Income Tax Department in the Ministry of Finance for the previous fiscal years, in addition, to the review from the National Social Security Fund

**J Subsequent events:**

The organization was exposed to many conditions and factors that had an impact on the organization's activity, including:

The presence of significant uncertainty as a result of the worsening economic and financial crisis in Lebanon.

The management of the Organization periodically evaluates the important subsequent situations and events of the date of the balance sheet on 31/12/2024 and their potential impact on the organization's ability to continue, and recognizes any impact on the financial statements where applicable, and this is in order to take the necessary and possible measures in a timely manner to reduce the negative effects that may arise.



**Mousawat**  
**Notes to Financial Statements**  
**For the year ended 31 December 2024**

**3 - Tangible Fixed Assets and Depreciation**

This caption includes the following:

Buildings  
General Installations and Equipment  
Cars & Transportation Equipment  
IT & computer equipment  
Furniture & Fixtures  
**Total**

Historical Cost			Accumulated Depreciation			Net Book Value	
01/01/24	Addition	31/12/24	01/01/24	Addition	31/12/24	01/01/24	31/12/24
USD	USD	USD	USD	USD	USD	USD	USD
180,000	-	180,000	90,000	-	90,000	90,000	90,000
21,800	-	21,800	21,800	-	21,800	-	-
107,456	-	107,456	80,954	-	80,954	26,502	26,502
119,835	-	119,835	31,873	-	31,873	87,962	87,962
6,974	-	6,974	1,969	-	1,969	5,005	5,005
436,065	-	436,065	226,596	-	226,596	209,469	209,469

**Mousawat**  
**Notes to Financial Statements**  
**31-Dec-24**

**4- Accounts Receivables**

This caption includes the following :

	2024 USD
Projects In procees *	23,942
Other Receivables	63,326
Employees` Accounts	73,175
Government & Public Associations	7,188
	<u>167,631</u>

\* This account amouting 23,942 USD represents projects have been started by Mousawat (Orthopedic Workshop, Physio Sessions, Human Inclusion, World Rehabilitation Fund..) and was processing during 2024.

**5- Cash and Banks**

This caption includes the following :

	2024 USD
First National Bank	6,133
BLOM Bank	214,896
Cash L.L. & USD	15
	<u>221,044</u>

**6- Total Savings / Project in Process**

This caption includes the following :

	2024 USD
Total Savings / Spendings-on projects under execution	<u>418,486</u>

**7- Accounts Payables on Projects**

This caption includes the following :

	2024 USD
Humanity Inclusion-HI	12,738
CARITAS	21,500
Right To Play	17,482
Volskilfe Solidaritaet	348
	<u>52,068</u>



**Mousawat**  
**Notes to Financial Statements**  
**31-Dec-24**

**8- Payables account**

This caption includes the following :

**2024**  
**USD**

Employees` Accounts	6,140
Social security (NSSF)	29,295
Government & Public Associations	1,018
Other Payables	63,059
	<u>99,512</u>

**9- Cash and Banks**

This caption includes the following :

**2024**  
**USD**

**Banks :**

BLOM Bank	41,980
	<u>41,980</u>

**10- Grants and Revenues` Projects**

This caption includes the following :

**2024**  
**USD**

Grants and Donations	2,712,990
Revenues	<u>2,712,990</u>

**This account amounting 2,712,996 USD at 31/12/2024 comprised conditional Grants and Donations from multiple organizations to finance specific several projects according to several grants` agreements; and other donations and personal different grants.**

**11- Personnel**

This caption includes the following :

**2024**  
**USD**

Volunteers & Stipends	4,100
Professional Services:Managers,Coordinators,Consultants	854,790
Specialists, Therapists, Psychologists, Assistants...	<u>858,890</u>

**Mousawat**  
**Notes to Financial Statements**  
**31-Dec-24**

**12- External Charges**

This caption includes the following :

	2024 USD
Entertainment	907
Maintenance & repair	16,596
Stationery and Office Supplies	12,094
Fuel for Generator and Vehicles	24,388
Transportaion	16,001
Travel Expenses	7,867
P.T.T. & Internet	10,953
Rent	47,850
Consultation and law fees	16,024
Rental Expenses	100
Electricity & water	8,550
Advertising & Publicity	2,196
Insurance	3,932
Cleaning expenses	553
Audit & Accounting Fees	7,800
Training Sessions	1,631
Other charges	214,271
	<u>391,713</u>

**13- Salaries**

This caption includes the following :

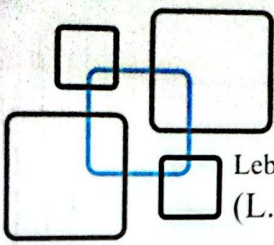
	2024 USD
Salaries/ Registered in social security	319,974
Social security contribution	30,953
	<u>350,927</u>

**14- Financial Charges**

This caption includes the following :

	2024 USD
Bank Commissions	8,952
Difference of Exchange	9,067
	<u>18,019</u>





## Letter To Management

### To The Board Members of Mousawat Organization,

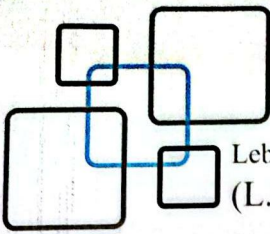
**Mousawat** is a local NGO that is well respected by the local community for the work that has been doing since it was officially registered with the Lebanese ministry of interior and municipalities in 14 August 2008 under the notification number 10759.

**Mousawat**, had signed Partnership and Sub-Grants Agreements with several international organizations and donors. These agreements aim to implement projects targeted people with disabilities (PWD) refugees, host communities, to improved health conditions, have access to basic health care and rehabilitation...

During the year 2023 - 2024 Mousawat was executing several projects e.g.:

- **“Health on Wheels Phase 3”** funded by Volkshilfe Solidaritat (VHSol) - Austria, with the back donor AWO International, this project objective was to target PWDs and their families from refugee and host communities in Bekaa Valley-Lebanon, Rehabilitation, Physiotherapy and assistive devices... The duration of this grant was from 01/04/2022 till 31/03/2023 amounted 106,100 EUR.
- **“Support for Social Recovery Needs of Vulnerable Groups in Beirut”** funded by International Rescue Committee, Inc.-IRC, this project objective was to target PWDs and their families and community members (Rehabilitation, Physiotherapy, Psychosocial Counselling, assistive devices, Awareness sessions, Speech Therapists and special Teachers) The duration of this grant was from 18/11/2022 till 31/10/2023 amounted 614,303 USD.
- **“Provision of life Saving Medical Supplies and Assistive Devices for People with Disability living in the Palestinian Camps and host Communities in Lebanon”** funded by Bjorkafrihet-Sweden, this project objective was to target PWDs to provide them with catheters (Intermittent and folleys), urine bags, colostomy and urostomy bags, dressing material, anti-decubitus cushion and mattresses, ankle foot orthosis, wheelchairs, diapers, special splints... The duration of this grant was from 01/01/2023 till 31/12/2023 amounted 300,000 SEK equivalent to 27,273 USD.





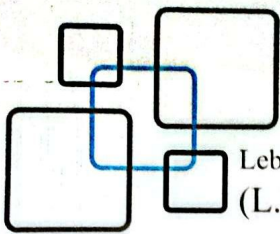
- **“Emergency and Rehabilitation Support including assistive devices, lifesaving items, MHPSS and small-scale trainings for People with Disabilities and their families affected by the Earthquake in Northern Syria”** funded by Volkshilfe Solidaritat (VHSol)- Austria, this project objective was to target PWDs and their families and community members affected by earthquakes in Northern Syria (Rehabilitation, Physiotherapy, Psychosocial Counselling support, assistive devices, mobility aids..) The duration of this grant was from 01/05/2023 till 30/11/2023 amounted 117,305 EUR.
- **“Co-funding of Rehabilitation Services and inclusive activities for People with Disabilities in Lebanon”**, funded by Deutscher Caritasverband e.V.- Caritas Germany, the project objective was to target people with disabilities (PWD) and others to improve social conditions (increased access to early childhood education, KG-based child protection..) The duration of this grant was from 01/03/2023 till 30/06/2024 amounted 211,875 EUR.

Our Audit for the financial statements of Mousawat for the year 2024 was carried out in accordance with the International Standards on Auditing (ISA) issued by the International Federation of Accountants (IFAC),

We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA 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 and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. 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.

Our Audit was based on the financial statements of the organization and several documents prepared, set and submitted to us by the organization, the signed partnership Agreements with donors, the Approved Budgets for the projects, list of accounting journal entries, supporting documents proving the spending took place during the execution of the projects (Invoices, Receipts from suppliers, Purchasing Orders, Payment Vouchers..);





Our Audit was performed according to several mentioned below procedures:

- Check if the Cash Management Procedures are followed when cash installments are applied:

- The cashier will keep the cash in a secured safe place, jointly with the financial manager to have control over cash funds.

- For payouts from cash, a cash request form must be completed and signed by the program manager and the financial manager and approved by the operations manager.

- The recipient of the cash signs a cash request form when receiving the cash.

- The cash handling is finalized when the financial manager delivers the request to the cashier.

- Monthly reconciliation must be done and revised.

- Salaries to be transferred to the staff accounts if the bank guarantees full payment.

- Inspect the salaries cost and check its supporting documents. Inspect whether actual time work is documented and verified by a manager. Inspect whether the organization comply with applicable tax legislation with regard to personnel income taxes and social security fees.

- Inspect whether the organization has purchased services or goods following the procurement guidelines, and determine whether they were subject to bidding procedures (open tender with publication) and requirements.

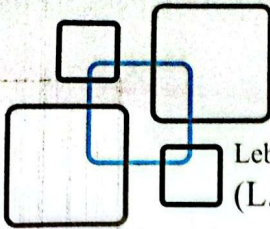
- Check all expenses for the projects are proven by original records.

- Check the expenditure was incurred during the financial year 2024.

- Check the expenditure for the project was duly approved.

- Check the banks' statements and periodically reconciliations.

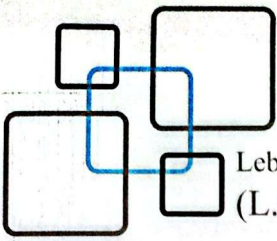
- Check the accounts receivables and payables and their reconciliations.



As a result of the applied above-mentioned procedures we realize the following factual findings:

- All the spent expenditures have sufficient supporting documents like original copies of invoices, payment vouchers, Purchasing orders..
- Mousawat complies with tax legislation and declares periodically and pays income tax on salaries and the social security contributions.
- The funds received from donors were held in a bank account held by Mousawat, this account is duly authorized and accessed by the signature of two persons jointly.
- We have audited and reviewed the vouchers related to each part of the operational expenses of the Mousawat and its relevant documents (Purchase requests, receipts, invoices, payment proof..) in order to detect the degree of the risk of fraud, any allegation of theft, uncover any material misplacement or errors might exists. Also the design and application of internal control system, which could cause significant deficiencies or material weakness,
- Mousawat has followed the procurement regulations set out in the partnership agreements.
- Some invoices of suppliers need to be formal invoices contains stamps and to have the suppliers' ministry of finance financial number.
- No significant positive difference of exchange occurred because most of the disbursements were paid in USD currency.
- No interest revenues occurred on the bank account that the received funds were held in.
- The Banks' Accounts are monthly checked and reconciled.
- The accounts receivables and payables are periodically reviewed and verified.
- Mousawat was responsible to work transparently and prevent corruption and responsible for the revision of all documents and the presentation of the financial and narrative reports and follows the Anti-Corruption policy set by Mousawat.





**MALEK  
KABBANI**

Lebanese Certified Public Accountant  
(L.C.P.A.)

-Mousawat maintains separate accounts recording all receipts and expenditure under each project related to the grants given, all disbursements made are satisfactorily documented, bills and invoices and receipts and such other documentation pertinent to the transaction is attached to the voucher in support

-We have examined most of the expenses and supplies purchases and found that all of the supplies and materials; that were purchased with the funds; were used and consumed during the implementation of the projects as a result no inventory of goods occurred.

Based on the procedures performed and the above-mentioned points, nothing has come to our attention that would indicate any material misstatements in the financial statement elements subject to these agreed upon procedures.

**MALEK KABBANI**  
*Lebanese Certified Public Accountant*  
*Expert Sworn At Court*

**Malek Kabbani**  
*Lebanese Certified Public Accountant*  
LACPA No.2033

**Beirut - Lebanon**  
**March 10<sup>th</sup>, 2025**