

JEMIMA FOUNDATION

BEIT JALA

PALISTINE

As of December 31,2023/2022
Together With The Auditors' Report

Ministry of Finance 732400031
Ministry of Interior QR-0156-F

Husam Wahhab
Certified Public Accountant

JEMIMA FOUNDATION

BEIT JALA

PALISTINE

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Independent Auditors' Report

Jemima Foundation

Opinion

We have audited the financial statements of **Jemima Foundation**, which comprise the statement of financial position as at December 31, 2023/2022, and the statement of activities and changes in net assets and statement of cash flows 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, the financial position of **Jemima Foundation** as at December 31, 2023/2022 and its financial performance and its cash flows for the year then ended in accordance with the International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with the 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 **Jemima Foundation** in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), 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.

Responsibilities of Management and Board of Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, 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 **Jemima Foundation** ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate **Jemima Foundation** or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is responsible for overseeing **Jemima Foundation** 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 if 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 this 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 **Jemima Foundation** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates, if any, 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 **Jemima Foundation** 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 **Jemima Foundation** 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 **Jemima Foundation** 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.

Husam Wahhab

Bethlehem Palestine April 10, 2024

Certified Public Accountant
License number: 234/1994

Jemima Foundation
Financial Position
As at December 31, 2023/2022
(Currency: NIS)

<u>Assets</u>	<u>Note</u>	<u>2023</u>	<u>2022</u>
		NIS	NIS
Current assets			
Cash on hand and at banks	3	155,579	115,865
Checks for collection		-----	3,950
Receivables and prepayments	4	301,326	10,274
Total current assets		<u>456,905</u>	<u>130,089</u>
Property, plant, and equipment (Net)	5	4,357,176	3,549,970
Total assets		<u>4,814,081</u>	<u>3,680,059</u>
 <u>Liabilities and net assets</u>			
Liabilities			
Bank overdraft/ Checks		327,351	120,895
Accrued expenses		29,321	28,162
Account Payable		49,020	34,065
Total current liabilities		<u>405,692</u>	<u>183,122</u>
Reserve for end of service benefits	6	1,167,840	974,958
Total liabilities		<u>1,573,532</u>	<u>1,158,080</u>
 Net Assets			
Unrestricted		3,314,810	2,596,728
Temporarily restricted		(74,261)	(74,749)
Total net assets		<u>3,240,549</u>	<u>2,521,979</u>
Total liabilities and net assets		<u>4,814,081</u>	<u>3,680,059</u>

The accompanying notes form an integral part of these financial statements

Jemima Foundation
Statement of Activities and Change in net assets
For the Year Ended December 31, 2023/2022
(Currency: NIS)

	Note	Net assets		2023	2022
		Unrestricted	Temporarily restricted	Total	Total
<i>Revenues</i>					
Grants and Donations	7	3,518,382	33,065	3,551,447	2,373,681
Other Operating Revenues	8	64,972		64,972	57,780
Net Assets Released from Restriction:					
Satisfaction of Program Restrictions	9	32,577	(32,577)	-----	-----
Total REVENUES		3,615,931	488	3,616,419	2,431,461
Operating Expenses					
General and Administrative	10	2,896,166		2,896,166	2,839,553
Change in Net Assets before Currency Differentials & Capital gain and Loss		719,765	488	720,253	(408,092)
From Currency Differentials gain (loss)	11	(1,683)		(1,683)	(2,161)
Change in net assets		718,082	488	718,570	(410,253)
Net Assets at the Beginning of the year		2,596,728	(74,749)	2,521,979	2,932,232
Net Assets at the End of the year		3,314,810	(74,261)	3,240,549	2,521,979

The accompanying notes form an integral part of these financial statements

Jemima Foundation
Statement of Cash Flow
For the Year Ended December 31, 2023/2022
(Currency: NIS)

	Note	2023 NIS	2022 NIS
OPERATING ACTIVITIES			
Change in net assets		718,570	(410,253)
Depreciation		152,931	204,037
Increase (decrease) in Accrued expenses		1,159	9,086
Decrease (increase) end of service benefit		192,882	117,638
Increase(decrease)in Bank Overdraft		206,456	81,715
Decrease (increase) Checks for collection		3,950	(3,950)
Decrease (increase) in receivable / prepayments		(291,052)	106,010
Increase(decrease)in account payable		14,955	(3,954)
		999,851	100,329
INVESTING ACTIVITIES			
Procurement of property & equipment		(960,137)	(29,000)
Proceeds from sales of fixed assets		-----	-----
Net cash used in investing activities		(960,137)	(29,000)
Increase (decrease) in cash during the year		39,714	71,329
Cash at beginning of the year		115,865	44,536
Cash at the end of the year		155,579	115,865

The accompanying notes form an integral part of these financial statements

Jemima Foundation
Notes to the Financial Statements
December 31, 2023/22
(Currency: NIS)

1. The Foundation and its Activities

JEMIMA Foundation was established in 1984 in Netherlands, as a not for profit organization.

JEMIMA has been registered in West Bank with the Israeli Civil Administration on June 6, 1986 as a foreign institution. Jemima also was registered at the Ministry of Social Affairs of the Palestinian Authority on May 26,1997. And in the Ministry of Interior of the Palestinian Authority as a foreign institution on May 12, 2010 number QR-0156-F.

JEMIMA is working in Bethlehem and employed 43 and 43 employees as of 31 December 2023, and 2022 respectively.

JEMIMA's objectives are to receive or cause to receive nurse and education to, as large as possible measure of independence, children who are handicapped in any form whatsoever - in particular the children in and around Bethlehem in West bank, Palestine.

Jemima endeavors to attain these objectives by:

- Supporting persons, juridical and natural, organizations and activities to the implementation of its objectives.
- Running, maintaining and if necessary by purchasing, building and/ or extending one or more homes with appurtenant institutions.
- Cooperating with other institutions of an identical or similar objective.
- Any other lawful means which may be conducive to the attainment of the aforesaid objectives.
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2. Summary of Significant Accounting Policies

The financial statements have been prepared under the historical cost convention. The significant accounting policies follow:

a. Revenues and Expenses Recognition

Revenues and expenses are recognized on the accrual basis of accounting.

b. General

Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as unrestricted, temporarily restricted and permanently restricted. Unrestricted net assets are those whose use by the Foundation is not subject to donor-imposed stipulations. Temporarily restricted net assets are those whose use by the Foundation has been limited by donors specific time period or purpose. Permanently restricted net assets are those restricted by donors to be maintained by the Foundation in perpetuity.

c. Donors' Contributions

Unconditional promises to give cash and other assets to the Foundation are recorded at the fair market value at the date promises to give are made. Conditional promises to give and indications of intention to give are recorded at the fair market value at the date contribution is received. Unconditional promises to give are promises that depend only on passage of time and certain performance demanded by the promising donors. Restricted contributions are recorded as either temporarily or permanently restricted revenues. When donors' restricted contributions expire, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the statement of activities as net assets released from restriction. Restricted revenues are recorded as unrestricted revenues if restriction expires in the same year.

d. Use of Estimates

The presentation of financial statements in conformity with accounting principles requires management to make estimates that may affect assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

e. Fixed Assets

Fixed assets are stated at cost (or market value if the fixed assets are received as a donation) and depreciated over their estimated useful lives using the straight-line method, at the following annual rates:

	<u>%</u>
Building	2
Furniture	10
Equipment	10-25
Improvements	10-15

f. Foreign Currency Translation

The Foundation maintains its records in New Israeli Shekel (NIS). Transactions expressed or denominated in other currencies are translated to NIS using exchange rates prevailing at the time of each transaction. Assets and liabilities denominated in other currencies are translated to NIS using exchange rates prevailing at the balance sheet date. Gains and losses arising from the translation are reflected in the statement of activities.

Foreign currency exchange rates against NIS at December 31, 2023/2022 were as follows:

	<u>2023</u>	<u>2022</u>
One U.S. Dollar	3.7300	3.5000
One Euro	3.9900	3.6600

3. Cash on Hand and at Banks

Cash on hand and at banks comprise:

	<u>2023</u>	<u>2022</u>
	NIS	NIS
Cash on hand	1,340	4,374
Cash at banks in NIS	68,754	110,717
Cash at banks in USD	4,652	774
Cash at banks in EURO	80,833	-----
	<u>155,579</u>	<u>115,865</u>

4. Receivables and Prepayments:

	<u>2023</u>	<u>2022</u>
	NIS	NIS
Receivables/ Prepayments	211,451	10,274
Ministry of Social Affairs	89,875	-----
	<u>301,326</u>	<u>10,274</u>

The Jemima Foundation did not recognize nor record any receivable from the Ministry of Social Affairs for an amount of 1,654,550 shekels from January 1, 2016, to December 31, 2023, for the amount of 20,675NIS per month up till December 31,2020, and 14,400 per month up till December 31,2023 until actually received.

5. Fixed Assets, Net

Components of fixed assets costs and related accumulated depreciation as of December 31, 2022 and movement thereon during the year follow:

	<u>Balance, beginning of year</u>	<u>Additions</u>	<u>Disposals</u>	<u>Balance, end of year</u>
Cost				
Land	600,581	-		600,581
Building	5,355,670	-		5,355,670
Improvement	228,783	-		228,783
Equipment	1,414,173	960,137		2,374,310
Furniture	377,557	-		377,557
	<u>7,976,764</u>	<u>960,137</u>		<u>8,936,901</u>
Accumulated depreciation				
Building	2,532,338	102,587		2,634,925
Improvement	191,293	14,904		206,197
Equipment	1,336,039	31,187		1,367,226
Furniture	367,124	4,253		371,377
	<u>4,426,794</u>	<u>152,931</u>		<u>4,579,725</u>
Net book value	<u>3,549,970</u>			<u>4,357,176</u>

6. Reserve for End of Service Benefits

End of service benefits due to employees are provided for in accordance with labor laws prevailing in Palestine. End of service benefits at December 31, 2023 and movements thereon during the year follow:

	<u>NIS</u>
Balance, beginning of year	974,958
Additions during the year	199,484
Payments during the year	<u>(6,602)</u>
Balance, end of year	<u>1,167,840</u>

7. Grants and Donations

	<u>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
Jemima Holland – Unrestricted	3,195,778	2,024,687
Other Donation	181,915	271,290
Home Based Intervention - Temporary restricted	33,065	29,665
Donation in kind	2,160	1,288
Ministry of Social Affairs	89,875	-----
Local Donation	48,654	46,751
	<u>3,551,447</u>	<u>2,373,681</u>

8. Other Operating Revenues

	<u>2023</u>	<u>2022</u>
	<u>NIS</u>	<u>NIS</u>
School fees	41,125	43,766
Sales	4,210	3,905
Others	19,637	10,109
	<u>64,972</u>	<u>57,780</u>

9. A) HBI Project

Jemima has established a program started in 2006 called HBI project that is aimed to help the students at their homes, this project revenues are restricted, and its expenditures were as follows:

	<u>2023</u>	<u>2022</u>
	NIS	NIS
Salaries and related benefits	29,772	24,816
Utilities	-----	680
Travel	2,380	3,920
Resident needs	342	1,350
Fuel	----	120
Food	83	434
Recreation	-----	-----
	<u>32,577</u>	<u>31,320</u>

10. General and Administrative Expenses

General and administrative expenses comprise:

	<u>2023</u>	<u>2022</u>
	NIS	NIS
Salaries	1,614,707	1,460,883
Personnel Other Costs	199,483	160,228
Volunteers Cost	27,887	43,766
Food	154,220	155,690
Maintenance	275,456	313,290
Depreciation	152,931	204,037
Utilities	237,741	228,392
Cars insurance and fuel	52,605	64,032
Medical treatment	76,199	116,883
Professional expenses	18,456	15,573
Heat fuel and gas	17,851	3,597
Residents needs	44,051	41,208
Development & Learning	22,864	-----
Others	1,715	31,974
	<u>2,896,166</u>	<u>2,839,553</u>

11. Foreign Currency Gain (Loss)

Foreign currency transactions generated NIS 1,683 loss and NIS 2,161 loss for the years ended 2023 and 2022 respectively.