

Teach For Palestine

Financial Statements

For the year ended 31 December, 2023

And Independent Auditor's Report

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Independent Auditor's Report

**To the Board of Teach for Palestine
Ramallah - Palestine**

Report on the audit of the financial Statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **Teach for Palestine**, as at 31 December 2023, and its financial activities, statement of changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs").

What we have audited

The financial statements comprise:

The statement of financial position as at 31 December 2023;

The statement of activities for the year then ended;

The statement of changes in net assets;

The statement of cash flows for the year then ended; and

The notes to the financial statements, which include a summary of significant accounting policies.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the organization in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.



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 International Financial Reporting Standards (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 organisation'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 organisation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organisation'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 organisation's 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



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organisation'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 organisation 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.

Report on other legal and legislative requirements

The entity maintains an organization's accounting records fairly, and agrees in all material respects with the accompanying financial statements and recommends their approval.

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 our audit

HLB Palestia for Auditing & Professional Services

Omran Naser

License Number 106/2001

Ramallah, Palestine

12 February 2024

Teach for Palestine

Financial Statements for the year ended 31 December, 2023

STATEMENT OF FINANCIAL POSITION

(All amounts in US dollars)

	<u>Note</u>	<u>31-Dec-23</u>
Assets		
Current assets		
Cash and cash equivalents	(3)	99,360
Other current assets	(4)	9,641
Total current assets		109,002
Non - current assets		
Fixed assets, net	(5)	12,855
Total non current assets		12,855
Total assets		121,856
Liabilities and net assets		
Current Liabilities		
Account payable	(6)	9,545
Other current liabilities	(7)	3,807
Total current liabilities		13,352
Non-Current Liabilities		
Provision of end of service		2,293
Total Non-Current Liabilities		2,293
Total liabilities		15,645
Unrestricted net assets		94
Temporarily restricted net assets		106,117
Total net assets		106,211
Total liabilities and net assets		121,856

- Notes (1 to 11) to the financial statements form an integral part thereof.

- The financial statements on pages 5 to 16 were authorized for issue by the board of directors on 12 February 2024 and were signed on its behalf.

Director

Treasurer

Teach for Palestine

Financial Statements for the year ended 31 December, 2023

STATEMENT OF ACTIVITIES

(All amounts in US dollars)

	<u>Note</u>	<u>31-Dec-23</u>
Changes in net assets		
Donations and revenues		
Donations and revenues	(8)	197,033
Annual contribution of board members		94
Total donations and revenues		<u>197,127</u>
Expenditures		
General and administrative expenses	(9)	(24,909)
Project expenses	(10)	(65,434)
Financial expenses	(11)	(573)
Total expenditures		<u>(90,916)</u>
Changes in net assets		<u>106,211</u>
Changes in net assets at beginning of year		<u>-</u>
Net assets		<u>106,211</u>

- Notes (1 to 11) to the financial statements form an integral part thereof.

Teach for Palestine
Financial Statements for the year ended 31 December, 2023

STATEMENT OF CHANGES IN NET ASSETS

(All amounts in US dollars)

	Unrestrict ed net assets	Temporarily restricted net assets		Total
	Used for activities	Used for projects	Used for fixed assets	
Net Assets as at 01 January, 2023	-	-	-	-
Increases during the year				
Project donations	25,482	157,458	14,093	197,033
Other revenue	94	-	-	94
	25,576	157,458	14,093	197,127
Decreases during the year				
General and administrative expenses				
Project expenses	(24,909)	(64,196)	(1,238)	(90,343)
Financial expenses	(573)	-	-	(573)
	(25,482)	(64,196)	(1,238)	(90,916)
Changes for the year	94	93,262	12,855	106,211
Net assets as at 31 December, 2023	94	93,262	12,855	106,211

- Notes (1 to 11) to the financial statements form an integral part thereof.

Teach for Palestine
Financial Statements for the year ended 31 December, 2023

STATEMENT OF CASH FLOWS

(All amounts in US dollars)

	<u>31-Dec-23</u>
Cash flow from operating activities	
Change in net assets	106,211
Adjustments to reconcile change in net assets to net cash flow from operating activities:	
Depreciation	1,238
(Increase) decrease in other current assets	(9,641)
Increase (decrease) in account payable	9,545
Increase (decrease) in other current liabilities	3,807
Increase (decrease) in provision of end of service	2,293
Net cash flow (used in) from operating activities	<u>113,453</u>
Adjustments to reconcile change in net assets to net cash flow from investing activities:	
Purchases fixed assets	<u>(14,093)</u>
Net cash flow (used in) from investing activities	<u>(14,093)</u>
Net (decrease) increase in cash on hand and at bank	99,360
Cash on hand and at bank, beginning of year	<u>-</u>
Cash on hand and at bank, end of year	<u><u>99,360</u></u>

- Notes (1 to 11) to the financial statements form an integral part thereof.

Notes to the Financial Statements
(All amounts in US Dollars)

NOTE (1) GENERAL

Teach for Palestine is a Palestinian non-profit organization, and is registered with the Ministry of the Interior in accordance with the provisions of the Law of Associations and Civil Organizations No. (1) Of 2000 under registration number RA-2220025-E on 15 February 2023.

The charitable association's goal is to achieve the following charitable goals:

1. In cooperation with the Ministry of Finance and Education, the association contributes to improving the school and educational environment for the most needy schools and in marginalized areas.
2. Developing the capabilities of new graduates so that they can be qualified teachers and distinguished leaders capable of contributing to the advancement of the education sector in Palestine.
3. To contribute to every child in Palestine's access to free quality education in accordance with child rights conventions and sustainable development goals.

NOTE (2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented, unless otherwise stated.

Basis of preparation

Statement of compliance and basis of preparation

The financial statements of the organisation have been prepared in accordance and compliance with International Financial Reporting Standards (IFRS). Currently, those standards do not include any specific requirements regarding not-for-profit organisations in connection with the accounting policies or the presentation of the financial statements. Therefore, the not-for-profit organisations accounting standards FASB 116 and 117 as published by the American Financial Accounting Standards Board were used in preparation of these financial statements. Those standards require the classification of funds into:

Temporarily restricted net assets: contributions and other inflows of assets whose use by the organisation is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organisation pursuant to those stipulations.

Notes to the Financial Statements
(All amounts in US Dollars)

Restricted net assets: contributions and other inflows of assets whose use by the organisation is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by actions of the organisation.

Unrestricted net assets: contributions and other inflows of assets whose use by the organisation is neither permanently restricted nor temporarily restricted by donor-imposed stipulations.

The financial statements are presented in US dollars, but the functional and reporting currency of the organisation is ILS. The accounting policies have been consistently applied to all the years presented. The financial statements have been prepared on the basis of historical cost, unless stated otherwise. The financial statements are prepared on an accrual basis.

Following is a summary of significant accounting policies followed by the organisation:

Property, plant and equipment

Fixed assets are stated at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Depreciation on assets is charged on a straight-line basis over the estimated useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining estimated useful life:

Office furniture and equipment's 15%-----25%

Pledges Receivable

Pledges receivable are recognised as the excess of projects' expenditure incurred over projects' donations during the year.

Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial organisations and other short-term deposits with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the statement of financial position.

Accounts payable

These amounts represent liabilities for goods and services provided to the organisation prior to the end of financial year which are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period.

Notes to the Financial Statements
(All amounts in US Dollars)

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

Revenue recognition

Revenues from donations are measured at fair value and recognised on receipt of assets (cash, goods, services and property) if the transfer is free from conditions and it is probable that the economic benefits or service potential related to the asset will flow to Teach for Palestine and can be measured reliably.

Expense recognition

Expenses are recognised on an accrual basis of accounting.

Foreign currency translation

The accompanying financial statements are denominated in US dollar. Transactions in other currencies are accounted for at the exchange rates prevailing at the date of each transaction. Monetary assets and liabilities denominated in foreign currencies are translated to US dollars by applying the exchange rates prevailing at the reporting date. All differences are recognized in the statement of income and comprehensive income.

Following are the major currencies that the organisation transacts with and its exchange rate against USA Dollar as of 31December.

Notes to the Financial Statements
(All amounts in US Dollars)

NOTE (3) FINANCIAL RISK MANAGEMENT

Liquidity risk

The organisation minimises its liquidity risk by ensuring that credit facilities are available, and following up on the collection of the pledges receivable.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. For all categories of financial assets held by the organisation, the maximum exposure to credit risk is the carrying value, as disclosed in the statement of financial position.

Credit risk assets are:

Cash and cash equivalent 99,360 US dollars

(1) Cash and cash equivalents and deposits:

The Organisation deposits its funds with reputable banks, and there are no restrictions on their use.

Market risk

(i) Exchange rate

The organisation is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to the ILS. Foreign exchange risk arises from future commercial transactions, recognised assets and liabilities. To manage their foreign exchange risk arising from future commercial transactions, the organisation's management maintains cash balances in different currencies.

By examining these changes in exchange rates, these changes led to net loss of 2,130 US dollars.

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Financial Statements for the year ended 31 December, 2023

Notes to the Financial Statements
(All amounts in US Dollars)

Note (3) - Cash and cash equivalents

Details:

	<u>F.C</u>	<u>31-Dec-23</u>
Cash in hand		95
Bank of Palestine -Current-US dollar		27,090
Bank of Palestine - Deposit- US dollar		70,000
Bank of Palestine -Current-NIS	7,821	2,175
		<u>99,360</u>

Note (4) - Other current assets

Details:

	<u>31-Dec-23</u>
Prepaid Expense	9,641
	<u>9,641</u>

Note (5) - Fixed assets, net

Details:

	<u>Office Equipment</u>	<u>Office Furniture</u>	<u>Total</u>
Historical cost			
Beginning balance	-	-	-
Additions during the year	7,951	6,142	14,093
Disposed	-	-	-
	<u>7,951</u>	<u>6,142</u>	<u>14,093</u>
Depreciation			
Beginning balance	-	-	-
Accumulated depreciation for the year	862	376	1,238
Disposed	-	-	-
	<u>862</u>	<u>376</u>	<u>1,238</u>
Net book value, 31 December, 2023	<u>7,089</u>	<u>5,766</u>	<u>12,855</u>

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Notes to the Financial Statements
(All amounts in US Dollars)

Note (6) - Account payable

Details:

	<u>31-Dec-23</u>
Account payable	666
Outstanding checks	8,879
	<u>9,545</u>

Note (7) - Other current liabilities

Details:

	<u>31-Dec-23</u>
Accrued audit fees	400
Payroll tax	3,407
	<u>3,807</u>

Note (8) - Donations

Details:

	<u>31-Dec-23</u>
Ramzi Souso Donation CAF project	172,033
Teach For all	25,000
	<u>197,033</u>

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Notes to the Financial Statements
(All amounts in US Dollars)

Note (9) - General and administrative expenses

Details:

	<u>31-Dec-23</u>
Beverage Expense	350
Cleaning Expense	58
Depreciation Expense	376
End of Service	2,293
Maintenance Expense	65
Office Rent	8,562
Other Expense	138
Postal & Telephone Expense	59
Salaries	12,500
Stationary Expense	54
Water Expense	54
Audit fees	400
	<u>24,909</u>

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Notes to the Financial Statements
(All amounts in US Dollars)

Note (10) - Project Expenses

Details:

	CAF	catalyst funding	Total
Accounting expenses	359	-	359
Beverage Expense	214	-	214
Cleaning Expense	1,180	-	1,180
Cost & Expense	8	-	8
Depreciation Expense	862	-	862
Electricity Expense	518	-	518
Fire Insurance expense	200	-	200
Fuel Expense	275	-	275
Labor insurance expense	397	-	397
Maintenance Expense	551	-	551
Postal & Telephone Expense	923	-	923
Printing Expense	265	-	265
Salaries	33,133	8,000	41,133
Sales & Marketing Expense	174	-	174
Stationary Expense	246	-	246
Website Expenses	1,420	-	1,420
Legal fees including registration	-	2,207	2,207
Training Experts	-	14,500	14,500
	40,727	24,707	65,434

Note (11) - Financial expenses

Details:

	31-Dec-23
Bank charges	(1,557)
Currency variances	2,130
	573