



Cabinet Antoine Haddad

Comptabilité et Expertise

مكتب أنطوان حداد
محاسبة وتدقيق

SERVICE SOCIAL
POUR LE BIEN ETRE DE L'ENFANT
LIBAN
REPORT AND FINANCIAL STATEMENTS
For the year ended 30, June, 2024



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INDEPENDANT AUDITOR'S REPORT
TO THE PRESIDENT AND MEMBERS OF THE GENERAL ASSEMBLY
OF
SERVICE SOCIAL POUR LE BIEN ETRE DE L'ENFANT LIBAN
SESOBEL

The "Association"

Adverse opinion

We have audited the accompanying financial statements of SESOBEL (the "Association"), which comprise the statement of financial position as at June 30, 2024, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

As the statu quo is still prevailing in Lebanon, our opinion expressed in our report for last year is still unchanged.

In our opinion, based on of the matters describe in the "basis of the **adverse opinion**" the financial statements do not present fairly, in all material respects the financial position of SESOBEL as at June 30, 2024, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of Adverse 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 International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the Code of Ethics of the Lebanese Association of Certified Public Accountants 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 opinion.

1. As at 30.06.2024 the Association held in Lebanese banks the following balances : 300.561 USD (Lollard) rated at 15.000 LBP, practically blocked, And 194.739 USD, 39.780 Euros and 735 CAN (denominated fresh) evaluated at the rate of 89.500 LBP.

The association held in banks outside Lebanon the following balances 1.079.253 USD and 82.466 EUR,

All these balances are translated into LBP at the rate of 89.500 LBP.

It is not possible to determine the future effects that the restructuring plan and the economic crises could have on the expected credit losses and thus the carrying amount of these assets.

Antoine J. HADDAD 
Expert Comptable Assermenté

L.A.C.P.A. No. 919

The accompanying financial statements do not include adjustments that could result from the resolution of these uncertainties.

2. Assets, liabilities and transactions in foreign currencies are evaluated in Lebanese Pounds at different rates, especially for fixed assets, inventories and equity.
3. Because the Government did not achieve its restructuring and economic plan, the Central Bank of Lebanon did not publish a unique exchange rate the Association could not apply the requirements of IAS 29 (Financial Reporting in Hyperinflationary Economics), in the preparation of the accompanying financial statements for the year ended 30.06.2024. IAS 29 requires that the financial statements, and the corresponding figures for previous period of an entity with a functional currency that is hyperinflationary, to be stated in the terms of the measuring unit current at the end of the reporting period. Had the Association applied IAS 29, the accompanying financial statements and the comparative financial information would have been materially affected. Consequently, the effects on the financial statements have not been determined.

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'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 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.

Antoine J. HADDAD 
Expert Comptable Assermenté
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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 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 identify during our audit.

Zouk Mosbeh, Lebanon 14 October 2024

Independent Auditor



Antoine J. HADDAD
L.A.C.P.A. N° 919

SESOBEL - Financial Position as at 30.06.24 (in KLRP)

	30.06.24	30.06.23		30.06.24	30.06.23
Assets					
Net book value of Intangible fixed assets	95 382	128 321	Investment subsidies	56 018 165	19 279 196
Net book value of tangible fixed assets	7 860 531	7 000 127	General reserve	959 144	959 144
Construction in progress	48 035 137	12 047 407	Brought Forward results	14 801 006	1 699 169
Deposits	13 964	13 964	Result of the period	-12 187 377	13 101 837
Total Fixed Assets	56 005 014	19 189 819	Equity	59 590 938	35 039 346
Inventory	20 058 691	4 424 170	Provision for end of service indemnities	50 508 731	22 778 942
Total Goods in Stock	20 058 691	4 424 170	Provision for risk and charges	89 500 000	0
Debtors (customers)	1 287 017	698 947	Borrowings	108 000	149 550
Debtors: External Services	13 063 459	4 823 432	Banks under reconciliation	22 391 880	0
Other receivable	14 546 026	3 323 621	Long Term Liabilities	162 508 611	22 928 492
Grant Projects	2 582 232	321 639	N.F.S.S.	500 516	272 675
Donations receivable	114 560	258 725	Taxes due	83 406	23 444
Total Receivables	31 593 294	9 426 364	Payables	33 826 614	6 883 655
Prepaid charges	14 173 785	932 010	Schooling & hospitalisation payable	610 606	233 983
Cash & Banks	207 811 893	40 618 742	Equipments -Projects	45 254 824	5 095 737
Total Current Assets	273 637 663	55 401 286	Constructions - Projects	20 026 890	3 124 664
			Deferred income	595 420	69 124
			Accrued expenses	6 644 852	919 985
Total Assets	329 642 677	74 591 105	Current Liabilities	107 543 128	16 623 267
			Total Equity & Liabilities	329 642 677	74 591 105

SESOBEL - Income Statement as at 30.06.24 (in KLBP)

	30.06.24	30.06.23
Sales	62 012 702	31 266 433
Donations	77 168 929	8 842 030
Other Income	83 078 851	8 968 156
Write back of amortization provision	1 041 556	606 821
Write back of operating provision	0	0
Write back of end of service provision	0	0
Operating Income	223 302 038	49 683 440
Less :		
Purchases	31 055 155	2 920 125
Inventory Variation	-15 634 521	-1 922 993
Operating Expenses	185 861 210	30 682 807
Medical fees on services rendered	27 939 178	5 092 810
Donations in kind / Emergency aids	1 369 706	227 654
Amortization and provision expenses	118 430 384	18 518 587
Self-Financing charges	2 169 295	687 135
Operating charges	351 190 408	56 206 127
Operations Results	-127 888 370	-6 522 686
Financial income	116 885 792	20 293 894
Financial charges	0	0
Financial results	116 885 792	20 293 894
Net operational results	-11 002 577	13 771 208
Non operating income	0	0
Non operating Charge	-1 184 799	-669 370
Non operating results	-1 184 799	-669 370
Net Result	-12 187 377	13 101 838