

Arab Foundations Forum

Financial Statements

31 December 2015



Building a better
working world

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS
ARAB FOUNDATIONS FORUM
AMMAN - JORDAN**

We have audited the accompanying financial statements of Arab Foundations Forum (The Forum) which comprise the statement of assets and liabilities as at 31 December 2015 and the statement of revenues and expenses and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting policies disclosed in Note (2). This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 Associate's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the Financial Statements present fairly, in all material respects, the statement of assets and liabilities of the Forum as of 31 December 2015 and its the revenues and expenses and cash flows for the year then ended in the accordance with accounting policies disclosed in Note (2).

Amman – Jordan
8 August 2016

Arab Foundations Forum
Statement of Assets & Liabilities
As at 31 December 2015

	<u>Note</u>	<u>2015</u>	<u>2014</u>
		JD	JD
<u>Assets</u>			
Non-current assets			
Property and equipment	3	2,252	944
Current assets			
Accounts receivable	4	5,417	2,822
Other current assets	5	5,655	11,969
Cash and bank balances	6	13,854	106,676
		24,926	121,467
Total assets		27,178	122,411
Cumulative Surplus & Liabilities			
Cumulative Surplus		5,137	119,260
Liabilities			
Other current liabilities	7	22,041	3,151
Total liabilities		22,041	3,151
Total cumulative surplus & liabilities		27,178	122,411

The attached notes 1 to 9 from part of these financial statements

Arab Foundations Forum
Statement of Revenues and Expenses
For the year ended 31 December 2015

	<u>Note</u>	<u>2015</u> JD	<u>2014</u> JD
Revenue			
Grants	8	36,210	71,000
Memberships		54,612	41,180
Others		1,791	-
Total Revenues		<u>92,613</u>	<u>112,180</u>
Expenses			
Administrative expenses	9	(206,736)	(217,076)
Provision for doubtful debts	4	-	(22,154)
Total expenses		<u>(206,736)</u>	<u>(239,230)</u>
Deficit for the year		<u>(114,123)</u>	<u>(127,050)</u>

The attached notes 1 to 9 from part of these financial statements

Arab Foundations Forum
Statement of Cash Flows
For the year ended 31 December 2015

	<u>2015</u>	<u>2014</u>
	JD	JD
<u>Operating Activities</u>		
Deficit for the year	(114,123)	(127,050)
Adjustments		
Depreciation	602	353
Provision for doubtful debts	-	22,154
Working capital changes:		
Account receivable	(2,595)	(2,757)
Other current assets	6,314	33
Other current liabilities	18,890	(7,249)
Net cash flows used in operating activities	<u>(90,912)</u>	<u>(114,516)</u>
<u>Investing activities</u>		
Purchase of property and equipment	(1,910)	(149)
Net cash flows used in investing activities	<u>(1,910)</u>	<u>(149)</u>
Net decrease in cash and cash equivalents	(92,822)	(114,665)
Cash and cash equivalent at 1 January	106,676	221,341
Cash and cash equivalents at 31 December	<u>13,854</u>	<u>106,676</u>

The attached notes 1 to 9 from part of these financial statements

Arab Foundations Forum
Notes to the financial statements
31 December 2015

(1) GENERAL

Arab Foundations Forum was established and registered at the Ministry of Social Development on 11 August 2011.

The forum's objectives are:

- Establish strategic partnerships among foundations and with stakeholders from other sectors of Society.
- Improve the professional capacity and conduct of Arab foundations.
- Enhance access to relevant information and best practice in the field of philanthropy.
- Build transparent, accountable and socially responsible conduct of foundations.

(2) BASIS OF PREPARATION

The financial statements have been prepared in accordance with then accounting policies mentioned below.

The financial statements are presented in Jordanian Dinars which is the functional currency of the Forum.

Significant accounting policies:

Property and equipment

Property and equipment are stated at cost of purchase. Depreciation is computed on a straight-line basis over its expected useful life as the following percentages:

	<u>%</u>
Computers	33
Furniture and fixture	25

The carrying values of property and equipment 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.

Cash and cash equivalents

Cash and cash equivalents represent cash on hand, bank balances and short term deposits with an original maturity of three months net of bank overdrafts.

(2) BASIS OF PREPARATION (CONTINUED)

Significant accounting policies (continued)

Recognition of Revenues and Expenses

Donation and subscription revenues are recognised when collected.

Activities and administrative expenses are recognised on an accrual basis.

(3) PROPERTY AND EQUIPMENT

2015	Computers	Furniture & Fixture	Total
	JD	JD	JD
Cost:			
At 1 January 2015	1,135	487	1,622
Additions during the year	1,910	-	1,910
Balance at 31 December 2015	3,045	487	3,532
Accumulated Depreciation:			
At 1 January 2015	519	159	678
Depreciation for the year	529	73	602
At 31 December 2015	1,048	232	1,280
Net book value at 31 December 2015	1,997	255	2,252
2014	Computers	Furniture & Fixture	Total
	JD	JD	JD
Cost			
At 1 January 2014	1,135	338	1,473
Additions	-	149	149
At 31 December 2014	1,135	487	1,622
Depreciation			
At 1 January 2014	236	89	325
Depreciation for the year	283	70	353
At 31 December 2014	519	159	678
Net book value at 31 December 2014	616	328	944

(4) ACCOUNTS RECEIVABLE

	<u>2015</u>	<u>2014</u>
	JD	JD
Subscription receivables	5,417	24,976
Less: allowance for doubtful debts	-	(22,154)
	<u>5,417</u>	<u>2,822</u>

Movement on the allowances for doubtful accounts is as follows:

	<u>2015</u>	<u>2014</u>
	JD	JD
Beginning balance	22,154	-
Provision for the year	-	22,154
Amounts written off during the year	(22,154)	-
Ending balance	<u>-</u>	<u>22,154</u>

(5) OTHER CURRENT ASSETS

	<u>2015</u>	<u>2014</u>
	JD	JD
Prepaid expenses	976	8,959
Sales tax receivables	4,679	3,010
	<u>5,655</u>	<u>11,969</u>

(6) CASH AND BANK BALANCES

	<u>2015</u>	<u>2014</u>
	JD	JD
Bank balances	12,803	106,015
Cash in hand	1,051	661
	<u>13,854</u>	<u>106,676</u>

(7) OTHER CURRENT LIABILITIES

	<u>2015</u>	<u>2014</u>
	JD	JD
Accrued expenses	21,560	3,000
Other	481	151
	<u>22,041</u>	<u>3,151</u>

(8) GRANTS

	<u>2015</u>	<u>2014</u>
	JD	JD
Ford Foundation	-	71,000
International Center for not for profit Law (INCL)	14,910	-
Rockefeller Rots.Fund	21,300	-
	<u>36,210</u>	<u>71,000</u>

(9) ADMINISTRATIVE EXPENSES

	<u>2015</u>	<u>2014</u>
	JD	JD
Salaries and benefits	108,612	126,456
Transportation	2,097	1,180
Travel	26,033	21,326
Designing and advertising	9,434	8,077
Rent	8,773	10,967
Bank charges	2,422	1,801
Depreciation	602	353
Professional fees	15,977	17,568
Cleaning	903	1,452
Governmental	931	1,150
Fuel	-	853
Telephone and internet	3,866	6,468
Water and electricity	1,459	1,614
Hospitality	-	357
Maintenance	275	463
Stationary	550	416
Subscriptions	1,640	2,643
Meetings and workshops	23,162	13,782
Others	-	150
	<u>206,736</u>	<u>217,076</u>