

**Arab Foundations Forum**

**Financial Statements**

**31 December 2013**



Building a better  
working world

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90  
Years in MENA

**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 2013 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 2013 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  
14 July 2014

*Ernst + Young*

**Arab Foundations Forum**  
**Statement of Assets & Liabilities**  
**As at 31 December 2013**

	<u>Note</u>	<u>2013</u> JD	<u>2012</u> JD
<b><u>Assets</u></b>			
<b>Non-current assets</b>			
Property and equipment	3	1,148	524
<b>Current assets</b>			
Accounts receivable		22,219	10,962
Other current assets	4	12,002	11,183
Cash and bank balances	5	221,341	152,469
		<u>255,562</u>	<u>174,614</u>
<b>Total assets</b>		<u>256,710</u>	<u>175,138</u>
<b>Cumulative Surplus &amp; Liabilities</b>			
Cumulative Surplus		<u>246,310</u>	<u>167,230</u>
<b>Liabilities</b>			
Other current liabilities	6	10,400	7,908
<b>Total liabilities</b>		<u>10,400</u>	<u>7,908</u>
<b>Total cumulative surplus &amp; liabilities</b>		<u>256,710</u>	<u>175,138</u>

The attached notes 1 to 8 from part of these financial statements

**Arab Foundations Forum**  
**Statement of Revenues and Expenses**  
**For the year ended 31 December 2013**

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	<u>Note</u>	<u>2013</u> JD	<u>For the period</u> <u>since inception</u> <u>on 11 August</u> <u>2011 to 31</u> <u>December 2012</u> JD
<b>Revenue</b>			
Grants	7	141,947	141,969
Memberships		70,290	126,364
<b>Total Revenues</b>		<u>212,237</u>	<u>268,333</u>
<b>Expenses</b>			
Activities and administrative expenses	8	(133,157)	(101,103)
<b>Total expenses</b>		<u>(133,157)</u>	<u>(101,103)</u>
<b>Surplus for the period</b>		<u>79,080</u>	<u>167,230</u>

The attached notes 1 to 8 from part of these financial statements

**Arab Foundations Forum**  
**Statement of Cash Flows**  
**For the year ended 31 December 2013**

	<u>2013</u>	<u>For the period since inception on 11 August 2011 to 31 December 2012</u>
	JD	JD
<b><u>Operating Activities</u></b>		
Surplus for the period	79,080	167,230
<b>Adjustments</b>		
Depreciation	211	114
<b>Working capital changes:</b>		
Account receivable	(11,257)	(10,962)
Other current assets	(819)	(8,148)
Other current liabilities	2,492	4,873
<b>Net cash flows from operating activities</b>	<u>69,707</u>	<u>153,107</u>
<b><u>Investing activities</u></b>		
Purchase of property and equipment	(835)	(638)
<b>Net cash flows used in investing activities</b>	<u>(835)</u>	<u>(638)</u>
<b>Net increase in cash and cash equivalents</b>	68,872	152,469
Cash and cash equivalent at the beginning of the year	152,469	-
<b>Cash and cash equivalents at the end of the year</b>	<u>221,341</u>	<u>152,469</u>

The attached notes 1 to 8 from part of these financial statements

**Arab Foundations Forum**  
**Notes to the financial statements**  
**31 December 2013**

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**(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.

## Recognition of Revenues & Expenses

Donation and subscription revenues are recognised when collected.

Activities and administrative expenses are recognised on an accrual basis.

### (3) PROPERTY AND EQUIPMENT

	<u>Computers</u> JD	<u>Furniture &amp; Fixture</u> JD	<u>Total</u> JD
<b>2013</b>			
<b>Cost</b>			
Balance as of 1 January 2013	300	338	638
Additions	835	-	835
<b>Balance at 31 December 2013</b>	<u>1,135</u>	<u>338</u>	<u>1,473</u>
<b>Depreciation</b>			
Balance as of 1 January 2013	92	22	114
Charge for the year	144	67	211
<b>Balance at 31 December 2013</b>	<u>236</u>	<u>89</u>	<u>325</u>
<b>Net book value:</b>			
<b>31 December 2013</b>	<u>899</u>	<u>249</u>	<u>1,148</u>
	<u>Computers</u> JD	<u>Furniture &amp; Fixture</u> JD	<u>Total</u> JD
<b>2012</b>			
<b>Cost</b>			
Additions during the period	300	338	638
<b>Balance at 31 December 2012</b>	<u>300</u>	<u>338</u>	<u>638</u>
<b>Depreciation</b>			
Charge for the period	92	22	114
<b>Balance at 31 December 2012</b>	<u>92</u>	<u>22</u>	<u>114</u>
<b>Net book value:</b>			
<b>31 December 2012</b>	<u>208</u>	<u>316</u>	<u>524</u>

**(4) OTHER CURRENT ASSETS**

	<u>2013</u> JD	<u>2012</u> JD
Prepaid expenses	8,587	7,668
Sales tax receivables	3,415	3,035
Others	-	480
	<u>12,002</u>	<u>11,183</u>

**(5) CASH AND BANK BALANCES**

	<u>2013</u> JD	<u>2012</u> JD
Bank balances	221,324	152,454
Cash in hand	17	15
	<u>221,341</u>	<u>152,469</u>

**(6) OTHER CURRENT LIABILITIES**

	<u>2013</u> JD	<u>2012</u> JD
Accrued expenses	3,748	3,580
Provident fund	6,143	4,197
Other	509	131
	<u>10,400</u>	<u>7,908</u>



**(7) GRANTS**

	2013	For the period since inception on 11 August 2011 to 31 December 2012
	<u>JD</u>	<u>JD</u>
Ford Foundation	70,973	71,000
Open Society Foundations	70,974	70,969
	<u>141,947</u>	<u>141,969</u>

**(8) ADMINISTRATIVE EXPENSES**

	2013	For the period since inception on 11 August 2011 to 31 December 2012
	<u>JD</u>	<u>JD</u>
Salaries and benefits	59,753	52,046
Transportation	1,237	-
Travel	10,804	9,520
Designing and Advertising	6,193	11,352
Rent	10,845	3,395
Bank Charge	1,573	1,508
Depreciation	211	114
Consulting	17,611	10,504
Cleaning	1,114	999
Governmental	176	440
Fuel	1,100	1,563
Telephone	2,803	2,626
Water and Electricity	1,376	1,399
Hospitality	447	-
Maintenance	1,298	-
Stationary	1,044	-
Subscriptions	2,165	-
Training	1,917	-
Meetings and workshops	11,490	5,637
	<u>133,157</u>	<u>101,103</u>