

Arab Foundations Forum

Financial Statements

31 December 2014

**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 2014 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 2014 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
29 September 2015



Arab Foundations Forum
Statement of Assets & Liabilities
As at 31 December 2014

	<u>Note</u>	<u>2014</u> JD	<u>2013</u> JD
Assets			
Non-current assets			
Property and equipment	3	944	1,148
Current assets			
Accounts receivable	4	2,822	22,219
Other current assets	5	11,969	12,002
Cash and bank balances	6	106,676	221,341
		<u>121,467</u>	<u>255,562</u>
Total assets		<u>122,411</u>	<u>256,710</u>
Cumulative Surplus & Liabilities			
Cumulative Surplus		<u>119,260</u>	<u>246,310</u>
Liabilities			
Other current liabilities	7	3,151	10,400
Total liabilities		<u>3,151</u>	<u>10,400</u>
Total cumulative surplus & liabilities		<u>122,411</u>	<u>256,710</u>

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 2014

	<u>Note</u>	<u>2014</u> JD	<u>2013</u> JD
Revenue			
Grants	8	71,000	141,947
Memberships		41,180	70,290
Total Revenues		<u>112,180</u>	<u>212,237</u>
Expenses			
Administrative expenses	9	(217,076)	(133,157)
Provision for doubtful debts	4	(22,154)	-
Total expenses		<u>(239,230)</u>	<u>(133,157)</u>
Deficit (surplus) for the year		<u>(127,050)</u>	<u>79,080</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 2014

	<u>2014</u>	<u>2013</u>
	JD	JD
<u>Operating Activities</u>		
(Deficit) surplus for the year	(127,050)	79,080
Adjustments		
Depreciation	353	211
Provision for doubtful debts	22,154	-
Working capital changes:		
Account receivable	(2,757)	(11,257)
Other current assets	33	(819)
Other current liabilities	(7,249)	2,492
Net cash flows (used in) from operating activities	<u>(114,516)</u>	<u>69,707</u>
<u>Investing activities</u>		
Purchase of property and equipment	(149)	(835)
Net cash flows used in investing activities	<u>(149)</u>	<u>(835)</u>
Net (decrease) increase in cash and cash equivalents	(114,665)	68,872
Cash and cash equivalent at 1 January	221,341	152,469
Cash and cash equivalents at 31 December	<u>106,676</u>	<u>221,341</u>

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

Arab Foundations Forum
Notes to the financial statements
31 December 2014

(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 & Expenses

Donation and subscription revenues are recognised when collected.

Activities and administrative expenses are recognised on an accrual basis.

(3) PROPERTY AND EQUIPMENT

2014	Computers	Furniture & Fixture	Total
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Cost:			
At 1 January 2014	1,135	338	1,473
Additions during the year	-	149	149
Balance at 31 December 2014	<u>1,135</u>	<u>487</u>	<u>1,622</u>
Accumulated Depreciation:			
At 1 January 2014	236	89	325
Depreciation for the year	283	70	353
At 31 December 2014	<u>519</u>	<u>159</u>	<u>678</u>
Net book value at 31 December 2014	<u>616</u>	<u>328</u>	<u>944</u>
2013	Computers	Furniture & Fixture	Total
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Cost			
At 1 January 2013	300	338	638
Additions	835	-	835
At 31 December 2013	<u>1,135</u>	<u>338</u>	<u>1,473</u>
Depreciation			
At 1 January 2013	92	22	114
Depreciation for the year	144	67	211
At 31 December 2013	<u>236</u>	<u>89</u>	<u>325</u>
Net book value at 31 December 2013	<u>899</u>	<u>249</u>	<u>1,148</u>

(4) ACCOUNTS RECEIVABLE

	<u>2014</u>	<u>2013</u>
	JD	JD
Subscription receivables	24,976	22,219
Less: allowance for doubtful debts	<u>(22,154)</u>	<u>-</u>
	<u>2,822</u>	<u>22,219</u>

(5) OTHER CURRENT ASSETS

	<u>2014</u>	<u>2013</u>
	JD	JD
Prepaid expenses	8,959	8,587
Sales tax receivables	<u>3,010</u>	<u>3,415</u>
	<u>11,969</u>	<u>12,002</u>

(6) CASH AND BANK BALANCES

	<u>2014</u>	<u>2013</u>
	JD	JD
Bank balances	106,015	221,324
Cash in hand	<u>661</u>	<u>17</u>
	<u>106,676</u>	<u>221,341</u>

(7) OTHER CURRENT LIABILITIES

	<u>2014</u>	<u>2013</u>
	JD	JD
Accrued expenses	3,000	3,748
Provident fund	-	6,143
Other	<u>151</u>	<u>509</u>
	<u>3,151</u>	<u>10,400</u>

(8) GRANTS

	<u>2014</u>	<u>2013</u>
	JD	JD
Ford Foundation	71,000	70,973
Open Society Foundations	-	70,974
	<u>71,000</u>	<u>141,947</u>

(9) ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
	JD	JD
Salaries and benefits	126,456	59,753
Transportation	1,180	1,237
Travel	21,326	10,804
Designing and advertising	8,077	6,193
Rent	10,967	10,845
Bank charges	1,801	1,573
Depreciation	353	211
Professional fees	17,568	17,611
Cleaning	1,452	1,114
Governmental	1,150	176
Fuel	853	1,100
Telephone and internet	6,468	2,803
Water and electricity	1,614	1,376
Hospitality	357	447
Maintenance	463	1,298
Stationary	416	1,044
Subscriptions	2,643	2,165
Training	-	1,917
Meetings and workshops	13,782	11,490
Others	150	-
	<u>217,076</u>	<u>133,157</u>