



Global Auditing Enterprise

**NAME : ARAB FOUNDATION for Freedoms & Equality**

**SUBJECT : FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
FOR THE YEAR ENDED DECEMBER 31<sup>st</sup>, 2018**



Global Auditing Enterprise

Jdeideh, May 22<sup>th</sup>, 2019

**Independent Auditor's Report**

**To the Charter Members of «Arab Foundation for Freedoms & Equality»**

**Beirut - Lebanon**

**Opinion**

We have audited the accompanying financial statements of **ARAB FOUNDATION for Freedoms & Equality** ("the Company") which comprise the statement of financial position as of 31 December 2018 and the income statement.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2018, and its financial performance for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

**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 are independent of the Company in accordance with International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.





Global Auditing Enterprise

### **Responsibilities of Management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. 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; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In preparing the financial statements, management is responsible for assessing the Company'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 Company, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company'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 Company'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 Company'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 Company 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.





Global Auditing Enterprise

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Jdeideh, 22<sup>th</sup> May 2019

**Chadi HACHEM**  
**Certified Public Accountant**

**CHADY G. HACHEM**  
Certified Public Accountant  
Member of IACPA





Global Auditing Enterprise

**ARAB FOUNDATION for Freedoms & Equality**

- BALANCE SHEET AS AT 31/12/2018
- INCOME STATEMENT AS AT 31/12/2018
- DETAILED LISTS AS AT 31/12/2018
- NOTES TO THE FINANCIAL STATEMENTS



Global Auditing Enterprise

**ARAB FOUNDATION for Freedoms & Equality**

Balance Sheet

As At 31 December 2018

<b>ASSETS</b>	<b>List #</b>	<b>USD</b>
<b><u>Current Assets</u></b>		
Cash and Banks	1	661,589
Other Accounts Receivable		615,742
<b>Total Current Assets</b>		<b>1,277,331</b>
<b><u>Other Assets</u></b>		
Deposits Refund		106
<b><u>Fixed Assets</u></b>		
Office Equipment		4,138
Computer Equipment		22,511
Furnitures & Fixtures		11,495
<b>Total Fixed Assets</b>		<b>38,144</b>
Less: Accumulated Depreciations		(25,859)
<b>Net Fixed Assets</b>		<b>12,285</b>
<b>TOTAL ASSETS</b>		<b>1,289,722</b>
<b>EQUITY AND LIABILITIES</b>		
<b><u>Current Liabilities</u></b>		
Due To Bank		3,165
Taxes & Duties		92
<b>Total Current Liabilities</b>		<b>3,257</b>
<b><u>Equity</u></b>		
Reported Net Flow		580,429
Net Excess To Be Utilised		706,036
<b>Total Equity</b>		<b>1,286,465</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>1,289,722</b>





Global Auditing Enterprise

**ARAB FOUNDATION for Freedoms & Equality**

Income statement

As At 31 December 2018

<u>DESIGNATION</u>	<u>List #</u>	<u>USD</u>
Donations	2	1,936,382
<b><u>Operating Charges</u></b>		
Cost of Project		819,539
General Operating Expenses	3	380,819
Taxes & Other Payments		1,742
Fixed Assets Depreciation		3,567
<b>Total Operating Charges</b>		<b>1,205,667</b>
<b><u>Non Operating Charges</u></b>		
Bank Interests		10
Negative Exchange Difference		24,669
<b>Total Non Operating Charges</b>		<b>24,679</b>
<b>NET EXCESS TO BE UTILISED</b>		<b>706,036</b>





Global Auditing Enterprise

**ARAB FOUNDATION for Freedoms & Equality**

DETAILED LISTS AS AT 31/12/2018

NAME	LIST #
CASH& BANKS	1
DONATIONS	2
GENERAL OPERATING EXPENSES	3



Global Auditing Enterprise

**ARAB FOUNDATION for Freedoms & Equality**

Cash and Banks

LIST # 1

<b>NAME</b>	<b>USD</b>
CREDIT LIBANAIS SAL /USD	661,389
CASH	200
<b>TOTAL AS AT 31/12/2018</b>	<b>661,589</b>



Global Auditing Enterprise

ARAB FOUNDATION for Freedoms & Equality

DONATIONS

LIST # 2

NAME	USD
Freedom House	127,367
RAND	225,081
HIVOS	171,814
COC	51,729
RCNF	18,101
EU	409,099
OSI	150,000
GLOBAL FUND	14,025
GEF	106,955
CREA	98,948
IDI	223,046
REUTERS	62,046
ASTREA LESBIAN FONDATION	10,000
FRONTLINES AIDS	22,242
INITIATIVE 5% YEAR 2018	62,758
GRINDR	13,980
SOLIDARITE SIDA	62,758
EXPERTISE FRANCE	14,235
Other Donors	92,198
<b>TOTAL AS AT 31/12/2018</b>	<b>1,936,382</b>





Global Auditing Enterprise

**ARAB FOUNDATION for Freedoms & Equality**

**GENERAL OPERATING EXPENSES**

**LIST # 3**

<b>NAME</b>	<b>USD</b>
POST	292
PHONE	2,904
INTERNET	8,510
TRANSPORTATION/OVER HEAD	11,375
MAINTENANCE&REPAIRS	3,747
ELECTRECITY	753
BUILDING FEES	1,848
RENT	47,215
FOOD & BEVERAGE	5,269
TRAVEL	229,127
AUDIT FEES	9,358
NOTARY FEES	2,500
COMPUTER PROGRAM	60
INSURANCE PREMIUM	13,583
OFFICE SUPPLIES	32,743
CLEANING	5,154
GENERATOR	3,524
FORMALITY FEES	73
ADVERTISING	690
BANK CHARGES	2,094
<b>TOTAL AS AT 31/12/2018</b>	<b>380,819</b>

**ARAB FOUNDATION for Freedoms & Equality**  
Notes to the financial statements for the year ended 31 December 2018

**A. General**

**ARAB FOUNDATION for Freedoms & Equality** (the company) is registered in Beirut, as a non profit organization, on February 1<sup>st</sup>, 2010 in accordance with the resolution No 154 issued by the the Ministry of Interior and Municipalities, amended on 15/09/2010 under the resolution No 5932/2.

The MOF number is /2465169/.

**Location:** Beirut – Zarif area - Spears Street – Mustapha Yammout property

**Purpose:** The association aims is to encourage and support sexuality, gender and bodily rights' movements in the Middle East and North Africa through capacity building. Knowledge production, exchange, advocacy, security and emergency response.

AFE's vision is to have societies where sexuality, gender and bodily rights are promoted, recognized and respected.

The Foundation's major Founders are Mr. Mehdi Charafeddine, Mrs. Maha Rabbat, Dr. Ayman Assi, Mrs. Mary Azzi & Mr. Mr. George Azzi.

The Foundation's representative towards the government: Mr. Mehdi Charafeddine.

**B. Adoption of new and revised international financial reporting standards**

In the current year, the company has adopted all of the new and revised standards and interpretations issued by international accounting standards board (the IASB) and the international financial reporting interpretations committee (IFRIC) of the IASB that are relevant to its operations and effective for accounting period beginning on 1 January 2018.





The adoption of these new and revised standards and interpretations has resulted in changes to the company's presentations and disclosure in the financial statements as required by the following international accounting standards:

- Presentation of financial statements (IAS 1)

### C. SIGNIFICANT ACCOUNTING POLICIES

#### a. Basis of presentation

Financial statements have been prepared under the historical cost convention. Accounting policies and principles adopted comply with International Accounting Standards applied on a basis consistent with the preceding year.

The financial statements are denominated in US DOLLARS (USD).

#### b. Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies were translated into Lebanese Pounds at the rate of exchange ruling at the balance sheet date. All differences are taken to the statement of income.

#### c. Fixed assets and depreciation

Property and equipment is stated at cost less accumulated depreciation and any impairment in value.

Depreciation is provided on a straight-line basis. The rates of depreciation are based upon the estimated useful lives at the following annual rates:

Office Equipment	8%
Computer Equipment	20%
Furniture & Fixture	8%

The carrying values of tangible fixed assets are reviewed for impairment whether events for changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying value exceeds the estimated amount, the assets are written down to their recoverable amount.