

Himaya
Financial statements
As of December 31st, 2017
(With Independent auditors' report)

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Independent auditor's report

To the Board of directors of,
Himaya
Beirut - Lebanon

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Himaya**, which comprise the statement of financial position as at December 31st, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31st, 2017, and its financial performance and its cash flows 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 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 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.

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 identified during our audit.

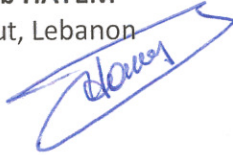
The engagement partner on the audit resulting in this independent auditor's report is

Date

04/04/2018

Habib HATEM

Beirut, Lebanon



Himaya
Statement of Financial Position
As of December 31st, 2017
(Amounts expressed in US-Dollars)

Assets	Notes	31/12/2017	31/12/2016
Non-current assets		181,447	170,784
Tangible fixed assets	3	181,447	170,784
Current assets		525,570	926,071
Trade & other receivables	4	30,014	237,739
Banks & cash	5	495,556	688,332
Total assets		707,017	1,096,855
Equity & liabilities			
Accumulated excess		579,524	926,290
Total Equity		579,524	926,290
Non-current liabilities		7,785	4,135
End of service indemnity	6	7,785	4,135
Current liabilities		119,708	166,430
Trade & other payables	7	108,174	125,888
Tax liabilities		3,653	3,066
Banks overdrafts	5	7,881	37,476
Total liabilities		127,493	170,565
Total liabilities & equity		707,017	1,096,855

The accompanying notes are an integral part of these financial statements.

Management approval:

Himaya
Statement of comprehensive income
As of December 31st, 2017
(Amounts expressed in US-Dollars)

	Notes	2017	2016
Donations and other income	8	4,036,325	3,642,254
Gross profit		4,036,325	3,642,254
Administrative expenses	9	(4,353,402)	(3,915,665)
Other operating result	10	(28,975)	(22,871)
Deficit from operations		(346,052)	(296,282)
Financial result	11	(714)	(1,425)
Deficit for the period		(346,766)	(297,707)

The accompanying notes are an integral part of these financial statements.

Management approval:

Himaya
Statement of Cash Flows
For the Year Ended December 31st, 2017
(Amounts expressed in US-Dollars)

	2017	2016
Cash flows from operating activities:		
Result of the period excess (deficit)	(346,766)	(297,707)
Operating activities		
Depreciation	22,061	16,814
Provision	3,650	4,135
Accounts receivable	174,726	48,345
Accounts payable	(6,677)	71,296
Regularization accounts	22,549	2,882
Net cash used in operating activities	(130,457)	(154,235)
Cash flows from investing activities:		
Acquisition of fixed assets	(32,724)	(58,386)
Net cash used in investing activities	(32,724)	(58,386)
Net (decrease) increase in cash & cash equivalents	(163,181)	(212,621)
Cash and cash equivalents - beginning of year	650,856	863,477
Cash and cash equivalents - end of year	487,675	650,856

The accompanying notes are an integral part of these financial statements.

Himaya
Statement of Changes in Equity
For the Year Ended December 31st, 2017
(Amounts expressed in US-Dollars)

	Accumulated excess	Total
At December 31st, 2015	1,223,997	1,223,997
Deficit for the year 2016	(297,707)	(297,707)
At December 31st, 2016	926,290	926,290
Deficit for the year 2017	(346,766)	(346,766)
At December 31st, 2017	579,524	579,524

The accompanying notes are an integral part of those financial statements.

Himaya
Notes to Financial Statements
December 31st, 2017
(Amount expressed in US-Dollars)

1. The company:

“*Himaya*” is a not-for-profit organization, and it’s exempt from income tax. This association has been registered in the ministry of interior & municipality on May 27th 2009 under the No. 748

The association shall carry out the following activity: promote an environment suitable for the development of children and ensure their global protection via fighting and preventing abuse on Lebanese ground.

2. Significant accounting policies:

The principal accounting policies applied in the preparation of these financial statements are set out below:

a) **Statement of compliance:** The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

b) **Basis of measurement:** The financial statements have been prepared on the historical cost basis, modified to include revaluation of properties.

c) **Functional and presentation currency:** These financial statements are presented in Lebanese Pounds which is the company’s functional currency.

d) **Use of estimates and judgments:** The preparation of financial statements requires management to make judgments, estimates and assumptions that effect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis.

Revisions to accounting estimates are recognized in the period in which the estimates is revised and in any future periods affected.

e) **Foreign currencies:** Transactions in foreign currencies are recorded at the exchange rate ruling at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies at the statement of financial position date are translated to Lebanese Pounds at the foreign exchange rate ruling at the date. Translation gain and losses are taken to the income statement.

f) **Property, plant and equipment:** Property, plant and equipment are stated at historical cost or revaluated value less depreciation.

Depreciation is computed on a straight-line basis over the estimated useful life of each item. Land is not depreciated.

Gain and losses on disposals are determined by comparing proceeds with carrying amounts and they are included in the income statement.

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Notes to Financial Statements
December 31st, 2017
(Amount expressed in US-Dollars)

Repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

g) Trade receivables: Trade receivables are carried at original invoice amount less provision for doubtful debts.

h) Cash and banks: For the purpose of the statement of cash flows, cash and banks consist of cash in hand, bank balances and short term deposits with an original maturity of free months or less, net of outstanding bank overdrafts.

i) Employees end of service benefits: End of service benefits are due to employees after completing 20 years of service, or at the retirement age, or if the employee permanently leaves employment; in this respect subscriptions are paid to the National Social Security Fund (NSSF). The company is liable to pay to the NSSF the difference between the subscriptions paid calculated at 8% and the final end of service benefits due to employee; this difference is covered by a specific provision under liabilities.

j) Accounts payables and accruals: Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

k) Provisions: Provisions are recognized when the company has a present obligation (legal or constructive) as a result of a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

l) Comparatives: Where necessary, comparative figures have been adjusted to conform to changes in presentation in the current year.

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Notes to Financial Statements
December 31st, 2017
(Amount expressed in US-Dollars)

3. Fixed assets:

The movement during the period ended 31/12/2017 of tangible fixed assets accounts is summarized hereunder:

	Balances	Additions	Balances
	31/12/2016	2017	31/12/2017
General installations	2,750	-	2,750
Transportation equipments	33,544	-	33,544
Office & computer equipments	101,729	29,998	131,727
Furniture & fixtures	60,615	2,726	63,341
Total plant & equipment	198,638	32,724	231,362

The movement during the period ended 31/12/2017 of the depreciation accounts is summarized hereunder:

	Balances	Additions	Balances
	31/12/2016	2017	31/12/2017
General installations	2,317	165	2,482
Transportation equipments	3,165	2,012	5,177
Office & computer equipments	15,073	14,665	29,738
Furniture & fixtures	7,299	5,219	12,518
Total plant & equipment	27,854	22,061	49,915
Net plant & equipment	170,784		181,447

4. Trade and other receivables:

Trade and other receivables as at 31 December 2017 consist of the following:

	Notes	31/12/2017	31/12/2016
Donors		-	162,865
Staff accounts		2,178	6,570
Other debtors		4,583	12,052
Regularization accounts		23,253	56,252
Total trade & other receivables		30,014	237,739

Himaya
Notes to Financial Statements
December 31st, 2017
(Amount expressed in US-Dollars)

5. Banks & cash:

Banks & cash as at 31 December 2017 consist, after reconciliation, of the following:

		Debit USD	Credit USD
Current accounts	LBP	249,721	7,864
Current accounts	USD	227,511	17
Current accounts	EURO	2,194	-
Cash		16,130	-
Total banks & cash		495,556	7,881

6. End of service indemnity:

End of service indemnity as at 31 December 2017 consist of the following:

	Balances 31/12/2016	Provision 2017	Balances 31/12/2017
Provision end of service indemnity	4,135	3,650	7,785
Total	4,135	3,650	7,785

7. Trade and other payables:

Trade and other payables as at 31 December 2017 consist of the following:

	31/12/2017	31/12/2016
Social security due	59,148	21,187
Other creditors	47,637	94,251
Regularization Accounts	1,389	10,450
Total trade & other payables	108,174	125,888

8. Donations and other income:

Donations and other income for the year 2017 consist of the following:

	2017	2016
Donation on salaries	442,516	477,649
UNHCR donation	411,353	321,445
Stars foundation donation	33,278	5,050
UNICEF donation	2,638,599	2,157,230
OCHA donation	116,123	249,311
Other donations	394,456	431,569
Total taxes	4,036,325	3,642,254

Himaya
Notes to Financial Statements
December 31st, 2017
(Amount expressed in US-Dollars)

9. Administrative expenses:

Administrative expenses for the year 2017 consist of the following:

	2017	2016
Food and beverage	53,593	86,148
Office Supplies	55,774	75,979
Electricity and other related charges	14,979	21,949
Household and cleaning	1,482	13,081
Fuel Expenses	49,917	31,238
Post & Telecommunication charges	51,953	26,270
Maintenance	30,098	19,444
Rent	149,234	176,327
Transportation & car rental	213,024	162,273
Audit and Consulting fees	7,700	10,450
Medical Assistance	11,473	71,210
Activities & Animation	90	4,769
Expenses for kids	14,276	18,438
Kitchen materials	51	42
Publicity and advertisement	9,341	40,297
Event expenses	11,844	1,198
Training Fees	124,347	214,841
Temporary personel	2,072,316	1,945,655
Insurance Premium	26,579	13,898
Other Expenses	345,402	179,422
Total general expenses	3,243,473	3,112,929
Salaries & wages	927,562	674,283
Social security charges	182,367	128,453
Personnel charges	1,109,929	802,736
Total administrative expenses	4,353,402	3,915,665

10. Other operating result:

Other operating expenses for the year 2017 consist of the following:

	2017	2016
Taxes	3,264	1,922
Depreciation	22,061	16,814
Provisions	3,650	4,135
Total other operating expenses	28,975	22,871

Himaya
Notes to Financial Statements
December 31st, 2017
(Amount expressed in US-Dollars)

11. Financial result:

Financial result for the year 2017 consist of the following:

	2017	2016
Banks charges & interest	(1,993)	(2,490)
Negative difference of exchange	(1,184)	(668)
Total	(3,177)	(3,158)
Banks Interest	1,925	1,725
Positive difference of exchange	538	8
Total	2,463	1,733
Financial result	(714)	(1,425)

12. Contingent liabilities:

At December 31st, 2017, the contingent liabilities are as follows:

- a) The accounts of the company have not been reviewed by the tax administration. The ultimate outcome of any subsequent reviews cannot presently be determined.
- b) The accounts of the company have not been reviewed by the National Social Security Fund. The ultimate outcome of any subsequent reviews cannot presently be determined.

13. Approval of financial statements:

The financial statements were approved by the management and were authorized to issue on February 02nd, 2018.

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