

El Mufakirah Al Qanuniah-Legal Agenda

**Independent Audit report
and Financial statements
for the year ended 31 December 2021**

El Mufakirah Al Qanuniah-Legal Agenda

Independent auditor's report for the year ended 31 December 2021

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INDEPENDENT AUDITOR'S REPORT

To the Management Committee of
EI Mufakirah Al Qanuniah-Legal Agenda

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **EI Mufakirah Al Qanuniah-Legal Agenda** (the Association), which comprise the statement of financial position as at 31st December 2021, and the statement of operations and cash flows for the year then ended, and notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31st December 2021, 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 Association 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.

Emphasis of matter

Without qualifying our opinion, we draw attention to the operating environment of the Association whereby the events that took place in Lebanon since the last quarter of the year 2019 resulted in a severe economic and financial crisis that affected most of the entities with a deterioration of the economic environment, disruption of businesses and the devaluation of the Lebanese pound that reached around 27,500 LBP/USD on the parallel market as at 31 December 2021 while the official exchange rate used in the accompanying financial statements is still at 1,507.5 LBP/USD leading to significant differences of exchanges.

Going Concern

The Association financial statements have been prepared using the going concern basis of accounting. The use of this basis of accounting is appropriate unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so. As part of our audit of the financial statements, we have concluded that management's use of the going concern basis of accounting in the preparation of the Association's financial statements is appropriate.

Management has not identified a material uncertainty that may cast significant doubt on the entity's ability to continue as a going concern, and accordingly none is disclosed in the financial statements. Based on our audit of the financial statements, we also have not identified such a material uncertainty. However, neither management nor the auditor can guarantee the Association's ability to continue as a going concern.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management of the Association is responsible for the preparation and fair presentation of these 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. Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

The objectives of our audit 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 planning and performance of 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 entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 are required to 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 are also required to 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.

The engagement partner on the audit resulting in this independent auditor's report is Nadim A. Daher.

DAHER & PARTNERS

Civil Professional Company - LACPA registration number 70/2009

Mazda center - Boukather building - Jal El Dib highway - Jal El Dib - Lebanon

Beirut, 11th February 2022



El Mufakirah Al Qanuniah-Legal Agenda

Financial statements for the year ended 31 December 2021

STATEMENT OF FINANCIAL POSITION

<i>Amounts in US Dollars</i>	Note	31-Dec-21	31-Dec-20
ASSETS			
Non-current assets			
Tangible fixed assets		112,341	98,730
Accumulated depreciation		<u>(58,976)</u>	<u>(46,522)</u>
Total non-current assets	6	53,365	52,208
Current assets			
Advances to employees		500	500
Other receivables	7	507,628	102,410
Cash & banks	8	<u>157,678</u>	<u>240,838</u>
Total current assets		665,806	240,838
Total Assets		719,171	395,956
EQUITY & LIABILITIES			
Equity			
Accumulated surplus		262,500	485,354
Surplus (deficit) of the year		<u>251,002</u>	<u>(222,854)</u>
Total equity		513,502	262,500
Current liabilities			
Tax & social security payables	9	82,525	72,819
Due to employees		17,589	1,500
Other payables		<u>105,555</u>	<u>59,137</u>
Total current liabilities		205,669	133,456
Total Equity & Liabilities		719,171	395,956

The accompanying notes form an integral part of the financial statements and should be read in conjunction with them.

EI Mufakirah Al Qanuniah-Legal Agenda

Financial statements for the year ended 31 December 2021

STATEMENT OF OPERATIONS

<i>Amounts in US Dollars</i>	Note	31-Dec-21	31-Dec-20
Income / sources of funds			
Received donations	10	1,891,777	879,354
Interest revenues earned from banks		-	3,832
Total income		1,891,777	883,186
Disbursements			
Cost of projects		(1,158,650)	(703,089)
Administrative expenses	11	(214,472)	(111,642)
Salaries		(372,358)	(265,927)
Social security charges		(71,908)	(47,968)
Taxes and fees		(11,289)	(17,589)
Bank interest and commission charges		(7,106)	(5,086)
Positive difference of exchange, Net		207,462	52,802
Total disbursements		(1,628,321)	(1,098,499)
Surplus (Deficit) of the year		263,456	(215,313)
Variation in the accounts receivable		(405,218)	(53,232)
Variation in the accounts payable		72,213	66,182
Net change in working capital		(333,005)	12,950
Acquisition of fixed assets		(13,611)	(36,587)
Cash flow from investing activities		(13,611)	(36,587)
Net cash flow of the year		(83,160)	(238,950)
Cash brought forward from last year		240,838	479,788
Net cash position at the end of the year		157,678	240,838
Cash and cash equivalents (In USD)			
		31-Dec-21	31-Dec-20
Banks		117,713	239,981
Cash on hand		39,965	857
Total cash and cash equivalents		157,678	240,838

The accompanying notes form an integral part of the financial statements and should be read in conjunction with them.

El Mufakirah Al Qanuniah-Legal Agenda

Notes to the financial statements for the year ended 31 December 2021

1. Establishment and operations

Legal Agenda was incorporated under Ministry of Interior notification n° 2360 dated 22nd December 2009.

2. Local Address

The address of the association is in Laure and Joseph Meghizel Street, Badaro, Beirut.

3. Objectives and Activities

The objectives of the association are as follows:

- Follow-up the legal activities issued by any of the official authorities (laws, decrees, decisions, circulars, judicial judgments etc.) and specially, the activities published in the official Gazette and rectify them.
- Follow-up the projects of legal activities issued by the official authorities or any if the projects placed for public discussion and rectify them.
- Follow-up lawsuits and legal disputes placed for public discussion and rectify them.
- Inform the public opinion of all the above-mentioned matters.
- To achieve its objectives, the Association should perform all the activities within the framework of its subject, including to organize informative and cultural sessions, research seminars and symposiums, forums, exhibitions and conferences; issue periodical and non-periodical publications, to document information, exchange expertise, make studies, use audio-visual means, achieve its subject individually or with the participation, corporation, contribution of individuals or official authorities or other associations, companies, syndicates, universities, schools or establishments having the same subject or an analogous or complimentary subject in Lebanon and overseas as well as to carry out all activities related directly or indirectly to the aforementioned subject.

4. Representative of the Association

The general assembly of Legal Agenda held on 8th February 2020 elected the following executive board representing the association:

Mrs. Lama Karameh:	President
Mrs. Mona Omar:	Vice President
Mr. Nadi Abi Rached:	Secretary
Mrs Hala Kerbage:	Member
Mr. Tarek Zeidan:	Member

5. Main accounting principles

The financial statements and accompanying notes are prepared in accordance with International Financial Reporting Standards (IFRS) applied in Lebanon on a cash basis.

Consistency

In order for users to be able to compare the performance of the association in between periods, consistent accounting policies and procedures are applied by the association from one period to another. This does not mean that the association cannot change accounting policies if it changes in its activities, however, the cumulative effect of the change must be accounted for and disclosed in the financial statements.

Going concern assumption

It is presumed (subject to rebuttal by evidence to the contrary) that the association will continue to operate in the foreseeable future.

EI Mufakirah Al Qanuniah-Legal Agenda

Notes to the financial statements for the year ended 31 December 2021

6. Non-Current assets

This caption represents the net fixed assets detailed as follows:

<i>Amounts in US Dollars</i>	Gross value		
	Balance as at 1-Jan-21	Additions of the year	Balance as at 31-Dec-21
Computer equipment and software	65,307	13,611	78,918
Furniture	33,423	-	33,423
Total	98,730	13,611	112,341

<i>Amounts in US Dollars</i>	Accumulated depreciation			Net book value as at 31-Dec-21
	Balance as at 1-Jan-21	Additions of the year	Balance as at 31-Dec-21	
Computer equipment and software	29,644	9,780	39,424	39,494
Furniture	16,878	2,674	19,552	13,871
Total	46,522	12,454	58,976	53,365

7. Other receivables

This caption represents the balances due from third parties detailed as follows:

<i>Description (in USD)</i>	31-Dec-21	31-Dec-20
Legal Agenda / Netherland	463,698	-
Legal Agenda / Tunisia	23,421	56,436
Other receivables	20,509	45,974
Total	507,628	102,410

It is worth noting that the balance due from Legal Agenda / Netherland in the amount of USD 463,698 represents the funds received by Legal Agenda / Lebanon and deposited in the bank account of the sister organization Stichting Legal Agenda. On the other hand, the balance due from Legal Agenda / Tunisia in the amount of USD 23,421 represents the amounts transferred from Lebanon in order to cover the cost of projects in Tunisia.

8. Cash & Banks

The balance of this caption represents the cash on hand and available at banks detailed as follows:

Description	31-Dec-21		31-Dec-20	
	In LBP	In USD	In LBP	In USD
BLC Bank S.A.L / USD	-	67,430	-	150,705
Bank of Beirut S.A.L / USD	-	37,857	-	74,200
BLC Bank S.A.L / LBP	18,732,473	12,426	22,726,993	15,076
Total banks		117,713		239,981
Petty Cash / USD	-	39,786	-	200
Petty Cash / LBP	269,547	179	990,000	657
Total cash on hand		39,965		857
Total		157,678		240,838

EI Mufakirah Al Qanuniah-Legal Agenda

Notes to the financial statements for the year ended 31 December 2021

9. Tax and social security payables

This caption represents the tax and social security dues detailed as follows:

Description	31-Dec-21		31-Dec-20	
	In LBP	In USD	In LBP	In USD
Tax on salaries	18,972,378	12,585	18,981,795	12,592
Non-resident tax	18,835,805	12,495	10,089,231	6,693
Total taxes	37,808,183	25,080	29,071,026	19,285
Social security payables	86,598,733	57,445	80,704,240	53,534
Total	124,406,916	82,525	109,775,266	72,819

10. Received donations

The donations received by the association are detailed by donor as follows:

Description (in USD)	31-Dec-21	31-Dec-20
FORD	555,000	-
Open Society Foundation	455,000	258,333
Norwegian embassy	233,017	-
Swiss Embassy (FDFA)	230,085	229,934
Heinrich Boell foundation (HBF)	154,714	116,247
OXFAM	118,794	118,742
Abaad	54,964	44,558
ILO	44,718	36,624
Mozilla	19,980	42,000
Other donors	19,600	2,624
KAS	5,905	20,627
Defenders support to human rights	-	9,665
Total	1,891,777	879,354

11. Administrative expenses

The administrative expenses are detailed as follows:

Description (in USD)	31-Dec-21	31-Dec-20
Rent and related charges	59,400	26,201
Employees transportation allowances	25,980	18,209
Stationery, printings and office supplies	24,596	5,281
Heat, water and electricity	17,282	3,094
Subscription expenses	12,043	3,643
Audit fees	9,990	9,660
Entertainment and reception expenses	9,751	1,378
Travel expenses	8,769	6,738
Other expenses	46,661	37,438
Total	214,472	111,642