

EI Mufakirah Al Qanuniah-Legal Agenda

**Independent Audit report
and Statement of Operations
for the year ended 31 December 2018**

El Mufakirah Al Qanuniah-Legal Agenda

Independent auditor's report for the year ended 31 December 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the statement of operations of **El Mufakirah Al Qanuniah-Legal Agenda** (the Foundation), as at 31st December 2018.

In our opinion, the accompanying statement of operations present fairly, in all material respects, the financial position of the Company as at 31st December 2018, 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 Foundation 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.

Going Concern

The Foundation 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 Foundation 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 Foundation'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 Foundation's ability to continue as a going concern.

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

Management of the Foundation 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 Foundation'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.

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Independent auditor's report for the year ended 31 December 2018

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, 16th February 2019

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Statement of Operations for the year ended 31 December 2018

STATEMENT OF OPERATIONS

<i>Amounts in US Dollars</i>	Note	31-Dec-18	31-Dec-17
Income / sources of funds			
Received donations	6	1,152,264	996,497
Financial revenues		5,225	7,825
Difference of exchange revenues		6,336	90,805
Total income		1,163,825	1,095,127
Disbursements			
Cost of projects		(631,701)	(717,130)
Administrative expenses	7	(166,433)	(153,006)
Salaries		(186,793)	(140,647)
Social security charges		(37,217)	(26,832)
Taxes and fees		(13,665)	(5,390)
Financial charges		(2,291)	(2,842)
Difference of exchange charges		(1,460)	(80,806)
Total disbursements		(1,039,560)	(1,126,653)
Surplus / (deficit)		124,265	(31,526)
Variation in other accounts receivable and payable		(213)	9,818
Acquisition of fixed assets		(1,551)	-
Total cash brought forward from last year		372,552	394,260
Surplus / (deficit)		495,053	372,552
Cash and cash equivalents (In LBP)			
		31-Dec-18	31-Dec-17
Banks		493,476	371,519
Cash		1,577	1,033
Total cash and cash equivalents	8	495,053	372,552

El Mufakirah Al Qanuniah-Legal Agenda

Notes to the statement of operations for the year ended 31 December 2018

1. Establishment and operations

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

2. Local Address

The address of the association is in 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 Foundation

The general assembly of Legal Agenda held on 21st November 2018 elected the following executive board representing the association:

Mrs. Ghida Frangieh:	President
Mrs. Mona Omar:	Vice President
Mr. Samer Ghamroun:	Secretary
Mr. Karim Namour:	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 foundation in between periods, consistent accounting policies and procedures are applied by the foundation from one period to another. This does not mean that the foundation 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 foundation will continue to operate in the foreseeable future.

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Notes to the statement of operations for the year ended 31 December 2018

6. Donations

The balance of this caption represents the donations received in 2018 detailed as follows:

Description (in USD)	31-Dec-18
Open Society Foundation	543,167
Swiss Embassy (FDFA)	279,561
Norwegian embassy	116,822
Heinrich Boell foundation	111,608
OXFAM	26,240
KAS	20,354
OHCHR	20,157
Dignity	17,906
FORD	11,500
ILO	4,480
Independant Media Coalition	469
Total	1,152,264

7. Administrative expenses

The administrative expenses are detailed as follows:

Description (in USD)	31-Dec-18	31-Dec-17
Travel expenses	42,260	43,802
Rent and common charges	41,858	37,120
Audit fees	13,320	6,820
Employees transportation allowances	12,206	10,746
Printing and stationery expenses	11,117	2,694
Repair and maintenance expenses	10,151	2,949
Entertainment and reception expenses	7,781	11,076
Formality charges	6,215	177
Accounting fees	4,382	3,000
Telecommunication expenses	3,512	11,307
Heat , water and electricity	3,451	3,636
Advertising expenses	2,931	2,250
Cleaning expenses	2,469	2,255
Transportation expenses	2,239	-
Fuel expenses	1,735	-
Other expenses	679	743
Notary fees	127	922
Donation	-	13,509
Total	166,433	153,006

8. Cash & Banks

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

Description	31-Dec-18		31-Dec-17	
	In F.C.	In USD	In F.C.	In USD
BLC Bank S.A.L / USD	-	493,039	369,530	369,530
BLC Bank S.A.L / EUR	382	437	1,659	1,989
Petty Cash / USD	-	1,577	-	1,033
Total		495,053		372,552