

**EI Mufakirah Al Qanuniah-Legal Agenda**

**Independent Audit report  
and Statement of Operations  
for the year ended 31 December 2019**

# El Mufakirah Al Qanuniah-Legal Agenda

Independent auditor's report for the year ended 31 December 2019

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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 Association), as at 31<sup>st</sup> December 2019.

In our opinion, the accompanying statement of operations present fairly, in all material respects, the financial position of the Company as at 31<sup>st</sup> December 2019, 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.

#### 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, 25<sup>th</sup> January 2020



# El Mufakirah Al Qanuniah-Legal Agenda

Statement of Operations for the year ended 31 December 2019

## STATEMENT OF OPERATIONS

| <i>Amounts in US Dollars</i>                       | Note | 31-Dec-19        | 31-Dec-18          |
|--|------|------------------|--------------------|
| <b>Income / sources of funds</b>                   |      |                  |                    |
| Received donations                                 | 6    | 992,066          | 1,152,264          |
| Financial revenues                                 |      | 16,321           | 5,225              |
| Difference of exchange revenues                    |      | 76               | 6,336              |
| <b>Total income</b>                                |      | <b>1,008,463</b> | <b>1,163,825</b>   |
| <b>Disbursements</b>                               |      |                  |                    |
| Cost of projects                                   |      | (510,119)        | (631,701)          |
| Administrative expenses                            | 7    | (175,719)        | (166,433)          |
| Salaries   |      | (239,662)        | (186,793)          |
| Social security charges                            |      | (42,235)         | (37,217)           |
| Taxes and fees                                     |      | (2,086)          | (13,665)           |
| Financial charges                                  |      | (2,211)          | (2,291)            |
| Difference of exchange charges                     |      | (3,342)          | (1,460)            |
| <b>Total disbursements</b>                         |      | <b>(975,374)</b> | <b>(1,039,560)</b> |
| <b>Surplus from operations</b>                     |      | <b>33,089</b>    | <b>124,265</b>     |
| Variation in other accounts receivable and payable |      | (43,303)         | (213)              |
| Acquisition of fixed assets                        |      | (5,051)          | (1,551)            |
| Total cash brought forward from last year          |      | 495,053          | 372,552            |
| <b>Cash Surplus of the year</b>                    |      | <b>479,788</b>   | <b>495,053</b>     |
| <b>Cash and cash equivalents (In USD)</b>          |      |                  |                    |
|  |      | <b>31-Dec-19</b> | <b>31-Dec-18</b>   |
| Banks  |      | 464,647          | 493,476            |
| Cash   |      | 15,141           | 1,577              |
| <b>Total cash and cash equivalents</b>             | 8    | <b>479,788</b>   | <b>495,053</b>     |

# El Mufakirah Al Qanuniah-Legal Agenda

Notes to the statement of operations for the year ended 31 December 2019

## 1. Establishment and operations

Legal Agenda was incorporated under Ministry of Interior notification n° 2360 dated 22<sup>nd</sup> 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 Association

The general assembly of Legal Agenda held on 8<sup>th</sup> February 2019 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 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 statement of operations for the year ended 31 December 2019

### 6. Received donations

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

| Description (in USD)        | 31-Dec-19      | 31-Dec-18        |
|-----------------------------|----------------|------------------|
| FORD                        | 323,401        | 11,500           |
| Swiss Embassy (FDFA)        | 254,595        | 279,561          |
| European union              | 183,349        | -                |
| Heinrich Boell foundation   | 90,824         | 111,608          |
| ILO                         | 57,359         | 4,480            |
| OXFAM                       | 37,704         | 26,240           |
| KAS                         | 14,637         | 20,354           |
| KI-LB                       | 11,000         | -                |
| OHCHR                       | 8,639          | 20,157           |
| Dignity                     | 5,228          | 17,906           |
| AFE                         | 5,000          | -                |
| Other donations             | 330            | -                |
| Open Society Foundation     | -              | 543,167          |
| Norwegian embassy           | -              | 116,822          |
| Independant Media Coalition | -              | 469              |
| <b>Total</b>                | <b>992,066</b> | <b>1,152,264</b> |

### 7. Administrative expenses

The administrative expenses are detailed as follows:

| Description (in USD)                 | 31-Dec-19      | 31-Dec-18      |
|--------------------------------------|----------------|----------------|
| Rent and related charges             | 41,266         | 41,858         |
| Travel expenses                      | 40,568         | 42,260         |
| Repair and maintenance expenses      | 22,494         | 10,151         |
| Employees transportation allowances  | 16,368         | 12,206         |
| Printing and stationery expenses     | 10,442         | 11,117         |
| Entertainment and reception expenses | 7,690          | 7,781          |
| Formality charges                    | 5,757          | 6,215          |
| Telecommunication expenses           | 5,083          | 3,512          |
| Fuel expenses                        | 4,326          | 1,735          |
| Transportation expenses              | 3,441          | 2,239          |
| Advertising expenses                 | 3,338          | 2,931          |
| Audit fees                           | 3,330          | 13,320         |
| Heat, water and electricity          | 2,941          | 3,451          |
| Cleaning expenses                    | 2,765          | 2,469          |
| Donations                            | 2,765          | -              |
| Accounting fees                      | 1,975          | 4,382          |
| Other expenses                       | 592            | 679            |
| Notary fees                          | 578            | 127            |
| <b>Total</b>                         | <b>175,719</b> | <b>166,433</b> |

## El Mufakirah Al Qanuniah-Legal Agenda

Notes to the statement of operations for the year ended 31 December 2019

### 8. Cash & Banks

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

| Description          | 31-Dec-19 |                | 31-Dec-18 |                |
|----------------------|-----------|----------------|-----------|----------------|
|                      | In F.C.   | In USD         | In F.C.   | In USD         |
| BLC Bank S.A.L / USD | -         | 464,405        | -         | 493,039        |
| BLC Bank S.A.L / LBP | 364,135   | 242            | -         | -              |
| BLC Bank S.A.L / EUR | -         | -              | 382       | 437            |
| Total                |           | 464,647        |           | 493,476        |
| Petty Cash / USD     | -         | 15,141         | -         | 1,577          |
| <b>Total</b>         |           | <b>479,788</b> |           | <b>495,053</b> |