

CENTRE LIBANAIS DES DROITS
HUMAINS (CLDH)

FINANCIAL STATEMENTS
31 DECEMBER 2019

BDO

SEMAAN, GHOLAM & Co.

CENTRE LIBANAIS DES DROITS
HUMAINS (CLDH)

FINANCIAL STATEMENTS
31 DECEMBER 2019

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

- 1) Independent Auditor's Report;
- 2) Statement of financial position as at 31 December 2019;
- 3) Statement of income and expenses for the year ended 31 December 2019;
- 4) Statement of cash flows for the year ended 31 December 2019;
- 5) Notes to the financial statements for the year ended 31 December 2019.

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INDEPENDENT AUDITOR'S REPORT

To the Association Board
Centre Libanais des Droits Humains (CLDH)
Beirut, Lebanon.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Centre Libanais des Droits Humains (CLDH) (the Organization), which comprise the statement of financial position as at 31 December 2019 and the statement of income and expense, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the *Basis for qualified opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 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 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.

Emphasis of matter

We draw attention to:

- note 2-a to the financial statements which describes the economic and financial environment of Lebanon in which the Organization is operating;
- note 11 to the financial statements which describes that due to the ongoing impact of COVID-19, there is high estimation uncertainty of the impact of COVID-19 on the activities of the Organization.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Association Board
Centre Libanais des Droits Humains (CLDH)

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 Association'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 Association, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Association Board
Centre Libanais des Droits Humains (CLDH)

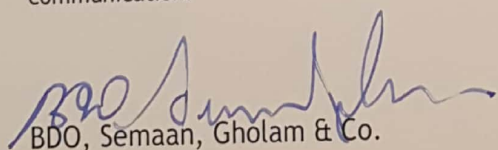
Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Association'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 Association 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 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.



BDO, Semaan, Gholam & Co.

Beirut, Lebanon

17 June 2020

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)
 STATEMENT OF FINANCIAL POSITION
 At 31 December 2019

	<u>Note</u>	<u>31.12.2019</u> USD.	<u>31.12.2018</u> USD.
ASSETS			
<u>NON-CURRENT ASSETS</u>			
Intangibles	3	1,469	1,913
Property and equipment	4	13,155	18,266
		<hr/>	<hr/>
Total non-current assets		14,624	20,179
		<hr/>	<hr/>
<u>CURRENT ASSETS</u>			
Accounts receivable	5	34,800	20,673
Cash and banks	10	476,156	426,319
		<hr/>	<hr/>
Total current assets		510,956	446,992
		<hr/>	<hr/>
TOTAL ASSETS		525,580	467,171
		<hr/>	<hr/>
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Accumulated excess		460,866	66,920
Excess of revenue over expenses for the year		59,732	393,946
		<hr/>	<hr/>
Total equity		505,758	460,866
		<hr/>	<hr/>
<u>CURRENT LIABILITIES</u>			
Accounts payable	6	19,822	6,305
		<hr/>	<hr/>
TOTAL EQUITY AND LIABILITIES		525,580	467,171
		<hr/>	<hr/>

The accompanying notes from 1 to 11 form an integral part of these financial statements.

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF INCOME AND EXPENSES

For the year ended 31 December 2019

	<u>Note</u>	<u>2019</u> USD.	<u>2018</u> USD.
REVENUE			
Donations	7	780,485	995,850
Interest and similar income		145	62
Positive difference of exchange		2,289	515
		<u>782,919</u>	<u>996,427</u>
EXPENSES			
General expenses	8	491,050	544,380
Staff expenses	9	239,479	49,472
Taxes		607	475
Depreciation and amortization	3-4	5,555	4,602
Interest and similar charges		103	2
Negative difference of exchange		1,233	3,550
		<u>738,027</u>	<u>602,481</u>
Excess of revenue over expenses for the year		<u>44,892</u>	<u>393,946</u>

The accompanying notes from 1 to 11 form an integral part of these financial statements.

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	<u>Note</u>	<u>2019</u> USD.	<u>2018</u> USD.
<u>OPERATING ACTIVITIES</u>			
Excess for the year		44,892	393,946
Adjustments:			
- Depreciation and amortization		5,555	4,602
(Increase) in accounts receivable		(14,127)	(20,593)
(Decrease) in advances received		-	(150,663)
Increase in accounts payable		13,517	5,606
Cash from operating activities		<u>49,837</u>	<u>232,898</u>
<u>INVESTING ACTIVITIES</u>			
Acquisition of property and equipment		-	(8,745)
Net cash (used in) investing activities		<u>-</u>	<u>(8,745)</u>
<u>INCREASE IN CASH AND CASH EQUIVALENTS</u>		<u>49,837</u>	<u>224,153</u>
<u>CASH AND CASH EQUIVALENTS</u>	10		
- at beginning of year		426,319	202,166
- at end of year		<u>476,156</u>	<u>426,319</u>

The accompanying notes from 1 to 11 form an integral part of these financial statements.

1- THE ASSOCIATION

Centre Libanais des Droits Humains (CLDH) is a non for profit organization established in 2007 and registered with the Ministry of Interior under Number 23220 by virtue of the Associations Law stated under legislative decree No.14953.

These financial statements comprise the accounts of Nassim Association, together, a non for profit organization established in 2015 and registered with the Ministry of Interior under Number 1090 by virtue of the Association Law stated under legislative decree No.3119464.

The Association activities are funded by the memberships fees, governmental and institutions grants and private donations. Its main objectives are to protect human rights, fight against enforced disappearances, arbitrary detention, impunity and helping victims of torture.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2-a- Lebanon economic and financial environment

Since October 2019, Lebanon is witnessing an extremely severe financial and economic crisis. Lebanese banks access to international financing has dried. Consequently, banks credit facilities to their clients in foreign currencies are frozen and a de-facto capital control has been implemented. Transfers outside the country have been restricted to those who have private financial commitments and on a case by case basis.

Import of primary products (such as fuel, medicine, etc...) is channeled through the Bank of Lebanon. A parallel market for foreign exchange is now operating through regulated and non-regulated exchange offices, with difference between official and parallel rates reaching 50% and more.

The Government has defaulted on USD.1.2 billion Eurobonds in early March 2020, and by the end of same month announced that it will discontinue payments on all its foreign currency denominated Eurobonds, which led to further downgrading the country and local banks by international rating agencies.

This situation may lead the Company to downsize its operations in Lebanon. Management is closely monitoring the circumstances including major indicators to minimize risks it is facing.

2-b- Basis for preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

The financial statements are presented in US Dollar.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2-c- Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 January 2019

New standards impacting the Company that have been adopted in the annual financial statements for the year ended 31 December 2019, and which have given rise to changes in the Company's accounting policies are:

- IFRS 16 *Leases* (IFRS 16); and
- IFRIC 23 *Uncertainty over Income Tax Treatments* (IFRIC 23)

Other new and amended standards and interpretations issued by the IASB that will apply for the first time in the next annual financial statements are not expected to impact the Company as they are either not relevant to the Company's activities or require accounting which is consistent with the Company's current accounting policies.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. The most significant of these are as follows, which are all effective for the period beginning 1 January 2020:

- IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (Amendment - Definition of Material)
- IFRS 3 *Business Combinations* (Amendment - Definition of Business)
- Revised Conceptual Framework for Financial Reporting

c) Other

The Company does not expect any other standards issued by the IASB, but not yet effective, to have a material impact on the Company.

2-d- Significant accounting policies

Foreign currency translation

Balances of assets and liabilities of the Association denominated in currencies other than the US dollar are translated into US dollar at the rates of exchange prevailing at the year-end.

Revenues and expenses are translated into US dollar at a rate approximating the average rates of exchange prevailing during the year.

The resulting difference is accounted for in the statement of income and expenses.

Intangibles

Intangibles are stated at cost less amortization thereon calculated at the rate of 20%.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2-d- Significant accounting policies (continued)

Property and equipment

The cost of property and equipment is their purchase cost together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of these assets, on a straight line basis over the expected useful lives of the assets concerned, at the following annual rates:

	%	Year
Computer equipment	20	5
Office equipment	8	12.5
Furniture	8	12.5
General installations	8	12.5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down of their recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

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.

Donations

Donations received are recognized in the statement of income upon reception.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and highly liquid investments with insignificant risk of changes in value and original maturities of three months or less at the date of acquisition.

Use of estimates

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from the estimates under different assumptions and conditions.

3- INTANGIBLES

The movement of intangible accounts and related amortization for the year 2019, is summarized as follows:

	Balance at <u>1.1.2019</u>	<u>Additions</u>	Balance at <u>31.12.2019</u>
	USD.	USD.	USD.
<u>COST</u>			
Software	2,220	-	2,220
	<u> </u>	<u> </u>	<u> </u>
<u>DEPRECIATION</u>			
Software	307	444	751
	<u> </u>	<u> </u>	<u> </u>
Net book value as at 31.12.2019			1,469
Net book value as at 31.12.2018			<u><u>1,913</u></u>

4- PROPERTY AND EQUIPMENT

The movement of property and equipment accounts and related depreciation, for the year 2019, is summarized as follows:

	Balance at <u>1.1.2019</u>	<u>Additions</u>	Balance at <u>31.12.2019</u>
	USD.	USD.	USD.
<u>COST</u>			
Computer equipment	25,029	-	25,029
Office equipment	22,537	-	22,537
General installations	1,055	-	1,055
Furniture	8,528	-	8,528
	<u>57,149</u>	<u>-</u>	<u>57,149</u>
	<u> </u>	<u> </u>	<u> </u>
<u>DEPRECIATION</u>			
Computer equipment	17,685	2,542	20,227
Office equipment	14,182	1,803	15,985
General installations	7	84	91
Furniture	7,009	682	7,691
	<u>38,883</u>	<u>5,111</u>	<u>43,994</u>
	<u> </u>	<u> </u>	<u> </u>
Net book value at 31.12.2019			13,155
Net book value at 31.12.2018			<u><u>18,266</u></u>

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)
 NOTES TO THE FINANCIAL STATEMENTS
 For the year ended 31 December 2019

5- ACCOUNTS RECEIVABLE

	31.12.2019	31.12.2018
	USD.	USD.
	-	13,157
Due from Personnel	34,605	7,500
Due from Board Member	195	16
Other debtors		
	<u>34,800</u>	<u>20,673</u>

6- ACCOUNTS PAYABLE

	31.12.2019	31.12.2018
	USD.	USD.
	3,738	5,289
Social security	2,010	416
Taxes	8,195	600
Accrued expenses	5,800	-
Accountant	79	-
Others		
	<u>19,822</u>	<u>6,305</u>

Accrued expenses USD.6,195
 Rent related to the following year.

7- DONATIONS

	2019	2018
	USD.	USD.
	-	95,242
The Sigrid Rausing Trust (SRT 1)	78,028	-
The Ministry of Foreign Affairs of Denmark - (DANIDA)	67,955	79,955
Dutch Ministry of Foreign Affairs		
United Nations Office of the High Commissioner for Human Rights (OHCHR)	8,000	18,667
Regional Development and Protection Programme (RDPP)	33,629	158,075
Other	17,037	34,852
Embassy of Switzerland in Lebanon	243,225	190,000
Open Society Foundation - OSF	125,000	125,000
Norwegian Refugee Council - NRC	-	114,603
Forum refugee	-	8,093
OXFAM GAC 2019 - 2020 (GAC)	79,641	-
The Sigrid Rausing Trust (SRT 2)	127,970	-
Prior year adjustments	-	171,363
	<u>780,485</u>	<u>995,850</u>

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 December 2019

8- GENERAL EXPENSES

	<u>2019</u>	<u>2018</u>
	USD.	USD.
Project expenses	83,390	81,973
Beneficiaries expenses	19,062	42
Social workers	7,800	21,078
Post and telecommunication charges	4,966	2,648
Maintenance and repairs	14,567	15,581
Rent	28,176	21,000
Electricity	3,720	4,499
Travel and accommodation expenses	1,577	20,579
Entertainment	8,512	5,306
Professional and legal fees	294,373	318,115
Training	3,971	8,898
Documentation	10,836	4,900
Translation expenses	-	1,519
Prior year adjustment	-	25,909
Other expenses	10,100	12,333
	<u>491,050</u>	<u>544,380</u>

9- STAFF EXPENSES

	<u>2019</u>	<u>2018</u>
	USD.	USD.
Salaries and wages	178,430	38,126
Transportation	12,475	4,799
Social charges	33,734	6,547
Indemnity	14,840	-
	<u>239,479</u>	<u>49,472</u>

10- CASH AND CASH EQUIVALENTS

	<u>31.12.2019</u>	<u>31.12.2018</u>
	USD.	USD.
Cash	310	32,322
Banks - debit balances	475,846	393,997
	<u>476,156</u>	<u>426,319</u>

11- SUBSEQUENT EVENTS

As from early 2020, COVID-19 has spread in almost every country in the world which resulted in disruption in all economies and a sharp drop and volatility in the value of traded financial instruments. It is currently highly uncertain to estimate the impact of COVID-19 on the activities of the Organization.

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**CENTRE LIBANAIS DES DROITS
HUMAINS (CLDH)**

**FINANCIAL STATEMENTS
31 DECEMBER 2020**

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

- 1) Independent Auditor's report;
- 2) Statement of financial position as at 31 December 2020;
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INDEPENDENT AUDITOR'S REPORT

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Report on the audit of the financial statements

Opinion

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In our opinion, except for the effects of the matter described in the *Basis for qualified* opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at 31 December 2020, 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 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.

Emphasis of matter

Without modifying our opinion, we draw attention to:

- note 2-a to the financial statements which describes the economic and financial environment of Lebanon in which the Association is operating;
- note 2-b to the financial statements describing the possible impact of COVID-19.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Association Board
Centre Libanais des Droits Humains (CLDH)

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

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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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- 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



SEMAAN, GHOLAM & Co.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Association Board
Centre Libanais des Droits Humains (CLDH)

Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Association'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 Association to cease to continue as a going concern.
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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.

BDO, Semaan, Gholam & Co.

Beirut, Lebanon

25 November 2021

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF FINANCIAL POSITION

At 31 December 2020

	<u>Note</u>	<u>31.12.2020</u> USD.	<u>31.12.2019</u> USD.
ASSETS			
<u>NON-CURRENT ASSETS</u>			
Intangibles	3	1,025	1,469
Property and equipment	4	9,067	13,155
Total non-current assets		10,092	14,624
<u>CURRENT ASSETS</u>			
Accounts receivable	5	2,284	34,800
Cash and banks	6	578,491	476,156
Total current assets		580,775	510,956
TOTAL ASSETS		590,867	525,580
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Accumulated excess		505,758	460,866
Excess of revenue over expenses for the year		72,800	44,892
Total equity		578,558	505,758
<u>CURRENT LIABILITIES</u>			
Accounts payable	7	12,309	19,822
TOTAL EQUITY AND LIABILITIES		590,867	525,580

The accompanying notes from 1 to 12 form an integral part of these financial statements.

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF INCOME AND EXPENSES

For the year ended 31 December 2020

	<u>Note</u>	<u>2020</u> USD.	<u>2019</u> USD.
REVENUE			
Donations	8	1,028,793	780,485
Interest and similar income		30	145
Positive difference of exchange		12,786	2,289
		<u>1,041,609</u>	<u>782,919</u>
EXPENSES			
General expenses	9	578,426	491,050
Staff expenses	10	316,932	239,479
Taxes		310	607
Depreciation and amortization	3 - 4	4,532	5,555
Interest and similar charges		230	103
Negative difference of exchange		2,755	1,233
Provision for expected credit losses	11	65,624	-
		<u>968,809</u>	<u>738,027</u>
Excess of revenue over expenses for the year		<u>72,800</u>	<u>44,892</u>

The accompanying notes from 1 to 12 form an integral part of these financial statements.

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2020

	<u>Note</u>	<u>2020</u> USD.	<u>2019</u> USD.
<u>OPERATING ACTIVITIES</u>			
Excess for the year		72,800	44,892
Adjustments:			
- Provision for expected credit losses		65,624	-
- Depreciation and amortization		4,532	5,555
Decrease (increase) in accounts receivable		32,515	(14,127)
(Decrease) increase in accounts payable		(7,513)	13,517
Cash from operating activities		<u>167,959</u>	<u>49,837</u>
<u>INCREASE IN CASH AND CASH EQUIVALENTS</u>		167,959	49,837
<u>CASH AND CASH EQUIVALENTS</u>	12		
- at beginning of year		476,156	426,319
- at end of year		<u>644,115</u>	<u>476,156</u>

The accompanying notes from 1 to 12 form an integral part of these financial statements.

1- THE ASSOCIATION

Centre Libanais des Droits Humains (CLDH) is a non-for profit organization established in 2007 and registered with the Ministry of Interior under Number 23220 by virtue of the Associations Law stated under legislative decree No.14953.

These financial statements comprise the accounts of Nassim Association, together, a non-for profit organization established in 2015 and registered with the Ministry of Interior under Number 1090 by virtue of the Association Law stated under legislative decree No.3119464.

The Association activities are funded by the memberships fees, governmental and institutions grants and private donations. Its main objectives are to protect human rights, fight against enforced disappearances, arbitrary detention, impunity and helping victims of torture.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2-a- Lebanon economic and financial environment

Since October 2019, Lebanon is witnessing an extremely severe financial and economic crisis. Lebanese banks access to international financing has dried. Consequently, banks credit facilities to their clients in foreign currencies are frozen and a de-facto capital control has been implemented. Transfers outside the country have been restricted to those who have private financial commitments and on a case by case basis.

Import of primary products (such as fuel, medicine, etc...) is channeled through the Bank of Lebanon. A parallel market for foreign exchange is now operating through regulated and non-regulated exchange offices, with huge differences between official and parallel rates.

The Government has defaulted on USD.1.2 billion Eurobonds in early March 2020, and by the end of same month announced that it will discontinue payments on all its foreign currency denominated Eurobonds, which led to further downgrading the country and local banks by international rating agencies.

This situation may lead the Association to downsize its operations in Lebanon. Management is closely monitoring the circumstances including major indicators to minimize risks it is facing.

2-b- COVID-19 Pandemic

As from early 2020, COVID-19 has spread in almost every country in the world which resulted in disruption in all economies and a sharp drop and volatility in the business activity. It is currently highly uncertain to estimate the impact on the Association due to reduced business activities.

2-c- Basis for preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

The financial statements are presented in US Dollar.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2-d- Changes in accounting policies

New and amended IFRS Standards that are effective for the current year:

- Amendments to IFRS 3: *Definition of a business*;
- Amendments to IFRS 7, IFRS 9 and IFRS 39: *Interest rate benchmark reform*;
- Amendments to IAS 1 and IAS 8: *Definition of material*;
- Conceptual framework for financial reporting issued on 29 March 2018;
- Amendments to IFRS 16: *Covid-19 related rent concessions*.

These amendments had no impact on the disclosures or on the amounts reported in the financial statements.

New and revised standards in issue but not yet effective:

- IFRS 17: *Insurance contracts*;
- Amendments to IFRS 10 and IAS 28: *Sale or contribution of assets between an investor and its associate or joint venture*;
- Amendments to IAS 1: *Classification of liabilities as current or non-current*;
- Amendments to IFRS 3: *Reference to the conceptual framework*;
- Amendments to IAS 16: *Property, plant and equipment-Proceeds before intended use*;
- Amendments to IAS 37: *Onerous contracts-cost of fulfilling a contract*;
- Annual improvements to IFRS Standards 2018-2020.

2-e- Significant accounting policies

Foreign currency translation

Balances of assets and liabilities of the Association denominated in currencies other than the US Dollar are translated into US Dollar at the rates of exchange prevailing at the year-end.

Revenues and expenses are translated into US dollar at a rate approximating the average rates of exchange prevailing during the year.

The resulting difference is accounted for in the statement of income and expenses.

Intangibles

Intangibles are stated at cost less amortization thereon calculated at the rate of 20%.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**2-e- Significant accounting policies (continued)****Property and equipment**

The cost of property and equipment is their purchase cost together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of these assets, on a straight line basis over the expected useful lives of the assets concerned, at the following annual rates:

	%	Year
Computer equipment	20	5
Office equipment	8	12.5
Furniture	8	12.5
General installations	8	12.5

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down of their recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

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.

Donations

Donations received are recognized in the statement of income upon reception.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and highly liquid investments with insignificant risk of changes in value and original maturities of three months or less at the date of acquisition.

Use of estimates

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from the estimates under different assumptions and conditions.

3- INTANGIBLES

The movement of intangible accounts and related amortization for the year 2020, is summarized as follows:

	Balance at <u>1.1.2020</u> USD.	<u>Additions</u> USD.	Balance at <u>31.12.2020</u> USD.
<u>COST</u>			
Software	2,220	-	2,220
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
Software	751	444	1,195
	<hr/>	<hr/>	<hr/>
	<u>Net book value as at 31.12.2020</u>		1,025
	<u>Net book value as at 31.12.2019</u>		1,469

4- PROPERTY AND EQUIPMENT

The movement of property and equipment accounts and related depreciation, for the year 2020, is summarized as follows:

	Balance at <u>1.1.2020</u> USD.	<u>Additions</u> USD.	Balance at <u>31.12.2020</u> USD.
<u>COST</u>			
Computer equipment	25,029	-	25,029
Office equipment	22,537	-	22,537
General installations	1,055	-	1,055
Furniture	8,528	-	8,528
	<hr/>	<hr/>	<hr/>
	57,149	-	57,149
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
Computer equipment	20,227	1,511	21,738
Office equipment	15,985	1,808	17,793
General installations	91	85	176
Furniture	7,691	684	8,375
	<hr/>	<hr/>	<hr/>
	43,994	4,088	48,082
	<hr/>	<hr/>	<hr/>
	<u>Net book value at 31.12.2020</u>		9,067
	<u>Net book value at 31.12.2019</u>		13,155

5- ACCOUNTS RECEIVABLE

	<u>31.12.2020</u>	<u>31.12.2019</u>
	USD.	USD.
Due from staff	837	-
Due from Board Member	-	34,605
Other debtors	1,447	195
	<u>2,284</u>	<u>34,800</u>

6- CASH AND BANKS

	<u>31.12.2020</u>	<u>31.12.2019</u>
	USD.	USD.
Cash	94,959	310
Deposits with banks	483,532	475,846
	<u>578,491</u>	<u>476,156</u>

Deposits with banks

	<u>31.12.2020</u>	<u>31.12.2019</u>
	USD.	USD.
Deposits with banks	549,156	475,846
<u>Less/-</u> Provision for expected credit losses (Note 11)	65,624	-
	<u>483,532</u>	<u>475,846</u>

7- ACCOUNTS PAYABLE

	<u>31.12.2020</u>	<u>31.12.2019</u>
	USD.	USD.
Social security contributions	6,151	3,738
Taxes	5,950	2,010
Accrued expenses	-	8,195
Accountants	-	5,800
Others	208	79
	<u>12,309</u>	<u>19,822</u>

8- DONATIONS

	<u>2020</u>	<u>2019</u>
	USD.	USD.
The Sigrid Rausing Trust (Emergency Response)	91,777	-
The Ministry of Foreign Affairs of Denmark - (DANIDA)	22,874	78,028
Dutch Ministry of Foreign Affairs	-	67,955
United Nations Office of the High Commissioner for Human Rights (OHCHR)	-	8,000
Regional Development and Protection Programme (RDPP)	-	33,629
Embassy of Switzerland in Lebanon	91,527	243,225
Open Society Foundation - OSF	142,500	125,000
OXFAM 2020	79,705	-
OXFAM GAC 2020 - 2022 (GAC 2)	89,197	-
OXFAM GAC 2019 - 2020 (GAC 1)	37,127	79,641
The Sigrid Rausing Trust	33,121	127,970
Fondation de France (Emergency Response)	18,800	-
OXFAM Appeal (Emergency Response)	27,717	-
The Ministry of Foreign Affairs of Denmark - (DANIDA) (Emergency Response)	13,930	-
MKS Foundation	20,000	-
Swiss State Secretariat for Migration (SEM) 2020 - 2022	249,950	-
Agence Française de Développement - REVIV	57,395	-
Other	53,173	17,037
	<u>1,028,793</u>	<u>780,485</u>

9- GENERAL EXPENSES

	<u>2020</u>	<u>2019</u>
	USD.	USD.
Project expenses	78,527	83,390
Beneficiaries expenses	55,587	19,062
Social workers	7,809	7,800
Post and telecommunication charges	8,826	4,966
Maintenance and repairs	14,558	14,567
Rent	26,763	28,176
Electricity	4,821	3,720
Travel and accommodation expenses	660	1,577
Entertainment	26,277	8,512
Professional and legal fees	323,400	294,373
Training	5,748	3,971
Documentation	17,779	10,836
Translation expenses	2,486	-
Other expenses	5,185	10,100
	<u>578,426</u>	<u>491,050</u>

10- STAFF EXPENSES

	<u>2020</u>	<u>2019</u>
	USD.	USD.
Salaries and wages	257,643	178,430
Transportation	11,046	12,475
Social charges	48,243	33,734
Indemnity	-	14,840
	<u>316,932</u>	<u>239,479</u>

11- PROVISION FOR EXPECTED CREDIT LOSSES

	<u>2020</u>	<u>2019</u>
	USD.	USD.
Balance at 1 January	-	-
Add/- Provision for expected credit losses	65,624	-
Balance at 31 December	<u>65,624</u>	<u>-</u>

Provision for expected credit losses

Allowance for expected credit losses on bank accounts in foreign currencies, according to the requirements of IFRS 9 "Financial instruments".

12- CASH AND CASH EQUIVALENTS

	<u>31.12.2020</u>	<u>31.12.2019</u>
	USD.	USD.
Cash	94,959	310
Banks	549,156	475,846
	<u>644,115</u>	<u>476,156</u>

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**CENTRE LIBANAIS DES DROITS
HUMAINS (CLDH)**

**FINANCIAL STATEMENTS
31 DECEMBER 2021**

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

- 1) Independent Auditor's report;
- 2) Statement of financial position as at 31 December 2021;
- 3) Statement of income and expenses for the year ended 31 December 2021;
- 4) Statement of cash flows for the year ended 31 December 2021;
- 5) Notes to the financial statements for the year ended 31 December 2021.

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INDEPENDENT AUDITOR'S REPORT

To the Association Board
Centre Libanais des Droits Humains (CLDH)
Beirut, Lebanon.

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Centre Libanais des Droits Humains (CLDH) (the Association), which comprise the statement of financial position as at 31 December 2021 and the statement of income and expense, statement of cash flows for the year then 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 Association as at 31 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 International Ethics Standards Board for Accounts' *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.

Emphasis of matter

Without modifying our opinion, we draw attention to:

- note 2-a to the financial statements which describes the economic and financial environment of Lebanon in which the Association is operating;
- note 2-b to the financial statements describing the possible impact of COVID-19.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Association Board
Centre Libanais des Droits Humains (CLDH)

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 Association'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 Association, or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (continued)

To the Association Board
Centre Libanais des Droits Humains (CLDH)

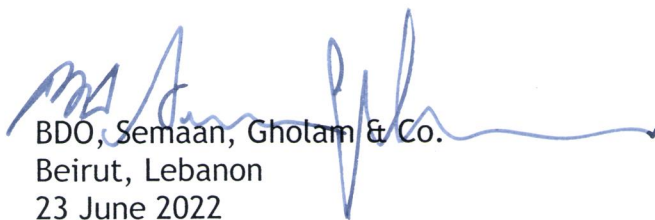
Auditor's responsibilities for the audit of the financial statements (continued)

- 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 Association'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 Association 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 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.



BDO, Semaan, Gholam & Co.
Beirut, Lebanon
23 June 2022

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF FINANCIAL POSITION

At 31 December 2021

	<u>Note</u>	<u>31.12.2021</u> USD.	<u>31.12.2020</u> USD.
ASSETS			
<u>NON-CURRENT ASSETS</u>			
Intangibles	3	581	1,025
Property and equipment	4	5,686	9,067
Total non-current assets		6,267	10,092
<u>CURRENT ASSETS</u>			
Accounts receivable	5	19,714	2,284
Cash and banks	6	352,029	578,491
Total current assets		371,743	580,775
TOTAL ASSETS		378,010	590,867
EQUITY AND LIABILITIES			
<u>EQUITY</u>			
Accumulated excess		578,558	505,758
(Deficit) excess of revenue over expenses for the year		(227,770)	72,800
Total equity		350,788	578,558
<u>CURRENT LIABILITIES</u>			
Accounts payable	7	27,222	12,309
TOTAL EQUITY AND LIABILITIES		378,010	590,867

The accompanying notes from 1 to 13 form an integral part of these financial statements.

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF INCOME AND EXPENSES

For the year ended 31 December 2021

	<u>Note</u>	<u>2021</u> USD.	<u>2020</u> USD.
REVENUE			
Donations	8	831,208	1,028,793
Provision no more required	12	65,624	-
Interest and similar income		30	30
Net profit on exchange	9	44,869	10,031
		<u>941,731</u>	<u>1,038,854</u>
EXPENSES			
General expenses	10	705,927	574,106
Staff expenses	11	400,853	316,932
Taxes		2,135	310
Depreciation and amortization	3 - 4	3,825	4,532
Provision for expected credit losses	12	52,494	65,624
Interest and similar charges		4,267	4,550
		<u>1,169,501</u>	<u>966,054</u>
(Deficit) excess of revenue over expenses for the year		<u>(227,770)</u>	<u>72,800</u>

The accompanying notes from 1 to 13 form an integral part of these financial statements.

CENTRE LIBANAIS DES DROITS HUMAINS (CLDH)

STATEMENT OF CASH FLOWS

For the year ended 31 December 2021

	<u>Note</u>	<u>2021</u> USD.	<u>2020</u> USD.
<u>OPERATING ACTIVITIES</u>			
(Deficit) excess for the year		(227,770)	72,800
Adjustments:			
- Provision for expected credit losses		52,494	65,624
- Depreciation and amortization		3,825	4,532
- Provision no more required		(65,624)	-
(Increase) decrease in accounts receivable		(17,430)	32,515
Increase (decrease) in accounts payable		14,913	(7,513)
Cash (used in) from operating activities		<u>(239,592)</u>	<u>167,959</u>
<u>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</u>			
		<u>(239,592)</u>	<u>167,959</u>
<u>CASH AND CASH EQUIVALENTS</u>			
- at beginning of year	12	644,115	476,156
- at end of year		<u>404,523</u>	<u>644,115</u>

The accompanying notes from 1 to 13 form an integral part of these financial statements.

1- THE ASSOCIATION

Centre Libanais des Droits Humains (CLDH) is a non-for profit organization established in 2007 and registered with the Ministry of Interior under Number 23220 by virtue of the Associations Law stated under legislative decree No.14953.

These financial statements comprise the accounts of Nassim Association, together, a non-for profit organization established in 2015 and registered with the Ministry of Interior under Number 1090 by virtue of the Association Law stated under legislative decree No.3119464.

The Association activities are funded by the memberships fees, governmental and institutions grants and private donations. Its main objectives are to protect human rights, fight against enforced disappearances, arbitrary detention, impunity and helping victims of torture.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2-a- Lebanon economic and financial environment

Since October 2019, Lebanon is witnessing an extremely severe financial and economic crisis. Lebanese banks access to international financing has dried. Consequently, banks credit facilities to their clients in foreign currencies are frozen and a de-facto capital control has been implemented. Transfers outside the country have been restricted to those who have private financial commitments and on a case by case basis.

Import of primary products (such as fuel, medicine, etc...) is channeled through the Bank of Lebanon. A parallel market for foreign exchange is now operating through regulated and non-regulated exchange offices, with huge differences between official and parallel rates.

In early 2020, the Government announced that it will discontinue payments on all its foreign currency denominated Eurobonds, which led to further downgrading the country and local banks by international rating agencies.

This situation may lead the Association to downsize its operations in Lebanon. Management is closely monitoring the circumstances including major indicators to minimize risks it is facing.

2-b- COVID-19 Pandemic

As from early 2020, COVID-19 has spread in almost every country in the world which resulted in disruption in all economies and a sharp drop and volatility in the business activity. It is currently highly uncertain to estimate the impact on the Association due to reduced business activities.

2-c- Basis for preparation

The principal accounting policies adopted in the preparation of the financial statements are set out below. The policies have been consistently applied to all the years presented, unless otherwise stated.

These financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) issued by the International Accounting Standards Board (IASB).

The financial statements have been prepared under the historical cost convention, unless otherwise stated.

The financial statements are presented in US Dollar.

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)**2-d- Changes in accounting policies***a) New standards, interpretations and amendments adopted from 1 January 2021*

- *Interest Rate Benchmark Reform - IBOR "phase 2"* (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16);
- *COVID-19 - Related Rent Concessions beyond 30 June 2021* (Amendments to IFRS 16).

b) New standards, interpretations and amendments not yet effective

The following amendments are effective for the period beginning 1 January 2022:

- *Onerous Contracts - Cost of Fulfilling a Contract* (Amendments to IAS 37);
- *Property, Plant and Equipment: Proceeds before Intended Use* (Amendments to IAS 16);
- *Annual Improvements to IFRS Standards 2018-2020* (Amendments to IFRS 1, IFRS 9, IFRS 16 and IAS 41); and
- *References to Conceptual Framework* (Amendments to IFRS 3).

The following amendments are effective for the period beginning 1 January 2023:

- *Disclosure of Accounting Policies* (Amendments to IAS 1 and IFRS Practice Statement 2);
- *Definition of Accounting Estimates* (Amendments to IAS 8); and
- *Deferred Tax Related to Assets and Liabilities arising from a Single Transaction* (Amendments to IAS 12).

2-e- Significant accounting policies**Foreign currency translation**

Transactions in currencies other than the US dollar are translated into US Dollar at the rate of exchange ruling on the transaction date. Assets and liabilities denominated in currencies other than the US Dollar are translated into US Dollar at the official year-end market rates of exchange. The resulting difference on exchange is accounted for in the statement of income and expenses.

Intangibles

Intangibles are stated at cost less amortization thereon calculated at the rate of 20%.

Property and equipment

The cost of property and equipment is their purchase cost together with any incidental expenses of acquisition. Depreciation is calculated so as to write off the cost of these assets, on a straight line basis over the expected useful lives of the assets concerned, at the following annual rates:

	%	Year
Computer equipment	20	5
Office equipment	8	12.5
General installations	8	12.5
Furniture	8	12.5

2- BASIS FOR PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2-e- Significant accounting policies (continued)

Property and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down of their recoverable amount.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising upon derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the item) is included in the income statement in the year the item is derecognized.

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.

Donations

Donations received are recognized in the statement of income upon reception.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks, and highly liquid investments with insignificant risk of changes in value and original maturities of three months or less at the date of acquisition.

Use of estimates

Management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from the estimates under different assumptions and conditions.

3- INTANGIBLES

The movement of intangible accounts and related amortization for the year 2021, is summarized as follows:

	Balance at <u>1.1.2021</u> USD.	<u>Additions</u> USD.	Balance at <u>31.12.2021</u> USD.
<u>COST</u>			
Software	2,220	-	2,220
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
Software	1,195	444	1,639
	<hr/>	<hr/>	<hr/>
	<u>Net book value as at 31.12.2021</u>		581
	<u>Net book value as at 31.12.2020</u>		1,025
			<hr/> <hr/>

4- PROPERTY AND EQUIPMENT

The movement of property and equipment accounts and related depreciation, for the year 2021, is summarized as follows:

	Balance at <u>1.1.2021</u> USD.	<u>Additions</u> USD.	Balance at <u>31.12.2021</u> USD.
<u>COST</u>			
Computer equipment	25,029	-	25,029
Office equipment	22,537	-	22,537
General installations	1,055	-	1,055
Furniture	8,528	-	8,528
	<hr/>	<hr/>	<hr/>
	57,149	-	57,149
	<hr/>	<hr/>	<hr/>
<u>DEPRECIATION</u>			
Computer equipment	21,738	1,341	23,079
Office equipment	17,793	1,803	19,596
General installations	176	84	260
Furniture	8,375	153	8,528
	<hr/>	<hr/>	<hr/>
	48,082	3,381	51,463
	<hr/>	<hr/>	<hr/>
	<u>Net book value at 31.12.2021</u>		5,686
	<u>Net book value at 31.12.2020</u>		9,067
			<hr/> <hr/>

5- ACCOUNTS RECEIVABLE

	<u>31.12.2021</u>	<u>31.12.2020</u>
	USD.	USD.
Due from staff	1,893	837
Advances on legal fees	17,170	-
Other debtors	651	1,447
	<u>19,714</u>	<u>2,284</u>

Advances on legal fees

Advances paid to lawyers in charge of paying legal fees on behalf of beneficiaries for the year 2021.

6- CASH AND BANKS

	<u>31.12.2021</u>	<u>31.12.2020</u>
	USD.	USD.
Cash	130,587	94,959
Deposits with banks	221,442	483,532
	<u>352,029</u>	<u>578,491</u>

Deposits with banks

	<u>31.12.2021</u>	<u>31.12.2020</u>
	USD.	USD.
Deposits with banks	273,936	549,156
<u>Less/-</u> Provision for expected credit losses (Note 11)	(52,494)	65,624
	<u>221,442</u>	<u>483,532</u>

7- ACCOUNTS PAYABLE

	<u>31.12.2021</u>	<u>31.12.2020</u>
	USD.	USD.
Due to employees	2,370	87
Social security contributions	6,882	6,151
Taxes	6,326	5,950
Accrued expenses	8,755	-
Others	2,889	121
	<u>27,222</u>	<u>12,309</u>

Accrued expenses

Accrued cost of website development, billed by the supplier in 2022.

8- DONATIONS

	<u>2021</u>	<u>2020</u>
	USD.	USD.
The Sigrid Rausing Trust (Emergency Response)	94,294	91,777
The Ministry of Foreign Affairs of Denmark - (DANIDA)	-	22,874
Dutch Ministry of Foreign Affairs	12,000	-
Embassy of Switzerland in Lebanon	38,946	91,527
Open Society Foundation - OSF	-	142,500
OXFAM 2020 (DANIDA II)	12,351	79,705
OXFAM GB (DANIDA III)	69,191	-
OXFAM GAC 2020 - 2022 (GAC 2)	93,046	89,197
OXFAM GAC 2019 - 2020 (GAC 1)	-	37,127
The Sigrid Rausing Trust	135,339	33,121
Fondation de France (Emergency Response)	-	18,800
OXFAM Appeal (Emergency Response)	28,759	27,717
The Ministry of Foreign Affairs of Denmark - (DANIDA) (Emergency Response)	18,655	13,930
MKS Foundation	17,000	20,000
Swiss State Secretariat for Migration (SEM) 2020 - 2022	149,950	249,950
Agence Française de Développement - REVIV	124,539	57,395
HIVOS	25,569	-
The Belgian Organization (11.11.11)	11,441	-
Other	128	53,173
	<u>831,208</u>	<u>1,028,793</u>

9- NET PROFIT ON EXCHANGE

	<u>2021</u>	<u>2020</u>
	USD.	USD.
Positive difference of exchange	58,324	12,786
Negative difference of exchange	(13,455)	(2,755)
	<u>44,869</u>	<u>10,031</u>

Positive difference of exchange resulting from the conversion of accounts receivables, cash and banks accounts denominated in LBP, to USD at the official exchange rate.

Negative difference of exchange resulting from the conversion of social charges and taxes due accounts denominated in LBP, to USD at the official exchange rate.

10- GENERAL EXPENSES

	<u>2021</u>	<u>2020</u>
	USD.	USD.
Project expenses	54,726	78,527
Beneficiaries expenses	74,607	55,587
Social workers	19,455	7,809
Post and telecommunication charges	9,705	8,826
Maintenance and repairs	15,642	14,558
Rent	15,025	26,763
Electricity	7,134	4,821
Travel and accommodation expenses	8,594	660
Entertainment	22,828	26,277
Professional and legal fees	452,445	323,400
Training	1,442	5,748
Documentation	12,160	17,779
Translation expenses	1,227	2,486
Advertising and sponsorship	9,605	-
Other expenses	1,005	865
	<u>705,600</u>	<u>574,106</u>

11- STAFF EXPENSES

	<u>2021</u>	<u>2020</u>
	USD.	USD.
Salaries and wages	369,389	257,643
Transportation	14,480	11,046
Social charges	16,984	48,243
	<u>400,853</u>	<u>316,932</u>

12- PROVISION FOR EXPECTED CREDIT LOSSES

	<u>2021</u>	<u>2020</u>
	USD.	USD.
Balance at 1 January	65,624	-
Add/- Provision for expected credit losses	52,494	65,624
Less/- Provision no more required	(65,624)	-
Balance at 31 December	<u>52,494</u>	<u>65,624</u>

Provision for expected credit losses

Allowance for expected credit losses on bank accounts in foreign currencies, according to the requirements of IFRS 9 "Financial instruments".

13- CASH AND CASH EQUIVALENTS

	<u>31.12.2021</u>	<u>31.12.2020</u>
	USD.	USD.
Cash	130,587	94,959
Banks	273,936	549,156
	<u>404,523</u>	<u>644,115</u>

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