

GENERATIONS FOR PEACE COMMISSION

FINANCIAL STATEMENTS

31 DECEMBER 2015



Building a better
working world

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**INDEPENDENT AUDITORS' REPORT TO THE BOARD OF DIRECTORS
GENERATIONS FOR PEACE COMMISSION
AMMAN - JORDAN**

We have audited the accompanying financial statements of Generations for Peace Commission "the Commission" which comprise the statement of assets and liabilities as at 31 December 2015 and the statement of revenues and expenses and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the accounting policies disclosed in Note (2), 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies that are disclosed in note (2) and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the statement of assets and liabilities of the Commission as of 31 December 2015 and its revenues and expenses and cash flows for the year ended in the accordance with the accounting policies disclosed in Note (2).

Amman – Jordan
27 April 2016

**GENERATIONS FOR PEACE COMMISSION
STATEMENT OF ASSETS AND LIABILITIES
AT 31 DECEMBER 2015**

	<u>Notes</u>	<u>2015</u> JD	<u>2014</u> JD
<u>Assets</u>			
Non – current assets			
Property and equipment	3	<u>614,573</u>	<u>697,669</u>
Current assets -			
Accounts receivable and other current assets	4	<u>230,881</u>	<u>157,018</u>
Cash on hand and at banks	5	<u>636,297</u>	<u>608,595</u>
		<u>867,178</u>	<u>765,613</u>
Total assets		<u>1,481,751</u>	<u>1,463,282</u>
<u>Cumulative surplus and liabilities</u>			
Cumulative surplus	6	<u>1,207,052</u>	<u>1,260,771</u>
Current liabilities-			
Accounts payable and accrued expenses		<u>274,699</u>	<u>202,511</u>
Total cumulative surplus and liabilities		<u>1,481,751</u>	<u>1,463,282</u>

The attached notes from 1 to 10 form part of these financial statements

**GENERATIONS FOR PEACE COMMISSION
STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<u>Notes</u>	<u>2015</u> JD	<u>2014</u> JD
Revenues -			
Donations	7	1,995,284	1,915,646
Other income		14,008	-
Interest income		68	65
(Loss) gain from sale of property and equipment		(389)	586
		<u>2,008,971</u>	<u>1,916,297</u>
Expenses -			
Camps and programmes expenses		(840,949)	(732,486)
Administrative expenses	8	(1,221,741)	(919,931)
Other expenses		-	(8,862)
		<u>(2,062,690)</u>	<u>(1,661,279)</u>
(Deficit) Surplus for the year		<u>(53,719)</u>	<u>255,018</u>

The attached notes from 1 to 10 form part of these financial statements

**GENERATIONS FOR PEACE COMMISSION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2015**

	<u>Notes</u>	<u>2015</u> JD	<u>2014</u> JD
<u>Operating Activities</u>			
(Deficit) Surplus for the year		(53,719)	255,018
Adjustments -			
Depreciation	3	102,538	101,376
(Loss) gain from sale of property and equipment		389	(586)
Working capital changes:			
Accounts receivable and other current assets		(73,863)	55,214
Accounts payable and accrued expenses		72,188	33,566
Net cash flows from operating activities		<u>47,533</u>	<u>444,588</u>
<u>Investing Activities</u>			
Proceeds from sale of property and equipment		250	3,519
Purchase of property and equipment	3	(20,081)	(84,448)
Net cash flows used in investing activities		<u>(19,831)</u>	<u>(80,929)</u>
Net increase in cash and cash equivalents		27,702	363,659
Cash and cash equivalents at the beginning of the year		608,595	244,936
Cash and cash equivalents at the end of the year		<u>636,297</u>	<u>608,595</u>

The attached notes from 1 to 10 form part of these financial statements

(1) GENERAL

Generations For Peace Commission was established on 28 June 2010, and has been operating since 1 January 2008 as a project under the supervision of the Olympic Committee.

The Commission has a foreign operational branch in the state of Maryland- USA which was established on 30 November 2013.

The Commission's objectives are:

1. To follow the finest traditions of Jordan's Royal Family and strive incessantly for the highest standards of planning, coordination, support, delivery and research of programmes, whether harnessing the power of sport or otherwise, that lead or contribute to sustainable peace for future generations.
2. To design, coordinate, support and conduct research on programmes for enhancing the awareness of the public concerning the effects and causes of conflicts and conflict resolution methodologies and sustaining peace.
3. To support communities facing conflicts to care and empowering a positive and creative environment.

(2-1) BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Commission's, accounting policies mentioned below and the historical cost basis.

The financial statements are presented in Jordanian Dinars "JD" which is the functional currency of the Commission.

(2-2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment are stated at cost of purchase or the fair value at the donation date if it was donated. Depreciation is computed on a straight – line basis over its expected useful life using the following percentages:

	<u>%</u>
Office equipments	12
Furniture and fixtures	9
Electrical devices	20
Vehicles	20
Computers	20
Decorations and leasehold improvements	5

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate 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 to their recoverable amount.

Cash and cash equivalents

Cash and cash equivalents represent cash on hand, bank balances and short term deposits with an original maturity of three months or less.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by suppliers or not yet.

Recognition of Revenues and Expense

Donation revenues are recognised when realised.

Administrative expenses, camps and programmes expenses are recognised on an accrual basis.

Interest revenue and other revenues are recognised on an accrual basis.

**GENERATIONS FOR PEACE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015**

(3) PROPERTY AND EQUIPMENT

	Office equipment	Furniture and fixtures	Electrical devices	Computers	Decorations & Leasehold improvement	Vehicles	Total
2015 -	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at 1 January 2015	17,895	173,826	182,086	87,371	478,239	31,450	970,867
Additions	476	1,480	318	17,807	-	-	20,081
Disposals	(2,384)	-	-	-	-	-	(2,384)
Balance at 31 December 2015	15,987	175,306	182,404	105,178	478,239	31,450	988,564
Accumulated depreciation:							
Balance at 1 January 2015	4,249	46,155	95,792	43,719	76,993	6,290	273,198
Depreciation for the year	3,048	15,740	36,412	17,136	23,912	6,290	102,538
Disposals	(1,745)	-	-	-	-	-	(1,745)
Balance at 31 December 2015	5,552	61,895	132,204	60,855	100,905	12,580	373,991
Net book value:							
31 December 2015	10,435	113,411	50,200	44,323	377,334	18,870	614,573
2014 -							
Cost:							
Balance at 1 January 2014	4,954	161,866	180,883	75,784	478,239	-	901,726
Additions	12,941	11,960	1,203	26,894	-	31,450	84,448
Disposals	-	-	-	(15,307)	-	-	(15,307)
Balance at 31 December 2014	17,895	173,826	182,086	87,371	478,239	31,450	970,867
Accumulated depreciation:							
Balance at 1 January 2014	2,360	30,941	59,375	38,439	53,081	-	184,196
Depreciation for the year	1,889	15,214	36,417	17,654	23,912	6,290	101,376
Disposals	-	-	-	(12,374)	-	-	(12,374)
Balance at 31 December 2014	4,249	46,155	95,792	43,719	76,993	6,290	273,198
Net book value:							
31 December 2014	13,646	127,671	86,294	43,652	401,246	25,160	697,669

(4) ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

	<u>2015</u>	<u>2014</u>
	JD	JD
Accounts receivable	149,269	66,423
Promotional materials	46,626	52,503
Staff receivables	9,225	5,423
Prepaid expenses	7,550	27,758
Advances to contractors*	13,000	-
Refundable deposits	5,211	4,911
	<u>230,881</u>	<u>157,018</u>

* The cost to complete solar systems and furniture is JD 28,000 approximately.

(5) CASH ON HAND AND AT BANKS

	<u>2015</u>	<u>2014</u>
	JD	JD
Cash on hand	13,294	2,744
Balances at banks	623,003	605,851
	<u>636,297</u>	<u>608,595</u>

(6) THE MOVEMENT OF CUMULATIVE SURPLUS

	<u>2015</u>	<u>2014</u>
	JD	JD
Balance at 1 January	1,260,771	1,005,753
(Deficit) Surplus for the year	(53,719)	255,018
Balance at 31 December	<u>1,207,052</u>	<u>1,260,771</u>

**GENERATIONS FOR PEACE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2015**

(7) DONATIONS

	<u>2015</u>	<u>2014</u>
	JD	JD
Donations from Jordan Olympic Committee	1,080,000	1,200,000
Donations from Olympic Council of Asia	-	106,430
Donations from Royal Norwegian Embassy	202,391	266,668
Donations from UNICEF	198,517	134,781
Donations from Samsung Electronics Levant Co, LTD	168,612	168,953
Donations from Orange – Jordan Tele Company	25,000	10,000
Donations from USAID	166,645	-
Donations from DHL	25,000	-
Donations from Royal Belgian Embassy	55,421	-
Donations from UNESCO	8,393	-
Donations from MEPI	6,203	20,822
Donations from INTI RAYMI Fund	35,500	-
Donations from other parties	23,602	7,992
	<u>1,995,284</u>	<u>1,915,646</u>

(8) ADMINISTRATIVE EXPENSES

	<u>2015</u>	<u>2014</u>
	JD	JD
Salaries and Staff Benefits	1,003,853	725,013
Business Travel	11,721	2,082
Maintenance	20,647	24,770
Telecommunications	16,485	22,273
Stationery	4,501	2,978
Bank Charges	6,346	659
Security	13,363	13,490
Depreciation	102,538	101,376
Water and electricity	10,498	5,112
Professional fees	3,947	5,192
Hospitality	8,070	7,584
Cleaning expenses	3,320	3,445
Insurance	2,108	2,090
Generations For Peace Inc	14,344	3,867
	<u>1,221,741</u>	<u>919,931</u>

(9) FAIR VALUE

The fair value of financial assets and financial liabilities are not materially different from their carrying amounts as disclosed in the statement of assets and liabilities.

(10) RISK MANAGEMENT

Liquidity risk

The Commission manages liquidity risk by maintaining enough cash to cover its liabilities and finance its operations.