

**GENERATIONS FOR PEACE COMMISSION**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2010**

**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 which comprise the statement of assets and liabilities as at 31 December 2010 and the statement of revenues and expenses and the cash flows statement 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 auditors' 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 for 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 used 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 company as of 31 December 2010 and its revenues and expenses and cash flows for the year ended in accordance with the accounting policies disclosed in Note (2).

**GENERATIONS FOR PEACE COMMISSION  
STATEMENT OF ASSETS AND LIABILITIES  
AT 31 DECEMBER 2010**

	<u>Notes</u>	<u>2010</u> JD	<u>2009</u> JD
<b><u>Assets</u></b>			
<b>Non – current assets -</b>			
Property and equipment	3	257,506	24,136
<b>Current assets -</b>			
Other current assets	4	5,574	13,582
Cash on hand and at banks	5	19,903	147,851
		25,477	161,433
<b>Total assets</b>		<u>282,983</u>	<u>185,569</u>
<b><u>Cumulative surplus (deficit) and liabilities</u></b>			
Cumulative surplus (deficit)		175,230	( 82,447)
<b>Current liabilities-</b>			
Accounts payable and accrued expenses		107,753	268,016
<b>Total cumulative surplus and liabilities</b>		<u>282,983</u>	<u>185,569</u>

The attached notes from 1 to 9 form part of these financial statements

**GENERATIONS FOR PEACE COMMISSION  
STATEMENT OF REVENUES AND EXPENSES  
FOR THE YEAR ENDED 31 DECEMBER 2010**

			For the period from 1 January 2008 to 31 December 2009
	<u>Notes</u>	<u>2010</u>	<u>2009</u>
<b>Revenues:</b>		JD	JD
Donations	6	1,366,279	2,332,065
Interest revenues		1,174	8,222
		<u>1,367,453</u>	<u>2,340,287</u>
<b>Expenses:</b>			
Camps and programmes expenses		( 766,470)	(1,493,364)
Administrative expenses	7	( 343,306)	( 929,370)
		<u>(1,109,776)</u>	<u>(2,422,734)</u>
Surplus (deficit) for the year/ period		<u>257,677</u>	<u>( 82,447)</u>

**The attached notes from 1 to 9 form part of these financial statements**

**GENERATIONS FOR PEACE COMMISSION  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2010**

			For the period from 1 January 2008 to 31 December 2009
	<u>Notes</u>	<u>2010</u> JD	<u>2009</u> JD
<b><u>Operating Activities</u></b>			
Surplus (deficit) for the year/ period		257,677	(82,447)
<b>Adjustments -</b>			
Depreciation	3	2,115	2,699
<b>Working capital changes:</b>			
Other current assets		8,008	(13,582)
Accounts payable and accrued expenses		(160,263)	268,016
<b>Net cash flows from operating activities</b>		<u>107,537</u>	<u>174,686</u>
<b><u>Investing Activities</u></b>			
Purchases of property and equipment	3	(235,485)	(26,835)
<b>Net cash flows used in investing activities</b>		<u>(235,485)</u>	<u>(26,835)</u>
Net (decrease) increase in cash and cash equivalents		(127,948)	147,851
Cash and cash equivalents at the beginning of the year/ period		147,851	-
<b>Cash and cash equivalents at the end of the year/ period</b>		<u>19,903</u>	<u>147,851</u>

**The attached notes from 1 to 9 form part of these financial statements**

**(1) GENERAL**

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

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 system, accounting policies mentioned below and the historical cost basis.

The financial statement 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 in the donation date if it was donated. Depreciation is computed on a straight – line basis over its expected useful life as the following percentages:

	<u>%</u>
Devices and equipments	12
Furniture and fixture	9 - 20
Computers	20

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 often the deduction of the bank overdrafts.

### **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 & Expense**

Donation revenues are recognised when realised.

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

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

**(3) PROPERTY AND EQUIPMENT**

<b>2010 -</b>	Office equipments	Furniture and fixture	Computers	Projects Under construction	Total
	JD	JD	JD	JD	JD
<b>Cost:</b>					
Balance at 1 January 2010	2,301	80	7,454	17,000	26,835
Additions	376	-	2,187	232,922	235,485
<b>Balance at 31 December 2010</b>	<u>2,677</u>	<u>80</u>	<u>9,641</u>	<u>249,922</u>	<u>262,320</u>
<b>Accumulated depreciation:</b>					
Balance at 1 January 2010	360	7	2,332	-	2,699
Depreciation for the year	319	7	1,789	-	2,115
<b>Balance at 31 December 2010</b>	<u>679</u>	<u>14</u>	<u>4,121</u>	<u>-</u>	<u>4,814</u>
<b>Net book value:</b>					
<b>31 December 2010</b>	<u>1,998</u>	<u>66</u>	<u>5,520</u>	<u>249,922</u>	<u>257,506</u>
<b><u>2009</u></b>					
<b>Cost:</b>					
Additions	2,301	80	7,454	17,000	26,835
<b>Balance at 31 December 2009</b>	<u>2,301</u>	<u>80</u>	<u>7,454</u>	<u>17,000</u>	<u>26,835</u>
<b>Accumulated depreciation:</b>					
Depreciation for the period	360	7	2,332	-	2,699
<b>Balance at 31 December 2009</b>	<u>360</u>	<u>7</u>	<u>2,332</u>	<u>-</u>	<u>2,699</u>
<b>Net book value:</b>					
<b>31 December 2009</b>	<u>1,941</u>	<u>73</u>	<u>5,122</u>	<u>17,000</u>	<u>24,136</u>

**(4) OTHER CURRENT ASSETS**

	2010	2009
	JD	JD
Promotional materials	3,808	4,549
Staff receivables	1,480	1,040
Prepaid expenses	-	7,993
Refundable deposits	286	-
	<u>5,574</u>	<u>13,582</u>

**(5) CASH ON HAND AND AT BANKS**

	2010	2009
	JD	JD
Cash on hand	3,523	1,310
Balances at banks	16,380	146,541
	<u>19,903</u>	<u>147,851</u>

**(6) DONATIONS**

	2010	For the period from 1 January 2008 to 31 December 2009
	JD	JD
Donations from Jordan Olympic Committee	1,360,279	1,343,870
Donations from other parties	6,000	988,195
	<u>1,366,279</u>	<u>2,332,065</u>

**(7) ADMINISTRATIVE EXPENSES**

		For the period from 1 January 2008 to 31 December
	2010	2009
	JD	JD
Travel and transportation	101,351	64,260
Publicity, conferences and consultations	181,130	578,611
Salaries, wages and other benefits	45,033	259,187
Maintenance	7,100	4,940
Telecommunications	4,246	8,301
Stationery	2,034	7,650
Bank commissions	92	2,040
Hospitality	205	1,682
Depreciation	2,115	2,699
	<u>343,306</u>	<u>929,370</u>

**(8) FAIR VALUE**

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

**(9) RISK MANAGEMENT**

**Liquidity risk**

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