

GENERATIONS FOR PEACE COMMISSION

FINANCIAL STATEMENTS

31 DECEMBER 2012

**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 2012 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 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 commission as of 31 December 2012 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  
13 May 2013



**GENERATIONS FOR PEACE COMMISSION  
STATEMENT OF ASSETS AND LIABILITIES  
AT 31 DECEMBER 2012**

	<u>Notes</u>	<u>2012</u> JD	<u>2011</u> JD
<b><u>Assets</u></b>			
<b>Non – current assets -</b>			
Property and equipment	3	798,747	347,977
<b>Current assets -</b>			
Accounts receivable and other current assets	4	213,944	94,312
Cash on hand and at banks	5	302,664	726,556
		516,608	820,868
<b>Total assets</b>		<b>1,315,355</b>	<b>1,168,845</b>
<b><u>Cumulative surplus and liabilities</u></b>			
Cumulative surplus		1,135,538	1,079,732
<b>Current liabilities-</b>			
Accounts payable and accrued expenses		179,817	89,113
<b>Total cumulative surplus and liabilities</b>		<b>1,315,355</b>	<b>1,168,845</b>

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 2012**

	<u>Notes</u>	<u>2012</u> JD	<u>2011</u> JD
<b>Revenues:</b>			
Donations	6	1,508,404	1,662,274
Interest income		69	1,330
		<u>1,508,473</u>	<u>1,663,604</u>
<b>Expenses:</b>			
Camps and programmes expenses		( 675,370)	( 310,810)
Administrative expenses	7	( 772,352)	( 448,292)
Other expenses		( 4,945)	-
		<u>(1,452,667)</u>	<u>( 759,102)</u>
Surplus for the year		<u>55,806</u>	<u>904,502</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 2012

	Notes	2012 JD	2011 JD
<b><u>Operating Activities</u></b>			
Surplus for the year		55,806	904,502
<b>Adjustments -</b>			
Depreciation	3	56,016	33,828
<b>Working capital changes:</b>			
Accounts receivable and other current assets		(119,632)	( 88,738)
Accounts payable and accrued expenses		90,704	( 18,640)
<b>Net cash flows from operating activities</b>		<u>82,894</u>	<u>830,952</u>
<b><u>Investing Activities</u></b>			
Purchase of property and equipment	3	(506,786)	(124,299)
<b>Net cash flows used in investing activities</b>		<u>(506,786)</u>	<u>(124,299)</u>
Net (decrease) increase in cash and cash equivalents		(423,892)	706,653
Cash and cash equivalents at the beginning of the year		726,556	19,903
<b>Cash and cash equivalents at the end of the year</b>		<u>302,664</u>	<u>726,556</u>

The attached notes from 1 to 9 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'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 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>
Devices and equipments	12
Furniture and fixtures	9 - 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.

**(3) PROPERTY AND EQUIPMENT**

2012 -	Office equipments	Furniture and fixtures	Electrical devices	Computers	Decorations & Leasehold improvement	Projects Under construction	Total
	JD	JD	JD	JD	JD	JD	JD
<b>Cost:</b>							
Balance at 1 January 2012	4,434	69,630	37,390	44,369	230,796	-	386,619
Additions	520	91,436	141,678	25,709	247,443	-	506,786
<b>Balance at 31 December 2012</b>	<b>4,954</b>	<b>161,066</b>	<b>179,068</b>	<b>70,078</b>	<b>478,239</b>	<b>-</b>	<b>893,405</b>
<b>Accumulated depreciation:</b>							
Balance at 1 January 2012	1,194	5,997	7,378	12,630	11,443	-	38,642
Depreciation for the year	572	10,394	15,821	11,503	17,726	-	56,016
<b>Balance at 31 December 2012</b>	<b>1,766</b>	<b>16,391</b>	<b>23,199</b>	<b>24,133</b>	<b>29,169</b>	<b>-</b>	<b>94,658</b>
<b>Net book value:</b>							
<b>31 December 2012</b>	<b>3,188</b>	<b>144,675</b>	<b>155,869</b>	<b>45,945</b>	<b>449,070</b>	<b>-</b>	<b>798,747</b>
<b>2011 -</b>							
<b>Cost:</b>							
Balance at 1 January 2011	2,677	80	-	9,641	-	249,922	262,320
Additions	1,757	50,424	37,390	34,728	-	-	124,299
Transfers	-	19,126	-	-	230,796	(249,922)	-
<b>Balance at 31 December 2011</b>	<b>4,434</b>	<b>69,630</b>	<b>37,390</b>	<b>44,369</b>	<b>230,796</b>	<b>-</b>	<b>386,619</b>
<b>Accumulated depreciation:</b>							
Balance at 1 January 2011	679	14	-	4,121	-	-	4,814
Depreciation for the year	515	5,983	7,378	8,509	11,443	-	33,828
<b>Balance at 31 December 2011</b>	<b>1,194</b>	<b>5,997</b>	<b>7,378</b>	<b>12,630</b>	<b>11,443</b>	<b>-</b>	<b>38,642</b>
<b>Net book value:</b>							
<b>31 December 2011</b>	<b>3,240</b>	<b>63,633</b>	<b>30,012</b>	<b>31,739</b>	<b>219,353</b>	<b>-</b>	<b>347,977</b>



**(4) ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS**

	<u>2012</u>	<u>2011</u>
	JD	JD
Accounts receivable	124,250	-
Promotional materials	77,417	65,198
Staff receivables	2,966	98
Prepaid expenses	4,400	24,254
Refundable deposits	4,911	4,762
	<u>213,944</u>	<u>94,312</u>

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

	<u>2012</u>	<u>2011</u>
	JD	JD
Cash on hand	4,908	4,999
Balances at banks	297,756	721,557
	<u>302,664</u>	<u>726,556</u>

**(6) DONATIONS**

	<u>2012</u>	<u>2011</u>
	JD	JD
Donations from Jordan Olympic Committee	1,200,000	1,346,705
Donations from other parties	308,404	315,569
	<u>1,508,404</u>	<u>1,662,274</u>

**(7) ADMINISTRATIVE EXPENSES**

	<u>2012</u>	<u>2011</u>
	JD	JD
Salaries, wages and other benefits	491,252	254,214
Travel and transportation	16,044	10,887
Publicity, conferences and consultations	93,791	76,391
Maintenance	36,568	4,909
Telecommunications	11,163	4,566
Stationery	4,717	7,218
Bank commissions	817	459
Security	21,571	18,201
Depreciation	56,016	33,828
Professional fees	7,771	9,860
Water and electricity	17,009	17,823
Hospitality	4,809	3,444
Cleaning expenses	10,824	6,492
	<u>772,352</u>	<u>448,292</u>

**(8) 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.

**(9) RISK MANAGEMENT**

**Liquidity risk**

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