

GENERATIONS FOR PEACE COMMISSION

FINANCIAL STATEMENTS

31 DECEMBER 2014



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 2014 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 2014 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 April 2015

**GENERATIONS FOR PEACE COMMISSION
STATEMENT OF ASSETS AND LIABILITIES
AT 31 DECEMBER 2014**

	<u>Notes</u>	<u>2014</u> JD	<u>2013</u> JD
<u>Assets</u>			
Non – current assets			
Property and equipment	3	<u>697,669</u>	<u>717,530</u>
Current assets -			
Accounts receivable and other current assets	4	157,018	212,232
Cash on hand and at banks	5	<u>608,595</u>	<u>244,936</u>
		765,613	457,168
Total assets		<u>1,463,282</u>	<u>1,174,698</u>
<u>Cumulative surplus and liabilities</u>			
Cumulative surplus	6	<u>1,260,771</u>	<u>1,005,753</u>
Current liabilities-			
Accounts payable and accrued expenses		<u>202,511</u>	<u>168,945</u>
Total cumulative surplus and liabilities		<u>1,463,282</u>	<u>1,174,698</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 2014**

	<u>Notes</u>	<u>2014</u>	<u>2013</u>
		JD	JD
Revenues -			
Donations	7	1,915,646	1,531,306
Interest income		65	69
Gain from sale of property and equipment		586	-
		<u>1,916,297</u>	<u>1,531,375</u>
Expenses -			
Camps and programmes expenses		(732,486)	(863,365)
Administrative expenses	8	(919,931)	(761,681)
Other expenses		(8,862)	(36,114)
		<u>(1,661,279)</u>	<u>(1,661,160)</u>
Surplus (Deficit) for the year		<u>255,018</u>	<u>(129,785)</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 2014**

	<u>Notes</u>	<u>2014</u> JD	<u>2013</u> JD
<u>Operating Activities</u>			
Surplus (Deficit) for the year		255,018	(129,785)
Adjustments -			
Depreciation	3	101,376	89,538
Gain from sale of property and equipment		(586)	-
Working capital changes:			
Accounts receivable and other current assets		55,214	1,712
Accounts payable and accrued expenses		33,566	(10,872)
Net cash flows (used in) from operating activities		<u>444,588</u>	<u>(49,407)</u>
<u>Investing Activities</u>			
Proceeds from sale of property and equipment		3,519	-
Purchase of property and equipment	3	(84,448)	(8,321)
Net cash flows used in investing activities		<u>(80,929)</u>	<u>(8,321)</u>
Net increase (decrease) in cash and cash equivalents		363,659	(57,728)
Cash and cash equivalents at the beginning of the year		244,936	302,664
Cash and cash equivalents at the end of the year		<u>608,595</u>	<u>244,936</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 2014**

(3) PROPERTY AND EQUIPMENT

	Office equipment	Furniture and fixtures	Electrical devices	Computers	Vehicles	Decorations & Leasehold improvement	Total
2014 -	JD	JD	JD	JD	JD	JD	JD
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	31,450	478,239	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	6,290	23,912	101,376
Disposals	-	-	-	12,374	-	-	12,374
Balance at 31 December 2014	4,249	46,155	95,792	43,719	6,290	76,993	273,198
Net book value:							
31 December 2014	13,646	127,671	86,294	43,652	25,160	401,246	697,669
2013 -							
Cost:							
Balance at 1 January 2013	4,954	161,066	179,068	70,078	-	478,239	893,405
Additions	-	800	1,815	5,706	-	-	8,321
Balance at 31 December 2013	4,954	161,866	180,883	75,784	-	478,239	901,726
Accumulated depreciation:							
Balance at 1 January 2013	1,766	16,391	23,199	24,133	-	29,169	94,658
Depreciation for the year	594	14,550	36,176	14,306	-	23,912	89,538
Balance at 31 December 2013	2,360	30,941	59,375	38,439	-	53,081	184,196
Net book value:							
31 December 2013	2,594	130,925	121,508	37,345	-	425,158	717,530

(4) ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

	<u>2014</u>	<u>2013</u>
	JD	JD
Accounts receivable	66,423	99,330
Promotional materials	52,503	71,514
Staff receivables	5,423	2,880
Prepaid expenses	27,758	33,597
Refundable deposits	4,911	4,911
	<u>157,018</u>	<u>212,232</u>

(5) CASH ON HAND AND AT BANKS

	<u>2014</u>	<u>2013</u>
	JD	JD
Cash on hand	2,744	332
Balances at banks	605,851	244,604
	<u>608,595</u>	<u>244,936</u>

(6) THE MOVEMENT OF CUMULATIVE SURPLUS

	<u>2014</u>	<u>2013</u>
	JD	JD
Balance at 1 January	1,005,753	1,135,538
Surplus (Deficit) for the year	255,018	(129,785)
Balance at 31 December	<u>1,260,771</u>	<u>1,005,753</u>

**GENERATIONS FOR PEACE COMMISSION
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2014**

(7) DONATIONS

	<u>2014</u>	<u>2013</u>
	JD	JD
Donations from Jordan Olympic Committee	1,200,000	1,080,000
Donations from Olympic Council of Asia	106,430	-
Donations from Royal Norwegian Embassy	266,668	242,188
Donations form UNICEF	134,781	-
Donations from Samsung Electronics Levant Co., LTD	168,953	160,987
Donations from other parties	38,814	48,131
	<u>1,915,646</u>	<u>1,531,306</u>

(8) ADMINISTRATIVE EXPENSES

	<u>2014</u>	<u>2013</u>
	JD	JD
Salaries and Staff Benefits	725,013	536,403
Business Travel	2,082	632
Maintenance	24,770	38,245
Telecommunications	22,273	9,746
Stationery	2,978	4,880
Bank Charges	659	817
Security	13,490	13,990
Depreciation	101,376	89,538
Professional fees	5,112	4,640
Water and electricity	5,192	9,733
Hospitality	7,584	6,720
Cleaning expenses	3,445	8,914
Insurance	2,090	2,528
Generations For Peace Inc	3,867	34,895
	<u>919,931</u>	<u>761,681</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.