

CHILD OF LEBANON

FINANCIAL STATEMENTS AND AUDITOR'S REPORT
YEAR ENDED JUNE 30, 2009

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BT 4501/1/DTT

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Child of Lebanon
London, UK

We have audited the accompanying financial statements of Child of Lebanon, which comprise the statement of financial position as at June 30, 2009, and the statement of activities and changes in net assets for the year then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements. This responsibility includes: maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's 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 financial position of Child of Lebanon as of June 30, 2009, and its financial performance for the year then ended in conformity with the accounting policies set forth in Note 2 to the accompanying financial statements.

Beirut, Lebanon
March 31, 2010

Deloitte & Touche

CHILD OF LEBANON
STATEMENT OF FINANCIAL POSITION

<u>ASSETS</u>	<u>Notes</u>	June 30,	
		2009	2008
		USD	USD
Bank deposits		368,553	570,017
Expenses fund - Cash at bank		8,865	2,007
Inventory		936	936
Total assets		<u>378,354</u>	<u>572,960</u>
<u>LIABILITIES</u>			
Committed donations made	3	187,942	414,096
Total liabilities		187,942	414,096
<u>NET ASSETS</u>			
Fund balance - Unrestricted		190,412	158,864
Total liabilities and net assets		<u>378,354</u>	<u>572,960</u>

Nadim Tabbara
(Trustee)

Samir Rakha
(Trustee)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CHILD OF LEBANON
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS

	<u>Notes</u>	<u>Year Ended</u>	
		<u>June 30,</u>	
		<u>2009</u>	<u>2008</u>
		<u>USD</u>	<u>USD</u>
Revenues:			
Contributions - Unrestricted	4	502,376	720,382
Interest income on bank accounts		<u>1,952</u>	<u>792</u>
Total revenues		<u>504,328</u>	<u>721,174</u>
Expenses:			
Donations made	3	(471,628)	(568,200)
Bank charges		(374)	(159)
Other expenses		<u>(778)</u>	<u>(2,087)</u>
Total expenses		<u>(472,780)</u>	<u>(570,446)</u>
Excess of revenues over expenses		31,548	150,728
Net assets - Fund balance, beginning of year		<u>158,864</u>	<u>8,136</u>
Net assets - Fund balance, end of year		<u>190,412</u>	<u>158,864</u>

Nadim Tabbara
(Trustee)

Samir Rakha
(Trustee)

SEE ACCOMPANYING NOTES TO THE FINANCIAL STATEMENTS

CHILD OF LEBANON
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2009

1. FORMATION AND OBJECT OF THE CHARITY

Child of Lebanon was founded in 1996 and was registered in the Central Register of Charities in London, UK, under No. 1090039 effective January 10, 2002 and the U.K. Inland Revenue under Ref. XR56788 on February 22, 2002 with effect from November 8, 2001. The Charitable objects are the relief of poverty, distress, suffering and the protection of good health and the advancement of education of those children in need in Lebanon.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Basis of Accounting:

The Charity opted to adopt the cash basis of accounting instead of the accrual basis as required by International Financial Reporting Standards, or any other national accounting standards, except for committed donations made. The Trustees consider that such standards are not required to be adopted for the Charity's financial reporting.

B. Contribution Revenue Recognition:

Contributions are recognized as revenues when collected and deposited in the Charity's bank accounts.

C. Restrictions on Contributions Received:

The Charity reports contributions as unrestricted support when they are received without donor's stipulations that limit their use.

D. Foreign Currency Translation:

Transactions denominated in currencies other than the U.S. Dollar are translated into U.S. Dollars at the rates prevailing on the dates of the transactions. Assets and liabilities in such currencies at the year-end date are retranslated at the rates prevailing at that date. Translation differences, if any, are included in the statement of activities.

3. DONATIONS MADE

Donations made are distributed as follows among beneficiaries:

	<u>Year Ended June 30,</u>	
	<u>2009</u>	<u>2008</u>
	<u>USD</u>	<u>USD</u>
Paid Donations:		
Al Hassad	15,252	-
Jabboule	13,639	-
Ahlouna	35,788	-
Makassed	48,500	-
ACSAUVEL	-	19,500
Association du Foyer de l'Enfant Libanais	56,750	35,500
Association of Charity and Culture (Sayda Zeinab)	16,925	8,765
Janiat El Rida	-	5,250
Dar Tarablos	41	-
Dr. Mohammad Khaled Social Foundations	1,008	21,850
Druze Orphanage	23,903	-
Jamiaat Al Ataa'	2,157	8,200
MOSAN	54,505	25,175
Maison de Notre Dame des Dons pour l'Enfant Heureux	<u>20,000</u>	<u>55,300</u>
	<u>288,468</u>	<u>179,540</u>
Committed Donations:		
Home of the Harvest	-	27,585
Dr. Mohammad Khaled Social Foundations	22,000	62,000
Association of Charity and Culture (Sayda Zeinab)	30,000	60,000
Dar Tarablos	17,200	14,750
Dar Al Yateem Al Arabi	4,500	4,500
Association Libanaise des Villages d'Enfants SOS	15,000	20,980
Druze Orphanage	-	25,000
Jamiaat Al Ataa'	-	12,800
MOSAN	90	21,325
Orphelinat des Sœurs de Notre Dame du Bon Service – Jabboule	59,000	65,000
Ahlouna	10,870	46,870
Makassed	-	24,100
Paradis d'Enfant	20,282	21,750
Arab Resource collective	-	7,436
ACSAUVEL	<u>9,000</u>	<u>-</u>
	<u>187,942</u>	<u>414,096</u>
<u>Less: Outstanding committed donations from 2007</u>	<u>(4,782)</u>	<u>(25,436)</u>
Total donations made	<u>471,628</u>	<u>568,200</u>

4. CONTRIBUTIONS

Donations are in their majority unrestricted, thus the members of COL decide throughout the year the projects to be funded. If the funds targeted for a certain project are not spent by the fiscal year end, in that case they are recorded as “Committed donations” since they are notionally set aside for a specific project.

