



Grant Thornton
Mohamed Hilal

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**Care Egypt Foundation for Development
Opening Financial Statements and Auditor's Report
from March 28, 2018 till June 30, 2019**

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Independent Auditor's Report

Translation from Arabic

To: Chairman and Members of
Care Egypt Foundation for Development

Financial statement report

- We have audited the accompanying statement of financial position of Care Egypt Foundation for Development from 28 march 2018 to June 30, 2019, the related Statement of Revenues and Expenditures, Statement of Cash Receipts and Disbursements for the year Ended and summary of major accounting policies and disclosures.

Management's responsibility

- The financial statements are the responsibility of the association's management. Management has the responsibility to prepare and present the financial statements fairly and clearly according to the Egyptian accounting standards within the view of the current Egyptian laws and regulations and the cash basis, as shown in note no. (1-2) of the Notes to the financial statements and According to the Egyptian laws in effect. The management's responsibility includes designing, implementing and maintaining the internal control related to the preparation and presentation of financial statements in a fair and clear presentation free from any significant and influential distortions, whether they result from fraud or error. This responsibility also includes selection and implementation of appropriate accounting policies and applying them and making accounting estimates appropriate to the circumstances.

Our responsibility

- Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Auditing Standards within the view of the current Egyptian laws and regulations. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
- An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.
- We believe that our audit provide a reasonable basis for our opinion.

Unqualified Opinion

In our opinion, the financial statement referred to above present fairly in all material respects, the financial position of organization as of June 30, 2019 and the related statements of Revenues and Expenditures, Statement of Cash receipt and disbarment for the period then ended in conformity with the Egyptian accounting standards and within the view of the current Egyptian laws and regulation.

Regulation and other organizational requirements report

- The organization keeps proper accounting records which include all that is required by law and the statutes of the organization and the accompanying financial statements are in agreement therewith.
- The financial information contained in the report of the manager as required by the companies Law No. 84 for the year 2002 is in agreement with the organization l's accounting records within the limit that such information is recorded therein.

Hossam El Beshar


R.A.A no. 18277

E.F.S.A. 335

Grant Thornton Mohamed Hilal

Cairo August 16, 2020

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Public Accountant®

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Grant Thornton International

Care Egypt Foundation For Development

Statement of Financial Position

As of June 30, 2019

Translation from
Arabic

	Notes	6/30/2019
		L.E
Assets		
Long term Assets		
Fixed Assets (Net)	6	0
Total Long Term Assets		0
Current Assets		
Cash and Bank Balances	7	998,433
Total Current Assets		998,433
Total Assets		998,433
Liabilities and Equity		
Net Equity		
Foundation Funds		1,000,000
Net surplus / (deficit)		(1,567)
Total Equity		998,433
Total Liabilities And Equity		998,433

Treasurer

Board Chairman

* The accompanying accounting principles and the notes to the financial statements from note no. (1) to (9) are integral part of these financial statements and must be read with them.

* Auditors report is attached

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Care Egypt Foundation For Development

Statement of Revenues and Expenditures

As of June 30, 2019

	6/30/2019
Note	L.E
Revenues	
Donors Funds Received	0
Total Operating Revenues	0
Less :	
Expenses	
General and Administration Expenses	8 1,567
Total Expenses	1,567
Depreciation	0
Net (Deficit) Surplus for the year	(1,567)

*The accompanying accounting principles and the notes to the financial statements from note no. (1) to (9) are integral part of these financial statements and must be read with them.

Care Egypt Foundation For Development

Statement of Cash Receipts and Disbursements

As of June 30, 2019

Note	6/30/2019
	L.E
Cash Flows from Operating Activities	
Net (Deficit) Surplus for the year	(1,567)
Depreciation Expense	0
Operating deficit before working foundation fund changes	(1,567)
Increase (Decrease) In Other Debit Balances	0
Increase (Decrease) In Other Credit Balances	0
Increase (Decrease) In Deferred Revenue	0
Other Credit Balance	0
Total Cash Receipts	(1,567)
Cash Flows from Investment Activities	
(Acquisition) Of Fixed Assets	0
Net Cash (Used in) Investment Activities	0
Cash Flows from financial Activities	
Change in Foundation funds	1,000,000
Net Cash (Used in) financial Activities	1,000,000
Net (Decrease) Increase in Cash and Cash Equivalents during the year	998,433
Cash and Cash Equivalents at the Beginning of the year	0
Cash and Cash Equivalents at the End of the year	998,433

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Notes to the financial statements

June 30, 2019

1-1 Establishment and activity

A. legal entity and regulatory laws

- "Care Egypt Foundation for Development" was established on March 28, 2018 in accordance with Law No. 70 of 2017 and was announced under No. "833"

B. type and field of work of the institution

- Economic development.
- Healthy and environmental development.
- Agricultural development.
- Organization and Management.
- Human rights.
- Social assistance.
- Educational and cultural services.
- environment protection

C. Foundation Address:

- Flat No. (1), third floor, Plot (8), Block (64), Shatr 10, in front of Carrefour Maadi

D. fiscal year:

- The Foundation's fiscal year begins on the first of July and ends at the end of June of each year

E. Sources of funding for the corporation:

- Corporation capital allocation
 - An amount of 1,000,000 million Egyptian pounds is allocated to the institution's account in the National Bank, Tharwat Branch, as part of the foundation's resources
- Other sources of funding
 - The additional funds allocated by the founders or non-founders after obtaining the necessary approvals, in accordance of Article 135 of the Executive Regulations.
 - Foreign aids , grants and redeeming donations in accordance with Article 57 of the Executive Regulations
 - Returns from economic or service projects established by the corporation.
 - Government subsidies.
 - Other resources approved by the Board of Trustees.

Significant Accounting Policies

A. Basis of Preparing Financial Statements

- The financial statements have been prepared in accordance with the applicable Egyptian laws and regulations as well as the Egyptian accounting standards and on historical cost basis.
- These financial statements are the Foundation's opening statements, so there are no comparative figures.

B. Demonstration and Measurement

- The financial statements are presented in Egyptian pounds, which is the institution's measurement currency

C. Foreign currency transactions

- The institution maintains its accounts in Egyptian pounds, and transactions in foreign currencies are recorded on the basis of the exchange rates in effect within the scope of the free market for foreign exchange during the fiscal year. On that date, any differences in the valuation of a debit or credit are posted to the income statement.

D. Foreign currency translation

- Transactions including grants and donations received and that appear in foreign currencies in the financial statements are translated with the actual value received or paid in the foreign currency.

E. Fixed Assets and Depreciation:

- Fixed assets are recorded at historical cost inclusive of all related expenses incurred to prepare the assets for intended use.
- Depreciation of the fixed assets is calculated on the basis of the estimated useful lives using the straight-line method of depreciation at the following annual rates:

Assets Description	Accumulated Depreciation
Buildings	4%
Building fixtures	20%
Furniture	20%
Machinery and equipment	20%
Vehicle	20%
Computers	25%
Leasehold improvements	5 years or Rental period whichever less

* The asset is listed or capitalized according to the institution's policy in considering the fixed (capital) asset so that it is depreciated monthly over the course of its productive life. The following three conditions are met in the equipment or other property that the establishment purchases:

- That the use of life (the period of use) of the equipment or other property exceeds one year
- That the cost of one unit is equal to or more than 5,000 EGP.
- That the final possession of equipment and property is in the possession of the institution

F. Deferred revenue:

- Grants are recorded as deferred income and are depreciated on the income and expenses statement over the estimated useful life of the asset.

G. Accounts / Notes Receivable and Other Debit Balances

- Accounts / notes receivable and other debit balances are disclosed in the balance sheet at their net realizable value after deducting the provision, and the impairment is estimated when there is a possibility of not collecting the entire debt.

H. Cash and Cash Equivalents:

- Cash and cash equivalents includes cash in banks.

I. Credits

- Credits are recognized as financial liabilities that will be paid in the future against goods received and services performed both feet or did not provide invoiced by suppliers.

J. Revenue Recognition

- Subscription fees and donations are recognized as revenue when actually earned in accordance with the cash basis.
- Grants for projects funded from donated are recognized in accordance with the cash basis.

K. Taxes

- Taxes are calculated in according to the Egyptian Accounting Standards.

L. Grants

- cashed grants related to projects supervised by the Foundation that is funded by other parties are recorded as liabilities on the Foundation in preparation for spending them for the purpose for which they are allocated

M. Provision Substantiation

- Provisions are recognized when there is an obligation (legal or constructive) as a result of an event in the past and it is likely that there will be an outflow of resources with economic benefits that will be used to settle this obligation, and an estimate of the amount of the obligation can be made with a reliable degree.
- Provisions are reviewed at the date of the financial statements and amended (when necessary) according to the current best estimate

2. Accounting Estimates

- The financial tools for the balance sheet accounts include debtors, creditors, cash and bank accounts and includes a clarification of the accounting policies used to establish and measure financial instruments. Here are the top risks associated with financial instruments and the most important procedures applied Assembly to address these risks:
- **Liquidity risk**
The liquidity risk factors that may affect the ability of the Assembly to repay part or all of the obligations. According to the Assembly's policy is maintaining appropriate liquidity (including obtaining support loans and grants) to reduce that risk to a minimum.

- **Foreign currency exchange rate risk**

The risk of foreign exchange rates is represented in changes in the exchange rate, which affects payments and receipts in foreign currencies, as well as the evaluation of assets and liabilities in foreign currencies, and the institution tries to reduce the risk of foreign currencies by avoiding an exposed position for foreign currencies in order to reduce this risk to a minimum.

4. Cash Flow

- Cash flows is prepared according to the indirect method. Cash and cash equivalents are represented on balances and deposits with banks for short term periods

5. Tax Situation

- The payroll tax is paid monthly, regularly and within the legal dates
- The Withholding and addition tax is paid regularly on the statutory dates in accordance with Form Σ1

6. Cash and Bank Balances

Description	6/30/2019
Current Accounts - Local Currency	998,433
Total	998,433

7. General and Administration Expenses

Description	6/30/2019
Bank Charges	1,567
Total	1,567

8. Foundation Funds

Description	6/30/2019
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Upon incorporation Foundation funders donated amount equal to LE 1,000,000 in the bank foundation bank accounts. The shares are distributed as follows

The foundation funds shares are distributed to the founders as follows:-

1- Hazem Safwat Abbas Fahmy	70%	700,000
2- Sherien Hassan Elsaid Ibrahim	30%	300,000