



**Grant Thornton**  
Mohamed Hilal

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**Care Egypt Foundation for Development  
Financial Statements and Auditor's Report  
June 30, 2020**

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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 as of June 30, 2020, 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.

- The management of Care Egypt Foundation did not provide us with the attorney letter, due to that the foundation has been established recently in Egypt and still in the stage of hiring a new consultants for the foundation. As a result, we are unable to assess the existence of any contingent liabilities that may raise due to legal claims established against the foundation. However, the management is in the process of hiring legal firm.

- In our opinion, except for the qualification mentioned above, the financial statements referred to above present fairly, in all material respects, the financial position of Care Egypt Foundation for Development as of June 30, 2020 and the related statements of Revenues and Expenditures, Statement of Cash receipt and disbursement for the period then ended in conformity with the International accounting standards and within the view of the current Egyptian laws and regulation..

- Law No. 149 of 2019 was issued in August 2019 to regulate the work of associations and other institutions that work in the field of Community work. The conditions of the association have not been reconciled in accordance with this law so far, as the executive regulations for it have not been yet issued.

- 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's accounting records within the limit that such information is recorded therein.

51324 A.A no. 18277

Cairo August 16, 2020

The Egyptian Member Firm of  
Grant Thornton International



# Care Egypt Foundation For Development

## Statement of Financial Position

### As of June 30, 2020

Translation from  
Arabic

		6/30/2020	6/30/2019
	Notes	L.E	L.E
<b>Assets</b>			
<b>Long term Assets</b>			
Fixed Assets (Net)	6	305,967	0
<b>Total Long Term Assets</b>		<b>305,967</b>	<b>0</b>
<b>Current Assets</b>			
Cash and Bank Balances	7	10,408,154	998,433
Other Debit Balances	8	14,994	0
<b>Total Current Assets</b>		<b>10,423,148</b>	<b>998,433</b>
<b>Total Assets</b>		<b>10,729,115</b>	<b>998,433</b>
<b>Liabilities and Equity</b>			
<b>Current Liabilities</b>			
Other Credit Balances	9	68,519	0
Accruals and provisions	10	248,475	0
Deffered Revenue	11	8,677,775	0
<b>Total Current Liabilities</b>		<b>8,994,769</b>	<b>0</b>
<b>Net Equity</b>			
Foundation Funds	16	1,000,000	1,000,000
Carried Forward (surplus / (deficit)		(1,567)	0
Net surplus / (deficit)		735,913	(1,567)
<b>Total Association Equity</b>		<b>1,734,346</b>	<b>998,433</b>
<b>Total Association Liabilities And Equity</b>		<b>10,729,115</b>	<b>998,433</b>

Treasurer

Board Chairman

\* The accompanying accounting principles and the notes to the financial statements from note no. (1) to (16) are integral part of these financial statements and must be read with them.

\* Auditors report is attached

Grant Thornton - Mohamed Hilal

Public Accountants  
The Egyptian Member Firm of  
Grant Thornton International

# Care Egypt Foundation For Development

## Statement of Revenues and Expenditures

### As of June 30, 2020

		6/30/2020	6/30/2019
	Note	L.E	L.E
<b>Revenues</b>			
Donors Funds Received		3,044,820	0
Performance contract Direct revenue		166,667	0
Assets Donation		360,167	0
Intra Company Grants & revenue		339,704	0
<b>Total Operating Revenues</b>		<b>3,911,358</b>	<b>0</b>
<b>Less :</b>			
<b>Expenses</b>			
General and Administration Expenses	12	13,251	1,567
Operation Expenses	13	2,659,773	0
Equipment and Tools Association Expenses	14	126,999	0
Equipment and Tools Projects Expenses	15	9,014	0
Indirect Cost Expenses		339,704	0
Inter Company Repatriation		26,704	0
<b>Total Expenses</b>		<b>3,175,445</b>	<b>1,567</b>
<b>Net (Deficit) Surplus for the year</b>		<b>735,913</b>	<b>(1,567)</b>

\* The accompanying accounting principles and the notes to the financial statements from note no. (1) to (16) 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, 2020

	Note	6/30/2020 L.E	6/30/2019 L.E
<b>Cash Flows from Operating Activities</b>			
Net (Deficit) Surplus for the year			
Operating deficit before working foundation fund changes		735,913	(1,567)
Depreciation		26,704	
Increase (Decrease) In Other Debit Balances		(14,994)	0
Increase (Decrease) In Other Credit Balances		68,519	0
Increase (Decrease) In Deferred Revenue		8,677,775	0
Other Credit Balance		248,475	0
<b>Total Cash Receipts</b>		<b>9,742,392</b>	<b>(1,567)</b>
<b>Cash Flows from Investment Activities</b>			
(Acquisition) Of Fixed Assets		(332,671)	0
<b>Net Cash (Used in) Investment Activities</b>		<b>(332,671)</b>	<b>0</b>
<b>Cash Flows from financial Activities</b>			
Change in foundation fund		0	1,000,000
<b>Net Cash (Used in) financial Activities</b>		<b>0</b>	<b>1,000,000</b>
<b>Net (Decrease) Increase in Cash and Cash Equivalents during the year</b>		<b>9,409,721</b>	<b>998,433</b>
<b>Cash and Cash Equivalents at the Beginning of the year</b>		<b>998,433</b>	<b>0</b>
<b>Cash and Cash Equivalents at the End of the year</b>	7	<b>10,408,154</b>	<b>998,433</b>



# Notes to the financial statements

## June 30, 2020

### 1-1 Establishment and activity

#### A. legal entity and regulatory laws

- "Care Egypt Development" Foundation 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.



## 2. 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.

### 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 Deprecation
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 fees 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

**3. 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 41



6. Fixed Assets  
Care Egypt Foundation For Development  
Analysis of Fixed Assets  
As of June 30, 2020

Description	Cost				Accumulated Depreciation				Net as of Jun. 30, 2020	Net as of Jun. 30, 2019	
	Opening Balance		Additions		Dispositions		Ending Balance				
	LE		LE		LE		LE		LE	LE	
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	
Equipments and Fixtures	0	203,847	0	0	203,847	0	16,121	0	16,121	187,725	C
Computers	0	128,824	0	0	128,824	0	10,583	0	10,583	118,241	C
Total Fixed Assets	0	332,671	0	0	332,671	0	26,704	0	26,704	305,967	0



## 7. Cash and Bank Balances

Description	30/06/2020	30/06/2019
Current Accounts - Local Currency	10,408,154	998,433
<b>Total</b>	<b>10,408,154</b>	<b>998,433</b>

## 8. Other Debit Balances

Description	30/06/2020	30/06/2019
Project Advances	1,254	0
Accounts receivable settlement	172	0
Travel Advances	13,568	0
<b>Total</b>	<b>14,993</b>	<b>0</b>

## 9. Other Credit Balances

Description	30/06/2020	30/06/2019
Account Payable Control acct	59,470	0
Other Payable	3,981	0
Payroll Taxes	1,660	0
Withholding Taxes	964	0
Miscellaneous	1,098	0
Special Tax Payable	1,195	0
Social Tax Payable	150	0
<b>Total</b>	<b>68,519</b>	<b>0</b>

## 10. Accruals And Provisions

Description	30/06/2020	30/06/2019
Accruals Expenses	101081	0
Severance Accruals	147394	0
<b>Total</b>	<b>248,475</b>	<b>0</b>

## 11. Deferred Revenue

Description	6/30/2020	6/30/2019
Opening Balance	0	0
Adds	9,126,612	0
Disbursement from grants	-448,837	0
<b>Total</b>	<b>8,677,775</b>	<b>0</b>

\*\* Deferred revenues are amounts collected from donors and were not included in the list of revenues and expenditures until they are matched by the expenditures allocated to them according to the agreement contracts

### Deferred income breakdown

Description	6/30/2020	6/30/2019
<b>Microsoft projects Tawr w Ghyar</b>		
Digital skills philanthropies phase 1	-1,699,821	0
Digital skills philanthropies phase 2	-4,030,000	
Cp Grant	-857,500	
VSLA project Alex Bank	-1,542,520	0
<u>Ensure the continuity of the progress they are making in the Digital Skills field</u>	-257,250	0
<u>Coding for employment program</u>	-383,926	0
<u>Climate changes</u>	93,243	0
<b>Total</b>	<b>-8,677,775</b>	<b>0</b>

## 12. General and Administration Expenses

Description	6/30/2020	6/30/2019
Professional Services Expenses	12,190	0
Bank Charges	1,061	1,567
<b>Total</b>	<b>13,251</b>	<b>1,567</b>

## 13. Operation Expenses

Description	6/30/2020	6/30/2019
Local Salaries And Related Costs	2,476,869	0
Professional services	630	0
Stationery expenses	22,832	0
Travel Expenses	136,008	0
Communications Expenses	17,100	0
Governmental fees	6,334	0
<b>Total</b>	<b>2,659,773</b>	<b>0</b>

#### 14. Equipment and Tools Association Expenses

Description	6/30/2020	6/30/2019
Sewing Machines	17,403	0
Iron Table	6,900	0
Furniture	95,072	0
Printer	7,624	0
<b>Total</b>	<b>126,999</b>	<b>0</b>

#### 15. Equipment and Tools Projects Expenses

Description	9/21/1901	1/0/1900
Motherboard	6,350	0
Computer license renewal	2,664	0
<b>Total</b>	<b>9,014</b>	<b>0</b>

#### 16. Foundation Fund

Description	6/30/2020	6/30/2019
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Upon incorporation the Foundation funders was donated amount equal to LE 1,000,000 in the 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	700,000
2- Sherien Hassan Elsaid Ibrahim	30%	300,000	300,000