

**THE MUHANNA FOUNDATION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2004**

# **The Muhanna Foundation**

## **Report and Financial Statements 31 December 2004**

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## Trustees

Ibrahim E Muhanna

Christopher Daykin

Curtis Huntington

Hans U. Gerber

Adnan Hamzeh

## Trustees' report

1 The Trustees present their report together with the financial statements of the Company for the year ended 31 December 2004.

### Principal activities

2 The principal activity of the Foundation is that of promoting actuarial knowledge and education through administering an actuarial Diploma Program for the Middle East. The Diploma Program offers participants a general curriculum in Financial Mathematics, Probability & Statistics, Economics, Investment & Asset Management and provides the basic skills and expertise to apply these in the fields of insurance, social security or pension funds.

3 In addition to the said Program, the Foundation has held conferences, seminars, and workshops for professionals and academics in a variety of fields, including banking and investment, insurance and brokering, government and municipalities.

4 Moreover, the Foundation provides awards and scholarships for students in the fields of Actuarial Science, Insurance and Mathematics.

### Results

5 The Company's results for the year are set out on page 5.

### Trustees

6 The Trustees at 31 December 2004 are shown on page 2. All of them were members of the Board throughout the year 2004, and will continue in office.

### By Order of the Board



**Ibrahim E Muhanna**  
**Chairman**  
**Board of Trustees**

## Internal audit report to the members of The Muhanna Foundation

1 I have audited the financial statements on pages 5 to 9 and have obtained all the information and explanations considered necessary. These financial statements are the responsibility of the Foundation's management. My responsibility is to express an opinion on these financial statements based on my audit.

2 I conducted the audit in accordance with International Standards on Auditing. Those Standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 the management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

3 In my opinion proper books of account have been kept by the Foundation and the financial statements, which are in agreement therewith, give a true and fair view of the state of affairs of **The Muhanna Foundation** as of 31 December 2004 and of its profit for the year then ended in accordance with International Accounting Standards.



Ziad Abou Arraj  
Auditor

**The Muhanna Foundation**  
**Statement of Sources and Uses of Funds**  
**For the year ended 31 December 2004**

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	Note	2004 US\$	2003 US\$
<b>Sources of Funds</b>			
Donors		2,000	6,500
Seminars and conferences	2	210,275	152,034
Other sources		3,199	902
<b>Total Sources of Funds</b>		<b>215,474</b>	<b>159,436</b>
<b>Uses of Funds</b>			
Administrative Expenses	Page 9	69,446	33,559
Seminars and conferences	5	143,387	132,690
<b>Total Uses of Funds</b>		<b>212,833</b>	<b>166,249</b>
<b>Net Surplus/(Deficit) for the year</b>		<b>2,641</b>	<b>(6,813)</b>

The notes on pages 7 to 9 form part of these financial statements.

# The Muhanna Foundation

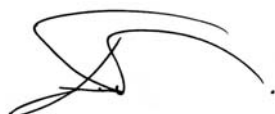
## Balance sheet – 31 December 2004

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	Note	2004 US\$	2003 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	3	<u>2.856</u>	<u>2.990</u>
<b>Total non-current assets</b>		<u>2.856</u>	<u>2.990</u>
<b>Current assets</b>			
Debtors		17.447	18.713
Cash at bank and in hand		<u>4.193</u>	<u>-</u>
<b>Total current assets</b>		<u>21.640</u>	<u>18.713</u>
<b>Total assets</b>		<u>24.496</u>	<u>21.703</u>
<b>Liabilities and Capital</b>			
<b>Current liabilities</b>			
Creditors		16.683	16.385
Bank overdraft		<u>-</u>	<u>146</u>
<b>Total liabilities</b>		<u>16.683</u>	<u>16.531</u>
<b>Total Net Capital</b>	4	7.813	5.172
<b>Total liabilities and Capital</b>		<u>24.496</u>	<u>21.703</u>

**Signed on behalf of the Board of Trustees**

Chairman



*June 25, 2005*

The notes on pages 7 to 9 form part of these financial statements.

# The Muhanna Foundation

## Notes to the financial statements for the year ended 31 December 2004

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### 1 Principal accounting policies and accounting conventions

#### Accounting convention

The financial statements are prepared under the historical cost convention.

#### Foreign currencies

All balance sheet items with the exception of share capital are translated into United States dollars at the rate of exchange ruling at the end of the financial period. Equity is translated at historical cost.

#### Depreciation

Depreciation is calculated to write off the costs of fixed assets on a straight-line basis over the expected useful lives of the assets concerned.

#### Cash and cash equivalents

Cash and cash equivalents consist of cash in hand and balance with banks.

### 2 Turnover

Turnover represents the sources of funds received from diploma programs, workshops, conferences and seminars.

#### Seminars and conferences:

	2004 US\$	2003 US\$
Diploma Program	24.960	47.370
Seventh Pension Conference	-	53.174
Insurance Supervisors Workshop	14.965	30.000
Oman Seminar	-	21.490
Compliance Workshop	9.400	-
Eighth Pension Conference	85.700	-
Mergers & Acquisitions	24.250	-
Job Fair Saudi Arabia	51.000	-
<b>Total sources of funds from seminars and conferences</b>	<b>210.275</b>	<b>152.034</b>

## 3 Fixed assets

	Computer Software US\$	Office Equipment US\$	Total US\$
<b>2004 Cost:</b>			
At 1 January 2004	443	3.200	3.643
Additions	395	-	395
<b>At 31 December 2004</b>	<b>838</b>	<b>3.200</b>	<b>4.038</b>
<b>Depreciation</b>			
At 1 January 2004	333	320	653
Charge for the year	209	320	529
<b>At 31 December 2004</b>	<b>542</b>	<b>640</b>	<b>1.182</b>
<b>Net Book Value</b>			
<b>At 31 December 2004</b>	<b>296</b>	<b>2.560</b>	<b>2.856</b>
At 31 December 2003	110	2.880	2.990

## 4 Capital

	2004 US\$	2003 US\$
Prior year result	5.172	11.985
Current year result	2.641	(6.813)
<b>Total Capital</b>	<b>7.813</b>	<b>5.172</b>

## 5 Uses of funds

### Seminars and conferences:

	2004 US\$	2003 US\$
Diploma Program	15.478	27.608
Seventh Pension Conference	-	65.602
Insurance Supervisors Workshop	1.053	23.999
Oman Seminar	600	15.481
Compliance Workshop	3.058	-
Eighth Pension Conference	70.955	-
Mergers & Acquisitions	15.583	-
Job Fair Saudi Arabia	36.660	-
<b>Total uses of funds from seminars and conferences</b>	<b>143.387</b>	<b>132.690</b>

## Analysis of administrative expenses for the year ended 31 December 2004

	2004	2003
	US\$	US\$
<b>Administrative expenses</b>		
Salaries	<b>36.928</b>	13.000
Awards	<b>3.423</b>	5.423
Services rendered	<b>9.000</b>	5.000
Legal fees	-	3.162
Travelling abroad (Tickets)	<b>1.427</b>	2.203
Travelling abroad (Hotels)	<b>792</b>	926
Advertising	-	699
Bank charges	<b>1.399</b>	1.090
Bad Debts	<b>15.550</b>	2.147
Gain/Loss on exchange	<b>(99)</b>	(866)
Miscellaneous	<b>1.026</b>	775
	<b>69.446</b>	33.559