

THE MUHANNA FOUNDATION

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2001**

The Muhanna Foundation

Report and Financial Statements 31 December 2001

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Trustees and advisers

Trustees

Ibrahim E Muhanna
Christopher Daykin
Curtis Huntington
Hans U. Gerber
Adnan Hamzeh

Registered office

CH-8021 Zurich, Usterstrasse 14
8001 Zurich
Switzerland

Foundation Secretary

VON MEISS BLUM & PARTNERS
ATTORNEYS AT LAW
CH-8021 Zurich, Usterstrasse 14
8001 Zurich
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Trustees' report

1 The Trustees present their report together with the financial statements of the Foundation for the year ended 31 December 2001.

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.

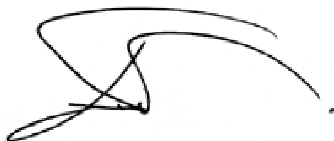
Results

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

Trustees

6 The Trustees at 31 December 2001 are shown on page 2. All of them were members of the Board throughout the year 2001, and will continue in office.

By Order of the Board



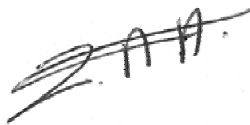
Ibrahim E Muhanna
Chairman
Board of Trustees

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 2001 and of its loss for the year then ended in accordance with International Accounting Standards.



Ziad Abou Arraj
Auditor

**Statement of Sources and Uses of Funds
For the year ended 31 December 2001**

	Note	2001 US\$	2000 US\$
Sources of Funds			
Donors		11.000	17.000
Seminars and conferences	2	169.612	133.361
Other sources		-	2.135
Total Sources of Funds		<u>180.612</u>	<u>152.496</u>
Uses of Funds			
Administrative Expenses	Page 9	32.128	25.551
Seminars and conferences	5	170.585	82.750
Total Uses of Funds		<u>202.713</u>	<u>108.301</u>
Net Surplus/(Deficit) for the year		<u>(22.101)</u>	<u>44.195</u>

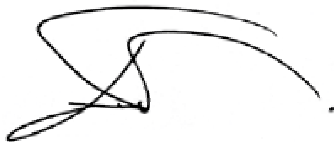
The notes on pages 7 to 9 form part of these financial statements.

Balance sheet – 31 December 2001

	Note	2001 US\$	2000 US\$
Assets			
Non-current assets			
Fixed assets	3	<u>332</u>	<u>443</u>
Total non-current assets		<u>332</u>	<u>443</u>
Current assets			
Debtors		22.723	29.987
Cash at bank and in hand		<u>7.356</u>	<u>27.551</u>
Total current assets		<u>30.079</u>	<u>57.538</u>
Total assets		<u>30.411</u>	<u>57.981</u>
Liabilities and equities			
Current liabilities			
Creditors		2.017	2.516
Petty Cash accounts		-	4.970
Total liabilities		<u>2.017</u>	<u>7.486</u>
Total Equity	4	<u>28.394</u>	50.495
Total liabilities and shareholders' equity		<u>30.411</u>	<u>57.981</u>

Signed on behalf of the Board of Trustees

Chairman



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

Notes to the financial statements for the year ended 31 December 2001

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:

	2001 US\$	2000 US\$
Fourth Pension Conference	-	30.150
Diploma Program	63.442	66.450
Fifth Pension Conference	70.400	-
Insurance Supervisors Workshop	28.850	36.761
Beirut Role of Actuaries Seminar	6.920	-
Total sources of funds from seminars and conferences	169.612	133.361

3 Fixed assets

	Computer Software US\$	Total US\$
2001 Cost:		
At 1 January 2001	443	443
Additions	-	-
At 31 December 2001	443	443
Depreciation		
At 1 January 2001	-	-
Charge for the year	111	111
At 31 December 2001	111	111
Net Book Value		
At 31 December 2001	332	332
At 31 December 2000	443	443

4 Equity

	2001 US\$	2000 US\$
Prior year result	50.495	6.300
Current year result	(22.101)	44.195
Total equity	28.394	50.495

5 Uses of funds

Seminars and conferences:

	2001 US\$	2000 US\$
Fourth Pension Conference	-	27.682
Diploma Program	42.847	43.385
Amman Role of Actuaries Seminar	2.984	6.390
Fifth Pension Conference	70.128	5.293
Insurance Supervisors Workshop	51.348	-
Beirut Role of Actuaries Seminar	3.278	-
Total uses of funds from seminars and conferences	170.585	82.750

Analysis of administrative expenses for the year ended 31 December 2001

	2001	2000
	US\$	US\$
Administrative expenses		
Awards	1.000	2.000
Services rendered	16.150	7.800
Legal fees	2.783	3.657
Travelling abroad (Tickets)	4.934	4.044
Travelling abroad (Hotels)	1.806	160
Advertising	1.700	3.600
Bank charges	2.584	2.603
Miscellaneous	1.171	1.687
	<u>32.128</u>	<u>25.551</u>