

**THE MUHANNA FOUNDATION**

**FINANCIAL STATEMENTS  
FOR THE YEAR ENDED  
31 DECEMBER 2002**

# **The Muhanna Foundation**

## **Report and Financial Statements 31 December 2002**

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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

### **Company Secretary**

**VON MEISS BLUM & PARTNERS**  
**ATTORNEYS AT LAW**  
CH-8021 Zurich, Usterstrasse 14  
8001 Zurich  
Switzerland

## Trustees' report

1 The Trustees present their report together with the financial statements of the Company for the year ended 31 December 2002.

### 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 2002 are shown on page 2. All of them were members of the Board throughout the year 2002, 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 2002 and of its loss 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 2002**

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	Note	2002 US\$	2001 US\$
<b>Sources of Funds</b>			
Donors		13.500	11.000
Seminars and conferences	2	37.550	169.612
Other sources		220	-
<b>Total Sources of Funds</b>		<u>51.270</u>	<u>180.612</u>
<b>Uses of Funds</b>			
Administrative Expenses	Page 9	32.115	32.128
Seminars and conferences	5	35.564	170.585
<b>Total Uses of Funds</b>		<u>67.679</u>	<u>202.713</u>
<b>Net Surplus/(Deficit) for the year</b>		<u>(16.409)</u>	<u>(22.101)</u>

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

# The Muhanna Foundation


## Balance sheet – 31 December 2002

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	Note	2002 US\$	2001 US\$
<b>Assets</b>			
<b>Non-current assets</b>			
Fixed assets	3	<u>221</u>	<u>332</u>
<b>Total non-current assets</b>		<u>221</u>	<u>332</u>
<b>Current assets</b>			
Debtors		21.754	22.723
Cash at bank and in hand		<u>1.063</u>	<u>7.356</u>
<b>Total current assets</b>		<u>22.817</u>	<u>30.079</u>
<b>Total assets</b>		<u><b>23.038</b></u>	<u>30.411</u>
<b>Liabilities and equities</b>			
<b>Current liabilities</b>			
Creditors		11.053	2.017
Petty Cash accounts		-	-
<b>Total liabilities</b>		<u>11.053</u>	<u>2.017</u>
<b>Total Equity</b>	4	11.985	28.394
<b>Total liabilities and shareholders' equity</b>		<u><b>23.038</b></u>	<u>30.411</u>

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

Chairman



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 2002

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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:

	2002 US\$	2001 US\$
Diploma Program	35.550	63.442
Fifth Pension Conference	-	70.400
Seventh Pension Conference	2.000	-
Insurance Supervisors Workshop	-	28.850
Beirut Role of Actuaries Seminar	-	6.920
<b>Total sources of funds from seminars and conferences</b>	<b>37.550</b>	<b>169.612</b>

## 3 Fixed assets

	Computer Software US\$	Total US\$
<b>2002 Cost:</b>		
At 1 January 2002	443	443
Additions	-	-
<b>At 31 December 2002</b>	<b>443</b>	<b>443</b>
<b>Depreciation</b>		
At 1 January 2002	111	111
Charge for the year	111	111
<b>At 31 December 2002</b>	<b>222</b>	<b>222</b>
<b>Net Book Value</b>		
<b>At 31 December 2002</b>	<b>221</b>	<b>221</b>
At 31 December 2001	332	332

## 4 Equity

	2002 US\$	2001 US\$
Prior year result	28.394	50.495
Current year result	(16.409)	(22.101)
<b>Total equity</b>	<b>11.985</b>	28.394

## 5 Uses of funds

### Seminars and conferences:

	2002 US\$	2001 US\$
Diploma Program	31.644	42.847
Amman Role of Actuaries Seminar	-	2.984
Fifth Pension Conference	-	70.128
Seventh Pension Conference	3.920	-
Insurance Supervisors Workshop	-	51.348
Beirut Role of Actuaries Seminar	-	3.278
<b>Total uses of funds from seminars and conferences</b>	<b>35.564</b>	170.585

## Analysis of administrative expenses for the year ended 31 December 2002

	2002	2001
	US\$	US\$
<b>Administrative expenses</b>		
Salaries	7.800	-
Awards	1.423	1.000
Services rendered	12.200	16.150
Legal fees	2.972	2.783
Travelling abroad (Tickets)	626	4.934
Travelling abroad (Hotels)	217	1.806
Advertising	1.500	1.700
Bank charges	368	2.584
Bad Debts	4.491	-
Miscellaneous	518	1.171
	<u>32.115</u>	<u>32.128</u>