



Cabinet Antoine Haddad

Comptabilité et Expertise

مكتب أنطوان حداد
محاسبة وتدقيق

ANTA AKHI

LEBANON

REPORT AND FINANCIAL STATEMENTS

For the year ended 30, June, 2022



INDEPENDENT AUDITOR'S REPORT
TO THE PRESIDENT AND MEMBERS OF THE GENERAL ASSEMBLY
OF ANTA AKHI - LEBANON
The "Association"

Adverse Opinion

We have audited the accompanying statements of Anta Akhi which comprise the statement of financial position as at June 30, 2022. And the statement of profit and loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, because of the significance of the matters discussed in the **Basis of adverse opinion** section of our audit report, the accompanying financial statements do not present fairly the financial position of the Association as at June 30, 2022, its financial performance and its cash flow for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis of Adverse Opinion

1. As at 30.06.2022 the Association held bank balances in Lebanon in multiple currencies evaluated at 830 million LBP at the official rate of 1507.50 LBP/1USD. It is not possible to determine the future effects that the restructuring plan and the economic crises could have on the expected credit losses and thus the carrying amount of these assets. The accompanying financial statements do not include adjustments that could result from the resolution of these uncertainties.
2. Assets, liabilities and transactions in foreign currencies were translated to the Association's functional currency at the official exchange rate of 1 USD / 1507.50 LBP as. Other officially published exchange rates became available through legal exchange mechanisms. The rate to be used is that at which the future cash flows represented by the transaction or balance could have been settled if those cash flows had occurred at the measurement date. The effects on the financial statements from failure to use the appropriate rate have not been determined.
3. Because the Government did not achieve its restructuring and economic plan, the Center Bank of Lebanon did not publish a unique exchange rate the Association could not apply the requirements of IAS 29 (Financial Reporting in Hyperinflationary Economics), in the preparation of the accompanying


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financial statements for the year ended 30.06.2022. IAS 29 requires that the financial statements, and the corresponding figures for previous period of an entity with a functional currency that is hyperinflationary, to be stated in the terms of the measuring unit current at the end of the reporting period. Had the Association applied IAS 29, the accompanying financial statements and the comparative financial information would have been materially affected. Consequently, the effects on the financial statements have not been determined.

Responsibilities of Management and those charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

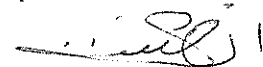

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we required draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including and significant deficiencies in internal control that we identify during our audit.

Zouk Mosbeh, 2 September 2022

Independent Auditor



Antoine J. HADDAD
L.A.C.P.A. N° 919

ANTA AKHI - Financial position (in LBP) for the year ended 30.06.2022

Assets	30.06.22	30.06.21	Liabilities	30.06.22	30.06.21
Net book value of fixed assets	1 682 790 106	714 689 684	Investment subsidies	2 781 941 935	1 746 254 726
Deposits	5 400 000	5 400 000	Brought forward results	61 924 029	-639 344 851
Total Fixed Assets	1 688 190 106	720 089 684	Result of the period	-2 286 078 236	701 268 880
Inventory	159 356 334	217 074 562	Equity	557 787 728	1 808 178 755
Advances to suppliers	13 317 000	3 154 000	Provision for end of service indemnities	2 135 845 455	635 468 156
Suppliers of fixed assets	0	0	Social security - bills	0	81 418 506
Advances to personnel Insurance	173 363 525	10 611 925	Long Term Debts	2 135 845 455	716 886 662
Advances to personnel N.F.S.S.	128 269 550	128 269 550	Suppliers	128 895 223	78 956 689
V.A.T. claimed	109 347 760	59 149 752	Projects for equipments	2 100 091 626	40 578 998
Other receivables	13 843 226	4 282 573	Personnel	128 269 550	128 269 550
Donations receivable	0	2 817 750	N.F.S.S. and taxes	86 613 644	21 832 000
Total Receivables	438 141 061	208 285 550	Other payables	19 142 643	28 965 250
Prepaid charges	251 955 593	99 256 311	Accrued expenses	23 051 650	18 512 583
Cash & Banks	2 642 054 425	1 597 474 380	Accrued income	0	0
Total Current Assets	3 491 507 413	2 122 090 803	Current Liabilities	2 486 064 336	317 115 070
Total Assets	5 179 697 519	2 842 180 487	Total Equity & Liabilities	5 179 697 519	2 842 180 487

Contract Account
Guaranty to the Ministry Of Social Affairs

1 000 000

1 000 000

Contract Account
Guaranty from Audi Bank

1 000 000

1 000 000

ANTA AKHI - Income statement (in LBP)
for the year ended 30.06.2022

	30.06.22	30.06.21
Self-Financing income	361 380 800	143 696 500
Donations	4 932 415 605	1 843 477 059
Other Income	1 694 398 748	522 023 641
Write back of provision	39 202 858	31 270 145
Ordinary Income	<u>7 027 398 011</u>	<u>2 540 467 345</u>
Less:		
Inventory Variation	57 718 228	-107 463 484
Operating Expenses	5 978 485 036	1 614 022 480
Donations in kind / Emergency aids	1 691 908 639	337 362 589
Amortizations and provisions	1 607 166 944	449 937 563
Self-Financing charges	68 664 225	28 589 535
Ordinary charges	<u>9 403 943 072</u>	<u>2 322 448 683</u>
Results from operations	<u>-2 376 545 061</u>	<u>218 018 662</u>
Financial income	6 467 157 873	632 106 414
Financial charges	-6 442 878 397	-46 133 921
Financial results	<u>24 279 476</u>	<u>585 972 493</u>
Net operational results	<u>-2 352 265 585</u>	<u>803 991 155</u>
Non operating income	94 555 394	0
Non operating Charges	-28 368 045	-102 722 275
Non operating results	<u>66 187 349</u>	<u>-102 722 275</u>
Net result of the period	<u>-2 286 078 236</u>	<u>701 268 880</u>