
**Food Banking Regional Network
– Dubai Branch**

FINANCIAL STATEMENTS

31 DECEMBER 2015

INDEPENDENT AUDITORS' REPORT TO THE BOARD OF TRUSTEES OF FOOD BANKING REGIONAL NETWORK – DUBAI BRANCH

Report on the Financial Statements

We have audited the accompanying financial statements of Food Banking Regional Network – Dubai Branch (the “Branch”), which comprise the statement of financial position as at 31 December 2015, statement of revenues and expenses account and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards 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.

Auditors' Responsibility

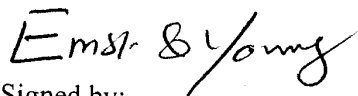
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Branch as at 31 December 2015, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.



Signed by:

Ashraf Abu-Sharkh

Partner

Registration No. 690

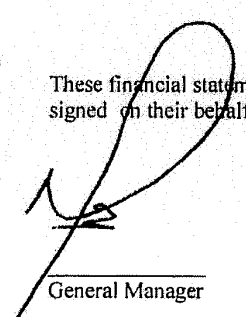
20 March 2016

Dubai, United Arab Emirates

Food Banking Regional Network – Dubai Branch
STATEMENT OF FINANCIAL POSITION
As at 31 December 2015

	<i>Notes</i>	<i>2015 AED</i>	<i>2014 AED</i>
Non-Current Asset			
Property and equipment	6	41,280	59,499
Current assets			
Due from a related party	7	318,296	326,232
Prepayments and other receivables	8	24,398	23,230
Cash and bank balances	9	107,902	241,256
Total current assets		450,596	590,718
TOTAL ASSETS		491,876	650,217
HEAD OFFICE ACCOUNT AND LIABILITIES			
Head office account	10	433,838	614,272
Non-current liability			
Employees' end of service benefits	11	58,038	35,945
TOTAL HEAD OFFICE ACCOUNT AND LIABILITIES		491,876	650,217

These financial statements are approved by the Manager of Food Banking Regional Network on 20 March 2016 and signed on their behalf by:


 General Manager

20/3/2016

The attached notes 1 to 13 form part of these financial statements.

Food Banking Regional Network – Dubai Branch
STATEMENT OF REVENUE AND EXPENSES ACCOUNT
For the year ended 31 December 2015

	<i>Notes</i>	2015 AED	2014 AED
Revenue	4	5,175,541	1,683,807
Expenses:			
General donations paid		(4,352,195)	(397,431)
General and administrative expenses	5	(1,003,780)	(972,666)
(DEFICIT) / SURPLUS FOR THE YEAR		<u>(180,434)</u>	<u>313,710</u>

The attached notes 1 to 13 form part of these financial statements.

Food Banking Regional Network – Dubai Branch

STATEMENT OF CASH FLOWS

For the year ended 31 December 2015

	Notes	2015 AED	2014 AED
OPERATING ACTIVITIES			
(Deficit)/ Surplus for the year		(180,434)	313,710
<i>Adjustments for non-cash items:</i>			
Depreciation	6	19,719	14,638
Provision for employees' end of service benefits	11	22,093	22,093
		(138,622)	350,441
Working capital changes:			
Due from a related party	7	7,936	(7,247)
Other receivables	8	(1,168)	(12,502)
Net cash (used in) / from operating activities		(131,854)	330,692
INVESTING ACTIVITY			
Purchase of property and equipment	6	(1,500)	(74,137)
Cash used in investing activity		(1,500)	(74,137)
FINANCING ACTIVITY			
Movements in Head Office Account		-	(325,000)
Cash used in financing activity		-	(325,000)
DECREASE IN CASH AND CASH EQUIVALENTS		(133,354)	(68,445)
Cash and cash equivalents at 1 January		241,256	309,701
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	9	107,902	241,256

The attached notes 1 to 13 form part of these financial statements.

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

1 BACKGROUND

Food Banking Regional Network (the “Branch”) is Dubai Branch of the Egyptian Food Banking Association 888777, non-profit organization (the “Association”). The registered office of the “Association” is at 6 Nafoura square – Moqattam - Cairo – Egypt. The principle activity of the Association and the Branch is to eliminate hunger problem through creating a diversity of long term development, awareness, educational and feeding programs to support its cause, in co-operation with credible, potential partners in all sectors who care about needy hungry people in the Middle East, South Asia, and Africa regions.

The financial statements relate to the Branch for the year ended 31 December 2015. The Branch was registered on 30 May 2013 in the International Humanitarian City (IHC) in Dubai, United Arab Emirates.

2. BASIS OF PREPARATION

Statement of compliance

The financial statements of the Branch have been prepared in accordance with International Financial Reporting Standards (IFRS) and the applicable requirements of the laws of the UAE.

Basis of measurement

The financial statements have been prepared under the historical cost convention.

Functional and presentation currency

The financial statements are presented in UAE Dirham (“AED”), which is the functional currency of the Branch. All financial information presented in AED has been rounded to the nearest thousand.

Use of estimates and assumptions

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

The preparation of the financial statements requires management to make certain estimates and assumptions that may affect the reported amount of financial assets and liabilities and the resultant allowances for impairment and fair values. In particular, considerable judgement by management is required in the estimation of the amount and timing of future cash flows when determining the level of allowances for impaired loans and receivables. Estimates and judgements are continually evaluated and are based on historical experience and other factors including expectation of future events that are believed to be reasonable under the circumstances.

3 SIGNIFICANT ACCOUNTING POLICIES

The following are accounting policies, which comply with IFRS, have been applied consistently in dealing with items which are considered material in relation to the Branch’s financial statements.

Revenue recognition

Contributions are received in cash and in kind. Contributions received in cash are recognised as revenue at the end of each month, according to statement of bank accounts. Contributions received in kind are recognised at the fair value of the contribution received or receivable. Fair value is the amount for which an asset could be exchanged or a liability settled between knowledgeable, willing parties in an arm’s length transaction.

Expenses

All expenses are recognised in accordance with the accrual basis.

Cash and Cash equivalents

For the purpose of preparing receipts and payments account, the cash and cash equivalent comprise cash in hand and current account with banks.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits with an original maturity of less than three months.

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and equipment

Property and equipment is stated at cost, net of accumulated depreciation and impairment losses, if any. Subsequent costs are included in the asset's carrying amount or are recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Branch and the cost of the item can be measured reliably. All other repairs and maintenance are charged to the statement of revenue and expenses account during the financial period in which they are incurred.

Property and equipment (continued)

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Furnitures and fittings	4 years
Office equipment	4 years
Computers	2 years

An item of property and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of revenue and expenses account when the asset is derecognised.

The residual values, useful lives and method of depreciation of property and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Employees' end of service benefits

The Branch provides for employees' end of service benefits determined in accordance with the requirements of UAE Labour Law based on employees' basic salaries and the period of employment with the Branch. The entitlement to these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Financial instruments

Classification

A financial instrument is any contract that gives rise to both a financial asset for the Branch and the financial liability or equity instrument of another party. Non-derivative financial instruments comprise other receivables (except prepayments), cash and cash equivalents. *Cash and cash equivalents*

Cash and cash equivalents comprise cash in hand and at bank with maturities of three months or less from the acquisition date that are subject to insignificant risk of changes in their fair value and are used by the Branch for day to day operations. Cash and cash equivalents are carried at amortised cost in the statement of financial position.

Recognition

Financial assets and liabilities are recognised on the statement of financial position when the Branch becomes a party to contractual provisions of the instrument. From this date any gains and losses arising from changes in fair value of the assets designated at fair value through profit or loss or available-for-sale assets are recognised.

Measurement

A financial asset or a financial liability is recognised initially at its fair value plus, in the case of a financial asset or a financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Subsequent to initial recognition, all available-for-sale financial assets are measured at fair value, except that any instrument that does not have a quoted market price in an active market and whose fair value cannot be measured reliably is stated at cost, including transaction costs, less impairment allowances.

All other financial assets and non-trading financial liabilities are measured at amortised cost using the effective interest rate method, less impairment allowances.

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments (continued)

De-recognition

Financial assets are derecognised if the Branch's contractual rights to the cash flows from the financial assets expire or if the Branch transfers the financial assets to a third party without retaining control or substantially all risks and rewards of the assets.

Financial liabilities are derecognised if the Branch's obligations specified in the contract expire or are discharged or cancelled.

Offsetting

Financial assets and liabilities are offset and the net amount is reported in the statement of financial position when, and only when, the Branch has a legal right to set off the amounts and it intends either to settle on a net basis or to realise the assets and settle the liability simultaneously.

Income and expenses are presented on a net basis only when permitted accounting standards. Gains and losses arising from a group of similar transactions are reported on a net basis.

Impairment

Financial Assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset.

An impairment loss in respect of an asset measured at amortised cost is calculated as the difference between its carrying amount, and the present value of the estimated future cash flows discounted at the original effective interest rate. An impairment loss in respect of an available-for-sale financial asset is calculated by reference to its fair value.

Impairment losses on assets carried at amortised cost are measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the assets' original effective interest rate.

Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar credit risk characteristics. All impairment losses are recognised in statement revenue and expenses account.

Provisions

Provisions are recognised when the Branch has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Related parties

A party is considered to be related to the Branch if:

- (a) the party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Branch;
 - (ii) has an interest in the Branch that gives it significant influence over the Branch; or
 - (iii) has joint control over the branch;
- (b) the party is an associate;
- (c) the party is a jointly-controlled entity;
- (d) the party is a member of the key management personnel of the Branch;
- (e) the party is a close member of the family of any individual referred to in (a) or (d); or
- (f) the party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) the party is a post-employment benefit plan for the benefit of the employees of the Branch, or of any entity that is a related party of the Association.

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

3 SIGNIFICANT ACCOUNTING POLICIES (continued)

Foreign currencies transactions

Transactions in foreign currencies are recorded in United Arab Emirates Dirhams at the approximate rates of exchange prevailing at the time of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of revenues and expenses account.

Current versus non-current classification

The Branch presents assets and liabilities in statement of financial position based on current/non-current classification.

An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Branch classifies all other liabilities as non-current.

New standards and interpretations issued but not yet effective:

Certain new standards, amendments to standards and interpretations are not yet effective for the year ended 31 December 2015, with the Branch not opting for early adoption. These have, therefore, not been applied in preparing these financial statements.

Standard	Description	Effective date (early adoption permitted)
Amendments to IAS 16 and IAS 38 – Clarification of acceptable methods of depreciation and amortization	The amendment clarifies that the use of revenue-based methods to calculate the depreciation of an asset is not appropriate. The IASB has also clarified that revenue is generally presumed to be an inappropriate basis for measuring the consumption of economic benefits embodied in an intangible asset.	1 January 2016
IFRS 9 Financial Instruments	The complete version of IFRS 9 replaces most of the guidance in IAS 39. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting.	1 January 2018

The Branch is in the process of analyzing the impact of IFRS 9. The Branch has assessed the impact of other standards, amendments to standards, revisions and interpretations. Based on the assessment, the above standards, amendments to standards, revisions and interpretations have no material impact on the financial statements of the Branch as at the reporting date.

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

4 REVENUES

	2015 AED	2014 AED
Donations in kind	3,900,746	-
Cash donations	820,905	696,268
Employees' contributions	453,890	987,539
	<u>5,175,541</u>	<u>1,683,807</u>

Donations in kind include items, the value of which has been estimated by the management at AED 111,000. Those have been donated to beneficiaries during the year at the same value.

5 GENERAL AND ADMINISTRATIVE EXPENSES

	2015 AED	2014 AED
Staff costs	687,093	682,093
Travelling expenses	147,992	210,997
Office rent	45,604	22,802
Exchange rate loss	39,142	-
Depreciation (note 6)	19,719	14,638
Trade license	6,980	6,980
Miscellaneous expenses	3,179	2,022
Other expenses	54,071	33,134
	<u>1,003,780</u>	<u>972,666</u>

6 PROPERTY AND EQUIPMENT

	Furniture and fittings AED	Office equipment AED	Computers AED	Total AED
Cost:				
At 1 January 2015	69,000	2,399	2,738	74,137
Additions	-	-	1,500	1,500
At 31 December 2015	<u>69,000</u>	<u>2,399</u>	<u>4,238</u>	<u>75,637</u>
Depreciation:				
At 1 January 2015	12,833	550	1,255	14,638
Depreciation for the year	17,250	600	1,869	19,719
At 31 December 2015	<u>30,083</u>	<u>1,150</u>	<u>3,124</u>	<u>34,357</u>
Net book value				
At 31 December 2015	<u>38,917</u>	<u>1,249</u>	<u>1,114</u>	<u>41,280</u>

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

6 PROPERTY AND EQUIPMENT (continued)

	<i>Furniture and fittings AED</i>	<i>Office equipment AED</i>	<i>Computers AED</i>	<i>Total AED</i>
Cost:				
At 1 January 2014	-	-	-	-
Additions	69,000	2,399	2,738	74,137
At 31 December 2014	69,000	2,399	2,738	74,137
Depreciation:				
At 1 January 2014	-	-	-	-
Depreciation for the year	12,833	550	1,255	14,638
At 31 December 2014	12,833	550	1,255	14,638
Net book value				
At 31 December 2014	56,167	1,849	1,483	59,499

7 RELATED PARTY TRANSACTIONS

Related parties represent associated companies, major shareholders, directors and key management personnel of the Branch, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Branch's management.

Transactions with related party included in the statement of revenue and expenses are as follows:

	<i>2015 AED</i>	<i>2014 AED</i>
General and administrative expenses	193,265	175,250

Certain expenses paid during the year borne directly by the head office.

Balance with a related party disclosed in the statement of financial position is as follows:

	<i>2015 AED</i>	<i>2014 AED</i>
Due from a related party:		
Egyptian Food Bank Association 888777	318,296	326,232

Amount due from the Head Office is classified as a receivable which arises in the normal course of activities (i.e. not an equity transaction).

Outstanding balances at the year-end arise in the normal course of business.

Food Banking Regional Network – Dubai Branch
NOTES TO THE FINANCIAL STATEMENTS
At 31 December 2015

8 PREPAYMENTS AND OTHER RECEIVABLES

	<i>2015</i> <i>AED</i>	<i>2014</i> <i>AED</i>
Prepaid rent	19,002	19,002
Rent deposits	3,728	3,728
Prepaid insurance	1,668	-
Advance for furniture and fittings	-	500
	<u>24,398</u>	<u>23,230</u>

9 CASH AND BANK BALANCES

Cash and bank balances included in the statement of cash flows include the following statement of financial position amounts:

	<i>2015</i> <i>AED</i>	<i>2014</i> <i>AED</i>
Bank balances	105,326	239,547
Cash on hand	2,576	1,709
	<u>107,902</u>	<u>241,256</u>

10 HEAD OFFICE ACCOUNT

The following is an analysis of movements in the head office current account for the year ended 31 December 2015:

	<i>2015</i> <i>AED</i>	<i>2014</i> <i>AED</i>
Balance at beginning of the year	614,272	625,562
Net (loss) / income for the year	(180,434)	313,710
Net adjustments during the year	-	(325,000)
Balance at the end of the year	<u>433,838</u>	<u>614,272</u>

11 EMPLOYEES' END OF SERVICE BENEFITS

Movements in the provision recognised in the statement of financial position are as follows:

	<i>2015</i> <i>AED</i>	<i>2014</i> <i>AED</i>
Balance at 1 January	35,945	13,852
Charge for the year	22,093	22,093
Balance as at 31 December	<u>58,038</u>	<u>35,945</u>

Food Banking Regional Network – Dubai Branch

NOTES TO THE FINANCIAL STATEMENTS

At 31 December 2015

12 RISK MANAGEMENT

Interest rate risk

The Branch is not exposed to any interest rate risk.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Branch is exposed to credit risk on its bank balances, due from a related party and other receivables as follows:

	2015 AED	2014 AED
Bank balances	105,326	239,547
Other receivables	3,728	4,228
	<u>109,054</u>	<u>243,775</u>

The branch limits its credit risk with regard to bank balances by dealing only with reputable banks. Credit risk is limited to the carrying values of financial assets in the statement of financial position.

Liquidity risk

The Branch limits its liquidity risk by ensuring funds from operations and related parties are available. The Branch is not exposed to liquidity risk.

Currency risk

The table below indicates the Branch's foreign currency exposure at 31 December 2015, as a result of its monetary assets and liabilities. The analysis calculates the effect of a reasonably possible movement of the AED currency rate against the EGP, with all other variables held constant, on the statement of revenue and expenses account (due to the fair value of currency sensitive monetary assets and liabilities).

	Increase/ decrease in EGP rate to the AED	Effect on profit
2015	+5%	(15,915)
	-5%	15,915
2014	+5%	(16,312)
	-5%	16,312

13 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash and bank balances, due from a related party and other receivables. Financial liabilities consist of end of service benefits.

The fair values of financial assets and liabilities are not materially different from their carrying values.