

Lebanese Association for Democratic Elections  
L.A.D.E.  
Beirut – Lebanon  
Acknowledgment number 527/AD

AUDITORS' REPORT  
AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2009

## INDEX

<b>Contents</b>	<b>Page</b>
Auditor's report	3-4
Balance Sheet as of 31 December 2009	5
Statement of Revenues and Expenditures For the year ended 31 December 2009	6
Statement of Association Equity Variation For the year ended 31 December 2009	7
Cash Flow Statement For the year ended 31 December 2009	8
Notes to the Financial Statements	9-13

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خبير محلف لدى المحاكم

Beirut on 5 February 2011

## AUDITORS' REPORT

**TO THE MEMBERS  
LEBANESE ASSOCIATION FOR DEMOCRATIC ELECTIONS (L.A.D.E)  
BEIRUT - LEBANON**

### INDEPENDENT AUDITORS' REPORT

We were engaged to audit the accompanying financial statements of LEBANESE ASSOCIATION FOR DEMOCRATIC ELECTIONS (L.A.D.E.) which comprise the balance sheet as of 31 December 2009, the statement of Revenues and Expenditures, the statement of changes in net assets, the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### 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. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

#### 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 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 auditor considers 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 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.

Raghid N. El-Adas

M. B. A. (A.U.B.)  
SWORN AUDITOR

راغيد نديم العباس  
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### Opinion

In our opinion, except for the effect of the point mentioned above, the financial statements present fairly, in all material respects, the financial position of **LEBANESE ASSOCIATION FOR DEMOCRATIC ELECTIONS (L.A.D.E.)** as of 31 December 2009, its financial performance, its changes in net assets and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Without qualifying our opinion, we draw the attention that:  
The amounts disclosed in the statement of revenues and expenditures have been allocated on each project according to the information provided by the association's management.

Al Adas for Auditing & Accounting

RAGHID ADAS

  
RAGHID N. EL-ADAS  
CERTIFIED PUBLIC ACCOUNTANT

Lebanese Association for Democratic Elections

Beirut – Lebanon

Balance Sheet as of 31 December 2009

	Notes	2009 USD	2008 USD
<b>ASSETS</b>			
<u>Current Assets</u>			
Fixed Assets		38,662	-
Cash and cash equivalent	3	988	25,954
Accounts receivables and prepayments		-	90,776
VAT receivables		30,600	672
<b>TOTAL ASSETS</b>		<u>70,250</u>	<u>117,402</u>
 <b>ASSOCIATION EQUITY AND LIABILITIES</b>			
<u>Association's Equity</u>			
Accumulated Income / (loss)	4	75,496	15,871
(Deficit) / Surplus for the year		(13,534)	59,625
<b>Association's Equity</b>		<u>61,962</u>	<u>75,496</u>
 <u>Current Liabilities</u>			
Other Payables and accruals	5	2,750	18,540
Unearned Revenues		-	23,366
Accounts Payable	6	5,538	-
<b>Total Current Liabilities</b>		<u>8,288</u>	<u>41,906</u>
<b>Total Liabilities</b>		<u>8,288</u>	<u>41,906</u>
<b>TOTAL ASSOCIATION'S EQUITY AND LIABILITIES</b>		<u>70,250</u>	<u>117,402</u>

**Lebanese Association for Democratic Elections**  
**Beirut – Lebanon**  
**Statement of Revenues and Expenditures**  
**as of 31 December 2009**

	Notes	2009 USD	2008 USD
<b>Revenues:</b>			
Association Revenues (Donations)	7	1,229,857	339,100
Financial Revenues	8	15,522	8,216
<b>Total Revenues</b>		<b>1,315,379</b>	<b>347,316</b>
 <b>Deduct:</b>			
<u><b>Expenditures</b></u>			
General and Administrative Expenditures	9	1,328,913	287,691
<b>Total Expenditures</b>		<b>1,328,913</b>	<b>287,691</b>
<b>(Deficit) / Surplus of the year</b>		<b>(13,534)</b>	<b>59,625</b>

**Lebanese Association for Democratic Elections**  
**Beirut - Lebanon**  
**Statement of Association's Equity Variation**  
**For the year ended 31 December 2009**

	Accumulated Revenues USD	Total Association Equity USD
On 31 December 2008	75,496	75,496
Net Revenue for the year	(13,534)	(13,534)
On 31 December 2009	<b>61,962</b>	<b>61,962</b>
	Accumulated Revenues USD	Total Association Equity USD
On 31 December 2007	15,871	15,871
Net Revenue for the year	59,625	59,625
On 31 December 2008	<b>75,496</b>	<b>75,496</b>

**Lebanese Association for Democratic Elections**  
**Beirut – Lebanon**  
**Cash Flow Statement**  
**For the year ended 31 December 2009**

	2009 USD
<b>Cash flow from operating activities</b>	
Deficit for the year	(13,534)
Operating result before changing the working capital	(13,534)
Additional Fixed Assets	(38,662)
(addition) debtors and prepayments	60,848
Decrease of the creditors and accruals	(33,618)
Net cash resulting from operating activities	(11,432)
<b>Net decrease in cash &amp; cash equivalent</b>	<b>(24,966)</b>
<b>Cash at the beginning of the year</b>	<b>25,954</b>
<b>Cash at the end of the year</b>	<b>988</b>



**Lebanese Association for Democratic Elections  
Beirut – Lebanon  
Explanations about the Financial Statement**

**1. The Formation of the Association and Its Activities:**

The Lebanese association for Democratic Elections was established on 14 March 1996 with acknowledgment 527/AD registered in the ministry of interior and municipalities.

The responsibility of the association is to monitor the elections and enhance the concept of the democracy.

**2. The Financial Statements Preparation Concepts and the Most Important Accounting Policies:**

The most important accounting policies applied to prepare the financial Statements:

**a. The Accounting Concept**

The Financial Statements were prepared according to the historical cost convention, and it depends on the cash bases in all its activities and it is a non profit organization.

**b. Properties, Assets and Equipments**

The fixed assets were registered as of 1/1/2009 to be depreciated over the life time of the asset. All fixed assets were counted & labeled.

**c. Cash**

For the purpose of preparing the cash flow statement the cash is comprised of the available cash and the current accounts of banks.

**d. The General and Administrative Expenses:**

The allocation of general and administrative expenses on projects was distributed according to the related percentage which the project can cover as expenses.

**e. Foreign Currency**

The transfer of foreign currency transactions to the L.L. during the year is done using the exchange rates on the dates of these transactions and all the difference of exchanges is presented in the year's result.

### 3. Account Receivables and Prepayment

	2009 USD	2008 USD
Cash	1,569	1,524
Fransabank	8,630	-
SGBL Euro	-	7,845
SGBL USD	(9,546)	16,249
SGBL USD checks to be collected	335	336
	<u>988</u>	<u>25,954</u>

### 4. Surplus Brought Forward To 2009

This part includes the accumulated result till 2008 amounted to USD 75,496 decreased by the deficit for year 2009 amounted to USD 13,534 therefore the total accumulated surplus will be USD 61,962 on 31/12/2009.

**5. Other Payables and Accruals:**

This account represents a credit balance of USD 2,750 in favor of CNSS. This balance belongs to previous year and will be settled during year 2010.

**6. Accounts Payables:**

The amount of USD 5,538 on 31/12/2009 represents unsettled balance from the association as of 31/12/2009.

**7. Association's Revenues:**

	2009 USD	2008 USD
HBF	24,100	50,366
IFESS	153,366	77,341
NDI	640,937	28,841
EU	103,543	-
HR	-	10,249
DANIDA	124,186	-
AFKAR 2	-	110,738
Canadians	133,953	-
LTA	-	45,692
ADF	49,926	-
FES	49,966	-
LADE OFFICE	19,880	15,873
	<u>1,299,857</u>	<u>339,100</u>

**8. Other Revenues:** This account of USD 15,522 represents difference of exchange and interest income as at 31/12/2009

9- General and Administrative Expenditures

	2009 USD	2008 USD
Interim Staff & Salaries	533,231	138,754
Post and Telecommunication	98,632	1,052
Internet Fees	5,719	-
Transportation Fees	108,434	1,039
Maintenance and Repairs	8,446	219
Rent Expenses	26,686	10,163
Entertainment and Reception Expenses	114,148	432
Purchases Equipments	92,770	-
Research and Studies Expenses	10,423	29,107
Travel and Accommodation Expenses	37,899	3,161
Consultants, Lawyers and Auditors	10,485	70,600
Office Supplies, Stationary & Printings	121,919	5,119
Advertising and Publicity	1,234	19,401
Translation & Documentation	2,946	-
Cleaning Expenses	9,051	-
Materials for Editing	49,300	-
Bank Charges	2,594	1,131
Subscriptions	134	-
Electricity	1,975	-
Website Expenses	1,500	-
Daily Allowances	55,163	-
Taxes & Charges	1,197	-
Insurance	23,461	-
Depreciation	5,829	-
Other Miscellaneous	5,738	7,513
<b>Total</b>	<b>1,328,913</b>	<b>287,691</b>



**Allocation of Administrative and General Expenditures for year 2009**

Total	LADE	DRI	HBF	ADF	IFES-Arab	CANADIAN	NDI	FES	EU-Minilade	DANIDA	AFKAR II	IFES-BOOKLETS	CCER	
533,231	-	-	5,600	4,800	1,200	143,438	199,988	25,774	49,902	65,478	1,360	20,850	14,840	Staff & Salaries for Workshops
98,632	15,220	-	-	1,445	-	34	75,634	-	-	4,559	-	1,237	503	Post and Telecommunication
5,719	-	-	-	-	-	-	5,137	582	-	-	-	-	-	Internet Fees
108,434	1,044	-	-	2,486	1,400	7,376	87,094	2,859	827	1,467	-	-	3,883	Transportation Fees
8,446	1,510	-	-	-	-	696	3,314	242	-	2,621	-	-	63	Maintenance and Repairs
26,686	1,500	-	-	-	-	5,022	12,350	185	-	7,630	-	-	-	Rent Expenses
114,148	5,109	-	4,154	9,241	3,908	25,578	25,636	1,038	15,849	17,608	1,968	1,925	2,135	Entertainment and Reception
92,770	3,002	-	-	-	-	31,765	52,835	5,017	-	-	-	-	150	Purchases Equipments
10,423	-	-	-	-	-	5,388	-	4,000	-	1,035	-	-	-	Research and Studies
37,899	-	-	-	30,615	7,284	-	-	-	-	-	-	-	-	Travel and Accommodation
10,485	-	-	7,560	-	-	-	575	-	-	2,000	-	-	-	Consultants, Lawyers and Auditors
121,919	833	-	6,787	56	1,777	2,367	59,769	4,717	301	4,757	12,613	22,077	5,863	Office Supplies, Stationary & Printings
1,234	559	-	-	-	-	-	675	-	-	-	-	-	-	Advertising and Publicity
2,946	-	1,492	-	-	-	1,398	57	-	-	-	-	-	-	Translation & Documentation
9,051	493	-	-	-	-	410	5,938	204	1,906	-	-	100	-	Cleaning Expenses
49,300	-	-	-	-	-	-	49,300	-	-	-	-	-	-	Materials for Editing
2,594	2,594	-	-	-	-	-	-	-	-	-	-	-	-	Bank Charges
134	134	-	-	-	-	-	-	-	-	-	-	-	-	Subscriptions
1,975	-	-	-	-	-	105	767	-	-	369	-	733	-	Electricity
1,500	-	-	-	-	-	-	-	-	-	-	1,500	-	-	Website Expenses
55,163	1,000	-	-	347	-	-	52,656	-	-	820	-	-	340	Daily Allowances
1,197	-	-	-	-	-	-	-	-	-	1,197	-	-	-	Taxes & Charges
23,461	23,461	-	-	-	-	-	-	-	-	-	-	-	-	Insurance
5,829	5,829	-	-	-	-	-	-	-	-	-	-	-	-	Depreciation
5,738	-	-	-	-	-	146	144	5,348	67	-	-	-	33	Other Miscellaneous
1,328,913	62,286	1,492	24,101	48,989	15,570	223,723	631,868	49,966	68,852	109,542	17,441	46,922	28,162	Total

**RAGHID N. EL-ADAS**  
CERTIFIED PUBLIC ACCOUNTANT

*Raghid N. El-Adas*