

Musaala Organization for Human Rights

Financial Statements
as of 31 December 2019

Auditor's Report

Musaala Organization for Human Rights

Mareb, Republic of Yemen

Financial Statements For The Financial Year Ended
On 31 December 2019

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Independent Auditor's Report

To
Musaala Organization for Human Rights



Report on the Financial Statements

We have audited the accompanying financial statements of **Musaala Organization for Human Rights** which composed of the statement of financial position (balance sheet) as of 31 December 2019, and the related statements of operations, and cash flow statement for the year then ended, and other explanatory notes to these financial statements (notes 1-7) which shall be an integral part of the financial statements.

Management's responsibility for the financial statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes: 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.

At the time of preparing the financial statements, the management is responsible for evaluating the organization ability to continue as working organization to pursue its activities and to disclose as needed about the issues related to the going concern principle and the use of the going concern basis of accounting unless the management either intends to liquidate the organization or to cease activities, or has no other realistic options available.

The president and executive manager and financial manager are in charge of the supervision on the preparation of the financial statements of the organization.

Auditor's responsibility for the financial statements

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 of 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 Organization'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 organization 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.

The organization has no financial statements for the past years since it was incorporated less than a year ago and only closing accounts balances available for the year ended on 31 December 2018

Opinion:

Except what mentioned above, in our opinion, the financial statements present fairly, in all material aspects, the financial position of the **organization** as of 31 December 2019, and its cash flows and operation results for the year ended.

Report on other legal and regulatory requirements

The financial statements were prepared and presented according to the **Civil Associations And Foundation Law** No. 1 of 2001 and its executive by-law and the articles of association (AOA) of the organization.

Chartered Public Accountant

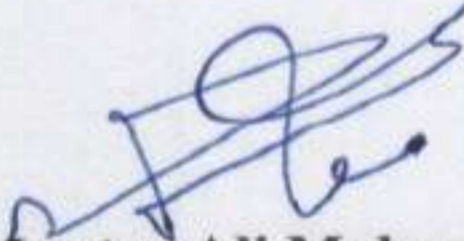
Hazzaa Dabwan AlHalol

License No. 1345

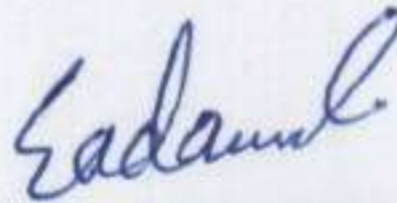
Mareb, Republic of Yemen

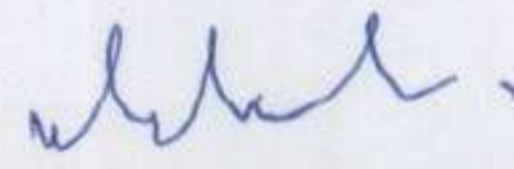
28 January 2020




Moutaz Ali Mohammed
The financial Manager




Sadam Ali Al-Adwar
Executive Manager


Mahdi Mohammed Belghith
President of the organization

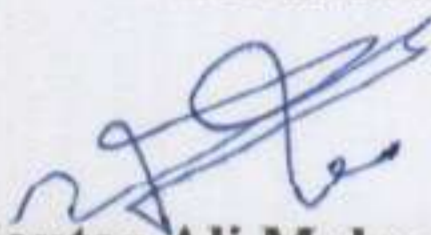
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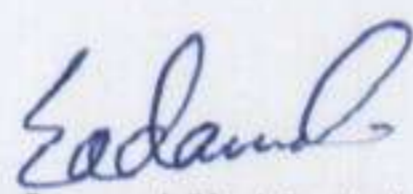
Statement of Financial Position (Balance Sheet)
as of 31 December 2019
Currency (Yemeni Rial)

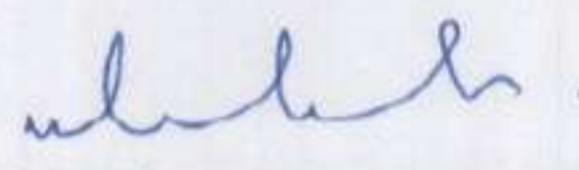


Description	Note	31/12/2018	31/12/2019
Current assets			
Cash and cash equivalent	3	36,400.00	154,840.00
Total of current assets		36,400.00	154,840.00
Total of Assets		36,400.00	154,840.00
Net of assets			
Net of unrestricted assets	Statement of Operation Activities	36,400.00	154,840.00
Total of Net assets	Statement of Operation Activities	36,400.00	154,840.00

* The attached notes from 1-7 is an integral part of these financial statements


Moutaz Ali Mohammed
The financial Manager


Sadam Ali Al-Adwar
Executive Manager


Mahdi Mohammed Belghith
President of the organization



Musaala Organization for Human Rights - License No. (275)-Mareb, Republic of Yemen
Statement of Operation Activities (Statement of Income) as of 31 December 2019

Currency : Yemeni Rial

Description	31/12/2018		31/12/2019		Total
	Unrestricted	Restricted	Unrestricted	Restricted	
Incomes and gains					
Donations	4	- - - -	3,752,860	- - - -	6,090,900
General incomes		1,540,000	1,815,500	- - - -	8,165,750
Other incomes	5	- - - -	24,940	- - - -	296,590
Net unrestricted assets					
Reclassification of assets for time non-restriction		- - - -	- - - -	- - - -	
Total of incomes, gains and assets reclassification		1,540,000	5,593,300	- - - -	5,593,300
Operation expenses	6	1,344,400	4,010,060	- - - -	4,010,060
General & Admin. expenses	7	159,200	1,464,800	- - - -	1,464,800
Total of expenses		1,503,600	5,474,860	- - - -	10,730,891
Net change in Net assets		36,400	118,440	- - - -	118,440
Net assets opening balance		- - - -	36,400	- - - -	36,400
Net assets on 31 December		36,400	154,840	- - - -	154,840

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Musaala Organization for Human Rights
License No. (275)
Mareb, Republic of Yemen


Cash Flow Statement as of 31 December 2019


Currency (Yemeni Rial)




Description	Note No.	31/12/2018	31/12/2019
Operation activities			
Change in net assets- Net	Statement of Operation Activities	36,400.00	118,440.00
Net cash flow from operating activities		36,400.00	118,440.00
Cash balance Change- Net		36,400.00	118,440.00
Cash and cash equivalent opening balance		0.00	36,400.00
Cash and cash equivalent closing balance		36,400.00	154,840.00
Net change in Cash balance		36,400.00	118,440.00

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License No. (275)

Mareb, Republic of Yemen

Explanatory notes to the Financial Statements
as of 31 December 2019

Currency (Yemeni Rial)



1- General

1-1 The legal status of the organization :

Musaala Organization for Human rights was incorporated according to the Civil Associations And Foundation Law No. (1) of 2001 and and its executive by-law issued by the prime minister decree No. (129) of 2004 and license No. 275 issued by the Ministry of Social affairs and Labour, Mareb dated on 02 April 2018.

1-2 The organization objects and purposes:

The organization aims at protecting human rights and to form a public, local and Intl opinion to advocate the victims of human rights violation and to enhance the community and its capacity building as well as the human rights staff in terms of human rights conception and laws and the mechanism of defence and community awareness-raising in the field of human rights through the relevant programs and activities in coordination and collaboration with the CSO, INGOs and concerned foundations to enhance and protect human rights in Yemen and worldwide.

2- Significant Accounting policies:

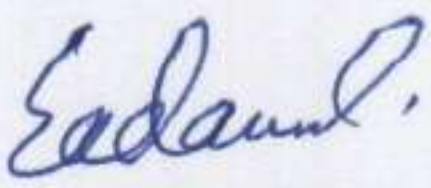
2-1 The basis of financial statement presentation

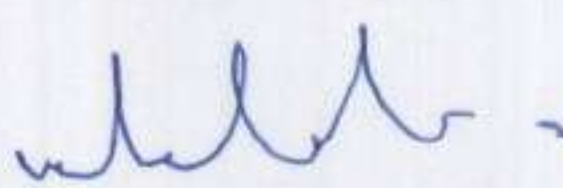
The attached financial statements is the financial statements of the organization and the accounting policies to be applied in the organization in the presentation thereto will be based on the consistency principle.

2-2 The organization Assets and liabilities are booked on the historical cost basis and its incomes and expenses are booked on the revenue recognition and accrual principles and All transactions are booked in the accounting records in Yemeni Rials.

The incomes from donations are booked upon signing the agreement with the donor and upon donor's obligation to pay donation. Incomes are divided into restricted and unrestricted incomes. Unrestricted incomes represented by the amounts which are not restricted to specific purpose or time limit. The restricted incomes are the incomes that requires specific conditions to be used or time passed then to be turned into unrestricted incomes then to be presented in the Statement of Operation Activities and accordingly both net restricted and unrestricted assets are presented in the statement of financial position and the statement of operation activities which shall not be a breach of the accounting accrual basis; however it is applied to overcome the matching principle requirements and the donation booking as restricted and unrestricted provides accurate information and credibility for the financial statements users.


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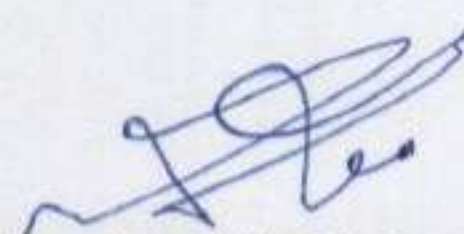

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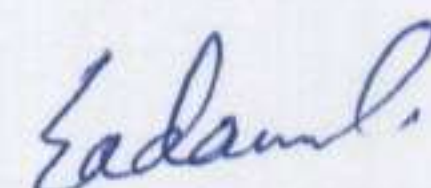


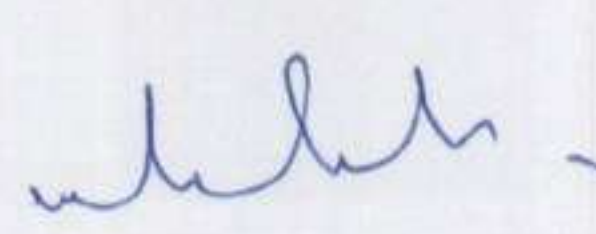
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Explanatory Notes to the Financial Statements
as of 31 December 2019
Currency (Yemeni Rial)



- 2-3 Cash**
To prepare the cash flow statement, cash is represented by cash on hand and cash at banks.
- 2-4 Tax and Zakat Provision**
The organization in non-profit organization and exempted from taxes and Zakat fees.
- 2-5 The operating Lease.**
The expenses related to rents for operation are booked in the statement of operation activities and the general & admin. expenses account during the lease period.
- 2-6 The Statement of Operation Activities (Statement of Income).**
It includes the incomes, gains , expenses, losses and the assets accounting entries. The statement shows the change in the net restricted and unrestricted assets as the following:
* Unrestricted Assets: are the assets free of restrictions provided by the donor; so then such assets are subject to full control of the organization. Unrestricted assets may be financial or in-kind assets.
* Restricted assets: are the assets subject to restriction of donor. Such restrictions related to specific purposes of use or specific time restrictions.
* Change in the net of unrestricted assets:
Represented by the increase or decrease in the following :
1- Incomes and expenses which that don't change the net of restricted assets.
2- Reclassification and accounting entries from and to other assets due to release of restrictions by the donor or ending them due to time passage or fulfillment of the organization of its liabilities.


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Explanatory notes to the Financial Statements
as of 31 December 2019

Currency (Yemeni Rial)

* Change in the net of restricted assets:

Represented by the increase or decrease in the following :

- 1- Donations and subsidies which are subject to restrictions by the donor and could be released by the donor after fulfillment of conditions by the organization or specific time passage.
- 2- Reclassification and accounting entries from and to other assets due to release of restrictions by the donor or ending them due to time passage or fulfillment of the organization of its liabilities.

2-7 Balances and Transactions in Foreign Currencies:


All transactions are booked in the accounting records in Yemeni Rials and the transactions in foreign currencies are booked according to the applicable exchange rate at the time of transaction and the differences in the exchange rates resulted from the translation of the assets and liabilities in foreign currencies at the end of the year to the local currency shall be charged to the exchange differences account listed in the other incomes account and the exchange rates calculated were as following:

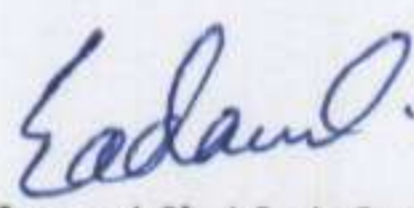
31 December 2018 USD/YER exchange rate = 520 YER

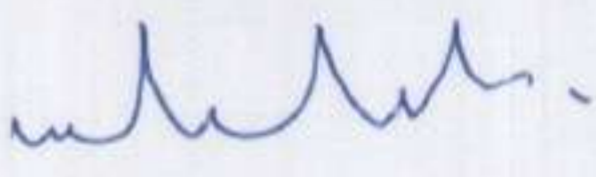
31 December 2019 USD/YER exchange rate = 570 YER

2-8 **The currency were rounded to one Yemeni rials without digits or fils.




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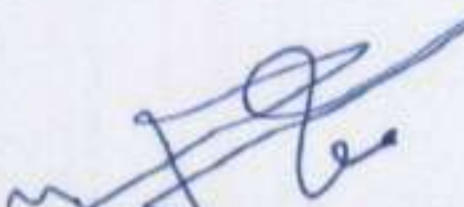
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as of 31 December 2019


Currency (Yemeni Rial)

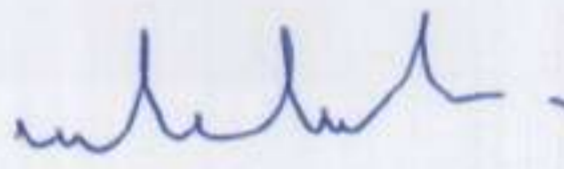


1- CASH

Description	Deposit currency	Reporting Currency	31/12/2018	31/12/2019
Cash on hand				
Cash on hand	YER	YER	36,400.00	2,400.00
	USD	YER	-----	7,410.00
Cash on hand balance			36,400.00	9,810.00
Cash at banks				
International Bank of Yemen IBY (ACC / 0029-722760-049)	YER	YER	-----	100,000.00
International Bank of Yemen IBY (ACC / 0029-722760-002)	USD	YER	-----	45,030.00
Cash at banks balance			-----	145,030.00
Total of cash Balance			36,400.00	154,840.00


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Musaala Organization for Human Rights - License No. (275) - Mareb, Republic of Yemen
 Explanatory notes to the Financial Statements as of 31 December 2019



Currency (Yemeni Rial)

2- Funds

Donors	Project Name	Curr.	2018				2019		
			assets		Donation amount	assets		Donation amount	
			unrestricted	Restrict		unrestricted	Restrict		
Partners Yemen	Community Dialogue Sessions	USD	-	-	-	-	6,500	-	6,500
Total in USD		YER	-	-	-	-	3,752,860	-	3,752,860
Total in YER			-	-	-	-	6,500.00	-	6,500.00
			-	-	-	-	3,752,860	-	3,752,860

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Explanatory notes to the Financial Statements
as of 31 December 2019
Currency (Yemeni Rial)




3- Other incomes

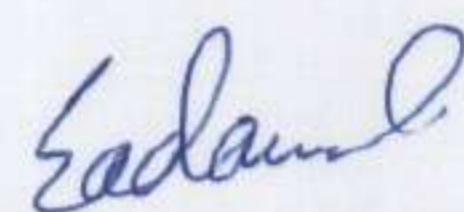
Other incomes represented by the differences in currency exchange due to changes in foreign currencies exchange rates (FOREX) with YER.

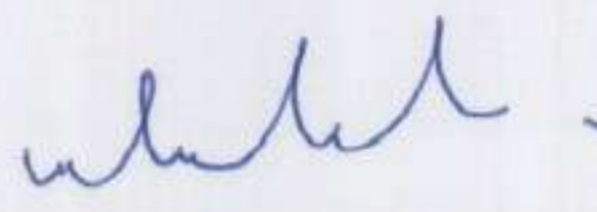
4- Operating expenses:

Activities Operating expenses		
Description	USD	YER
Community dialogue sessions	6,500.00	3,752,860.00
Total of operating expenses	6,500.00	3,752,860.00


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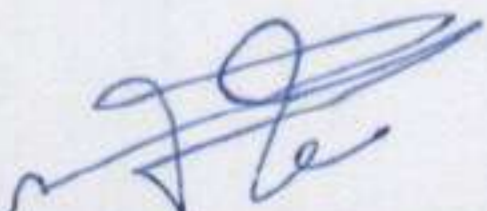
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as of 31 December 2019

Currency (Yemeni Rial)

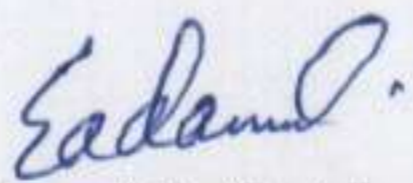


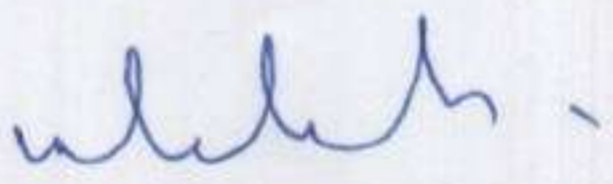
5- General & Administrative expenses:

Description	31/12/2018	31/12/2019
Stationary and publications	8,400.00	14,800.00
Mobile and Internet facilities	12,400.00	20,300.00
Transportation	10,000.00	10,000.00
Rents	123,400.00	234,600.00
Professional fees	---	800,800.00
License fees	---	300,000.00
Hygiene kits	5,000.00	5,000.00
Water & Electricity	---	74,300.00
Total General & Admin. expenses	---	5,000.00
	159,200.00	1,464,800.00


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