

**SERVICE SOCIAL POUR LE BIEN-ÊTRE
DE L'ENFANT AU LIBAN (SESOBEL)
– AUTISM CENTER**

STATEMENT OF FINANCIAL POSITION

30 JUNE 2019





Building a better
working world

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INDEPENDENT AUDITOR'S REPORT TO THE BOARD OF TRUSTEES OF SERVICE SOCIAL POUR LE BIEN-ÊTRE DE L'ENFANT AU LIBAN (SESOBEL) – AUTISM CENTER

Opinion

We have audited the statement of financial position of Service Social Pour le Bien-Être De L'Enfant au Liban (Sesobel) – Autism Center (the "Association") 30 June 2019 and a summary of significant accounting policies, and other explanatory information.

In our opinion, the accompanying statement of financial position present fairly, in all material respects, the financial position of the Association as at 30 June 2019 in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the statement of financial position* section of our report. We are independent of the Association in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards)* (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Lebanon, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of matter – Restriction on use

Our report is intended solely for the Board of Trustees of Service Social Pour le Bien Être De L'Enfant au Liban (Sesobel) – Autism Center and should not be used by parties other than the Association. Our opinion is not modified in respect of this matter

Responsibilities of management for the statement of financial position

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

In preparing the statement of financial position, 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.

Management is responsible for overseeing the Association's financial reporting process.

Auditor's responsibilities for the audit of the statement of financial position

Our objectives are to obtain reasonable assurance about whether the statement of financial position 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 the statement of financial position.

Auditor's responsibilities for the audit of the statement of financial position (continued)

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

- ▶ Identify and assess the risks of material misstatement of the statement of financial position, 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.
- ▶ 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 are required to draw attention in our auditor's report to the related disclosures in the statement of financial position 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.

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



Ernst & Young

11 June 2020
Beirut, Lebanon

Service Social Pour le Bien-Être de L'Enfant au Liban (Sesobel) – Autism Center

STATEMENT OF FINANCIAL POSITION

At 30 June 2019

	Notes	2019 US\$	2018 US\$
ASSETS			
Non-current assets			
Construction in progress	3	5,900,832	5,498,079
Current assets			
Due from Sesobel		573,995	374,401
Advances to suppliers	4	1,513	5,899
Vatican bank balance (blocked)		261,524	18,948
		837,032	399,248
TOTAL ASSETS		6,737,864	5,897,327
LIABILITIES			
Non-current liabilities			
Deferred contributions – donations	5	6,622,736	5,704,695
Current liabilities			
Payables to fixed assets suppliers	6	115,128	192,632
TOTAL LIABILITIES		6,737,864	5,897,327

The statement of financial position was authorised for issue on 11 June 2020 by:

Fadia Safi
General Manager



NOTES TO THE STATEMENT OF FINANCIAL POSITION

At 30 June 2019

1 CORPORATE INFORMATION

Organization Overview

Service Social Pour le Bien-Être de l'Enfant au Liban (SESOBEL) was incorporated in 1976 and officially recognized by the Ministry of Internal Affairs on 15 September 1980. The objective of the Association is to assist the handicap children to lead a life full of happiness and hope. The Association ensures that the handicap children have a fair role in society covering the rights that the children deserve.

Sesobel' Autism Center Overview

The main objective of "Sesobel's Autism Center" project is to improve the support provided to the children and youth with autism in Lebanon. The project also aims to have a center which would be completely adapted to receive and support children and youth with autism. This center will adopt the sustainable construction standards.

The Center will be completely adapted to provide the necessary setting needed for the harmonious development of the children and youth with autism. The spacious classrooms, workshops, treatment and rehabilitation rooms, game room, resting area, all allow for a special integration of functionality unseen in other school settings.

The direct beneficiaries of the project are:

- 50 underage children (0 to 6 years old) with physical and/or mental disability, or with Pervasive Developmental Disorders (autism);
- 40 children and youths with autism between the ages of 6 to 20 years old;
- 30 young adults with severe autism will be welcomed in a daytime center for socialization and accompaniment;
- 15 youths with autism, 14 years and older, will be cared for on a rotation basis in a pioneer living space with private bedrooms and bathrooms.

Other beneficiaries are:

- 220 families (parents and siblings) will be received for family guidance purposes, for social group interventions and for relaxation sessions. The siblings will receive: information about the disability of their brother and/or sister, support in case of difficulties caused by the presence of a brother or a sister with disability, personal attention that will help them develop and grow and a preparation with their parents for the future of their brother or sister;
- 57 teachers, 22 therapists and 2 social workers will also benefit from a better-adapted working environment to cater more efficiently to the needs of the concerned children.

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The statement of financial position has been presented in US Dollars.

The statement of financial position is prepared under the historical cost convention.

Statement of compliance

Currently, IFRS does not contain specific guidelines for the accounting treatment and presentation of the financial statements of non-profit organizations. Therefore, accounting policies have been based on similar transactions and the general IFRS principles detailed in the IASB Framework as well.

NOTES TO THE STATEMENT OF FINANCIAL POSITION

At 30 June 2019

2 BASIS OF PREPARATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant accounting policies

Work in progress

Work in progress accounts consist of the cost of the autism center that is not completed as of the financial position date. Work in progress is stated at cost less impairment.

Deferred contributions – donations

Deferred revenues represents donations granted for the construction and establishment (asset) of the Center. Revenues are recognized in the statement of comprehensive income over the life of the assets to match the depreciation for the same period.

3 EXECUTED CONSTRUCTION WORK

	<i>2019</i>	<i>2018</i>
	<i>US\$</i>	<i>US\$</i>
Excavation	1,800,641	1,800,641
Hydrotherapeutic pool	1,042,785	1,042,785
Finishings	1,381,147	1,212,004
Air conditioning and heating systems	676,445	554,595
Electrical installations	499,365	426,357
Retaining wall	277,200	277,200
Formalities and taxes	37,003	37,003
Preliminary installations	16,649	11,003
Masonry	16,536	16,536
Engineering and consultancy costs	46,325	43,550
Tiling	29,403	29,233
Septic tank	23,960	23,960
Other	53,373	23,212
	<u>5,900,832</u>	<u>5,498,079</u>

Service Social Pour le Bien-Être de L'Enfant au Liban (Sesobel) – Autism Center

NOTES TO THE STATEMENT OF FINANCIAL POSITION

At 30 June 2019

4 ADVANCES TO SUPPLIERS

	2019	2018
	US\$	US\$
Khater Engineering & Trading SAL	1,513	3,810
Temacode SAL	-	2,089
	<u>1,513</u>	<u>5,899</u>

5 DEFERRED CONTRIBUTIONS - DONATIONS

	<i>Notes</i>	2019	2018
		US\$	US\$
Individual donations	5.1	2,070,958	1,948,007
Anonymous (Hydrotherapy Unit)		1,085,981	1,052,744
Dubai Gala Dinners (2015 and 2016)	5.2	1,537,846	1,537,846
Conferenza Episcopale Italiana (first floor)		1,465,619	707,793
“Brique par Brique” campaign	5.3	217,792	215,792
Donations for lift		100,000	100,000
Sale of paintings		144,540	142,513
		<u>6,622,736</u>	<u>5,704,695</u>

5.1 INDIVIDUAL DONATIONS

	2019	2018
	US\$	US\$
SESOBEL (Anonymous donor)	624,451	624,451
Bequeaths in Memory of Mr. & Ms. Jean-Yves Eichenberger - Partage	602,307	602,307
Bequeaths in Memory of Mr. Pierre Cordahi	219,840	219,840
Mr. Fares Korkmaz	180,000	60,000
Georges Frem & Brothers Foundation	100,000	100,000
Mr. Robert Matta (<i>in the name of Alfred and Nadia Matta</i>)	100,000	100,000
Ms. May Mikati (<i>in the name of Nada and Mida Mikati</i>)	60,000	60,000
Mr. Tareck Jallad	60,000	60,000
Father Hady Daou (<i>in memory of Yvonne Safi</i>)	56,666	56,666
Mr. Fadi & Ms. Frida Chammas (<i>in the name of Karim Fadi Chammas</i>)	20,000	20,000
Other donors	47,694	44,743
	<u>2,070,958</u>	<u>1,948,007</u>

Service Social Pour le Bien-Être de L'Enfant au Liban (Sesobel) – Autism Center

NOTES TO THE STATEMENT OF FINANCIAL POSITION

At 30 June 2019

5 DEFERRED REVENUES – DONATIONS (continued)

5.2 DUBAI GALA DINNERS (2015 and 2016)

Dubai Gala Dinner 2015	2019 US\$	2018 US\$
<i>Individual donations</i>		
Choueiry Family (<i>in memory of Mr. Antoine Choueiry</i>)	150,000	150,000
MM. Direction Bank of Sharjah	150,000	150,000
Mr. Joseph & Ms. Daad Ghossoub	100,000	100,000
Mr. Hady & Ms. Lara Mouawad (<i>under the name of Rayan Mouawad</i>)	50,000	50,000
Bsaibes Family (<i>under the name of Omaima Farhat Bsaibes</i>)	40,000	40,000
Ms. Vera Akkawi (<i>under the name of Nicolas Akkawi</i>)	30,000	30,000
Ms. Fadwa Kahale (<i>In memory of Farid Kahale</i>)	20,000	20,000
MM. Direction ESEC International (<i>through Mr. Nazih Khoury</i>)	20,000	20,000
Mr. Samir Mouawad (<i>in memory of Ms. Nohad Azar Mouawad</i>)	20,000	20,000
Mr. Fares Korkmaz	20,000	20,000
Mr. Fadi & Ms. Frida Chammas (<i>in the name of Dana Fadi Chammas</i>)	20,000	20,000
MM. Direction Western Union Dubai (<i>through Mr. Jean Claude Farah</i>)	20,000	20,000
S.W.Smayra Family	20,000	20,000
MM. Direction OMNICO Media Group (<i>through Mr. Elie Khoury</i>)	20,000	20,000
Other donations	68,187	68,187
	748,187	748,187
	748,187	748,187
	2019 US\$	2018 US\$
<i>Other proceeds</i>		
Dinner contributions	110,236	110,236
Painting contributions	50,000	50,000
Tombola contributions	23,566	23,566
Bricks contributions	23,041	23,041
	206,843	206,843
	206,843	206,843
TOTAL PROCEEDS FROM THE 2015 DUBAI GALA DINNER	955,030	955,030
	2019 US\$	2018 US\$
Dubai Gala Dinner 2016		
<i>Individual donations</i>		
Choueiry Family (<i>in memory of Mr. Antoine Choueiry</i>)	150,000	150,000
Mr. Pierre and Ms. Maya Choueiry	40,000	40,000
Ms. Maria and Mr. Nazih Khattar	30,000	30,000
Ms. Carole and Mr. Georges Chidiac	29,982	29,982
Other donations	134,941	134,941
	384,923	384,923
	384,923	384,923

Service Social Pour le Bien-Être de L'Enfant au Liban (Sesobel) – Autism Center

NOTES TO THE STATEMENT OF FINANCIAL POSITION

At 30 June 2019

5 DEFERRED REVENUES – DONATIONS (continued)

5.2 DUBAI GALA DINNERS (2015 and 2016) (continued)

Dubai Gala Dinner 2016 (continued)	2019	2018
<i>Other proceeds</i>	<i>US\$</i>	<i>US\$</i>
Dinner contributions	61,218	61,218
Painting contributions	78,628	78,628
Tombola contributions	31,531	31,531
Bricks contributions	26,516	26,516
	<u>197,893</u>	<u>197,893</u>
TOTAL PROCEEDS FROM THE 2016 DUBAI GALA DINNER	582,816	582,816
TOTAL PROCEEDS FROM THE 2015 & 2016 DUBAI GALA DINNER	1,537,846	1,537,846

5.3 “BRIQUE PAR BRIQUE” CAMPAIGN

	2019	2018
	<i>US\$</i>	<i>US\$</i>
Bricks contribution SESOBEL	155,703	153,703
SGBL bank	62,000	62,000
	<u>217,703</u>	<u>215,703</u>

6 PAYABLES TO FIXED ASSETS SUPPLIERS

	2019	2018
	<i>US\$</i>	<i>US\$</i>
Matta et Associes SAL	63,448	155,549
Temacode SARL	30,937	-
LINK Electro Mechanical SARL	18,520	14,740
Granitec SARL	2,223	-
Cesar Debbas & Fils SAL	-	11,343
CAD Gebara Construction And Development SAL	-	11,000
	<u>115,128</u>	<u>192,632</u>