

# Financial Report

**QATAR CHARITY 2016**

Qatar Charity applies a system of accounting drawn from a comprehensive set of financial policies and regulations that are fully compliant with local and international standards, and in accordance with global best practices in non-profit, non-governmental organizations.

## **1. Qatar Charity Accounting framework**

Qatar Charity applies a system of accounting drawn from a comprehensive set of financial policies and regulations that are fully compliant with local and international standards, and in accordance with global best practices in non-profit, non-governmental organizations.

At Qatar Charity, the latest electronic systems and accounting software are used to achieve the organization's vision and strategy and to accomplish its mission and goals in accordance with its values and principles.

Qatar Charity's accounting system has been built around the internal policies that are adopted by the Board of Directors in accordance with the legislative regulations of the organization, and with the accounting principles and best practices for preparation of IFRS reports.

Committed to continuous improvement, Qatar Charity is constantly developing its accounting system to achieve higher levels of transparency and accuracy.

### **Accounting policy:**

Several accounting policies are applied in Qatar Charity, all of them based on international accounting standards and principles. The main policies are summarized as follows:

### 1. General accounting policies:

- Application of the accrual-basis of accounting.
- Application of the historical cost principle when preparing the financial statements.
- Accounting policies related to investment properties and granted investment properties.
- Accounting policies related to property, equipment and machinery.
- Accounting policies related to revenue recognition.
- Accounting policies for provisions.
- Accounting policies related to employees' benefits.
- Accounting policies related to financial risk management.
- Accounting policies related to transactions in foreign currencies.
- Accounting policies relating to financial instruments.

### 2. Accounting policies for revenues:

- Cash donations are recognized upon receipt
- Non-cash donations are recognized on a regular basis during the useful life of the asset
- Contributions and deposits are recognized upon receipt of cash.
- Leases are recognized on an accrual basis.
- Revenue from sale of investments, property, plant and equipment is recognized upon the transfer of ownership to the purchaser.

### 3. Accounting policies for expenses

- Expenses of activities are recognized when paid.
- Expenses transferred to offices and representative offices outside Qatar are recognized upon the actual payment of the amount abroad and not upon transfer from the headquarters in Qatar.
- The disbursement must be in accordance with approved budgets.
- The disbursement shall be in accordance with the policies, regulations and financial procedures approved by the Board of Directors.
- Transparency must be achieved at all stages of disbursement operations.
- Application of internal control procedures to all disbursements.
- Application of quality standards in all disbursements.

## Financial risks

All Qatar Charity's policies are built on a risk-based approach. In line with Qatar Charity's commitment to reduce the financial risks to which it might be exposed, particularly money-laundering and terrorist financing, the Board of Directors formed an internal audit committee

responsible for developing and evaluating risk management policies and internal audit activities and reporting the findings regularly to the Assembly.

A risk management policy has also been adopted to identify and analyze the risks faced by the organization, and to implement the appropriate risk management controls.

A risk register has been developed to identify all potential risks faced by the organization

internally and externally and training is regularly being provided for employees to allow them to identify, respond and minimize the impact of risks when they occur.

### 1. Financial statements 2016

- The total assets amounted to 1,463,216,164 QR, and these assets include those of 22 branches worldwide.

Item	Amount		Growth rate
	2016	2015	
Current Assets	627,398,725	423,035,254	%48
Non-current assets	835,817,439	832,549,688	%0.4
<b>Total Assets</b>	<b>1,463,216,164</b>	<b>1,255,584,942</b>	<b>%17</b>

- Total donations and revenues in 2016 amounted to 1,045,774,792 QR

Item	Amount		Growth rate
	2016	2015	
Donations	993,200,257	966,424,255	%3
Revenues from investment property and granted investment property	46,340,621	44,580,200	%4
Other revenues	6,233,914	1,994,413	%213
<b>Total donations and revenues</b>	<b>1,045,774,792</b>	<b>1,012,998,868</b>	<b>%3</b>

- Donations and revenues by type of collection for 2016 in comparison with 2015

Item	Amount		Growth rate
	2016	2015	
Text messages	27,956,341	2,072,385	%1249
Bank transfer	269,669,921	301,243,540	%10-
Online payment	53,618,055	18,704,898	%187
Cash	256,441,635	288,693,348	%11-
Checks	312,797,118	294,522,539	%6
Credit card	125,291,722	107,762,158	%16
<b>Total</b>	<b>1,045,774,792</b>	<b>1,012,998,868</b>	<b>%3</b>

- Total expenditure in 2016 in comparison with 2015

Item	Amount		% of total
	2016	2015	
Operating activities and projects' expenses	794,712,744	763,858,627	%4
Investment expenses	21,822,995	21,777,278	%0
Administrative expenses	41,345,671	45,591,709	%9-
Operating expenses	60,388,470	49,787,026	%21
Other expenses	6,470,465	6,905,677	%6-
Depreciation of property, plant and equipment	4,966,016	4,828,760	%3
<b>Total expenses</b>	<b>929,706,361</b>	<b>892,749,077</b>	<b>%4</b>

Projects and activities expenditure by sector in QR

	Sectors	2016		2015		Growth rate
		Amount	Number of countries	Amount	Number of countries	
Development sectors	Culture and education	243,195,806	49	165,696,939	45	%47
	Economic empowerment	17,116,603	27	23,116,937	28	%26-
	Health and nutrition	20,594,752	19	29,762,807	23	%31-
	Water and sanitation	37,492,716	26	35,555,870	28	%5
	Social welfare	243,697,902	40	219,963,489	39	%11
	Food security	33,264,813	39	33,717,039	41	%1-
	Social housing	112,487,374	24	77,681,007	27	%45
Total development sectors		707,849,966		585,494,088		%21
Humanitarian sectors	Shelter and non-food items	46,950,442	6	65,853,445	6	%29-
	Food and nutrition	28,895,658	15	50,829,470	19	%43-
	Water and sanitation	2,924,287	12	12,512,125	10	%77-
	Emergency healthcare	2,736,717	4	18,144,499	11	%85-
	Emergency education	5,355,674	6	31,025,000	12	%83-
Total humanitarian sectors		86,862,778		178,364,539		%51-
Total		794,712,744		763,858,627		%4