

Financial Report

QATAR CHARITY 2017

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 2017

- The total assets amounted to 1,870,726,468 QR, and these assets include those of 24 branches worldwide.

Item	Amount		Growth rate
	2017	2016	
Current Assets	1,099,928,948	627,398,725	%75
Non-current assets	770,797,520	835,817,439	%8-
Total Assets	1,870,726,468	1,463,216,164	%28

- Total donations and revenues in 2017 amounted to 1,219,364,423 QR

Item	Amount		Growth rate
	2017	2016	
Donations	1,169,191,089	993,200,257	%18
Revenues from investment property and granted investment property	42,400,384	46,340,621	%9-
Other revenues	7,772,950	6,233,914	%25
Total donations and revenues	1,219,364,423	1,045,774,792	%17

- Donations and revenues by type of collection for 2017 in comparison with 2016

Item	Amount		Growth rate
	2017	2016	
Text messages	18,376,165	27,956,341	%34-
Bank transfer	412,188,520	269,669,921	%53
Online payment	76,052,887	53,618,055	%42
Cash	267,634,971	256,441,635	%4
Checks	305,250,385	312,797,118	%2-
Credit card	139,861,495	125,291,722	%12
Total	1,219,364,423	1,045,774,792	%17

- Total expenditure in 2017 in comparison with 2016

Item	Amount		Growth rate
	2017	2016	
Operating activities and projects' expenses	727,755,556	794,712,744	%8-
Investment expenses	48,792,196	21,822,995	%124
Administrative expenses	44,873,411	41,345,671	%9
Operating expenses	73,515,105	60,388,470	%22
Other expenses	12,989,692	6,470,465	%101
Depreciation of property, plant and equipment	6,476,393	4,966,016	%30
Total expenses	914,402,353	929,706,361	%2-

Projects and activities expenditure by sector in QR

	Sectors	2017		2016		Growth rate
		Amount	Number of countries	Amount	Number of countries	
Development sectors	Culture and education	119,879,717	41	243,195,806	49	%51-
	Economic empowerment	19,766,421	30	17,116,603	27	%15
	Health and nutrition	15,871,743	27	20,594,752	19	%23-
	Water and sanitation	49,800,225	30	37,492,716	26	%33
	Social welfare	275,614,742	39	243,697,902	40	%13
	Food security	36,788,614	37	33,264,813	39	%11
	Social housing	85,030,872	29	112,487,374	24	%24-
	Peacebuilding	2,642,648	3			
Total development sectors		605,394,982		707,849,966		%14-
Humanitarian sectors	Shelter and non-food items	16,292,681	5	46,950,442	6	%65-
	Food and nutrition	38,961,727	23	28,895,658	15	%35
	Water and sanitation	6,642,862	11	2,924,287	12	%127
	Emergency healthcare	32,953,446	18	2,736,717	4	%1104
	Emergency education	16,323,523	19	5,355,674	6	%205
	Emergency livelihood	11,186,335	3			
Total humanitarian sectors		122,360,574		86,862,778		%41
Total		727,755,556		794,712,744		%8-