

MUHANNED FADHEL AL-ASSAF & CO., CHARTERED ACCOUNTANTS & AUDITORS
PARTNERSHIP OF IQD. (2,000,000)

Mercy Hands for Humanitarian Aid (NGO)

FINANCIAL STATEMENTS AS OF 31.Dec.2015

Muhanned Fadhel Al-Assaf
Chartered Accountant & Auditor

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**MUHANNED FADHEL AL-ASSAF & CO., CHARTERED ACCOUNTANTS & AUDITORS
PARTNERSHIP OF IQD. (2,000,000)**

Ref. 5/58/54

Date: 22.Mar.2016

Messrs. Chairman and Board Members of Mercy Hands for Humanitarian Aid – Baghdad

Sub. The Auditor Report

Dear Sir,

We have examined the budget of your Organization on 31.Dec.2015, same year final statements and annual report which was made under NGO Law (#12 year 2010) and its amendments. We have had the information and clarifications that were, in our opinion, necessary to accomplish our job which we did according to the applied auditing procedures and effective legislations. We have the following comments:

1. The Organization was established by the registration certificate issued by NGOs Directorate with the Nr. (1125682) dated on 26.Oct.2004 of the Ministry of Planning, NGO Center. The Organization is chaired by Dr. Khaldoon Al-Moosawi, Chairman of the Organization.
2. Records used by the Organization were compatible with the book keeping system.
3. The Annual Report and its contents comprehensively reflect the Organization's activities within the period of auditing. It does not have discrepancies to effective laws and regulations.
4. The exchange rate of IQD 1,200 per USD was adopted during the fiscal year of 2015.
5. Cash balance in hand was (19,596,072) IQD. An inventory was made by the Organization's administration. The cash balance in banks was (737,097,060) IQD.
6. An inventory was made on the fixed assets of the Organization by the Organization's administration and depreciation was calculated.

Taking the above into consideration, in our opinion, through our examination to the Organization records and according to the clarifications provided to us; the attached budget shows the Organization financial status on 31.Dec.2015. The Statements and balances show the organization's activity of the year ended on that date and according to its' records.

Kind regards,


Muhammed Fadhel Al-Assaf

Chartered Accountant & Auditor

Authorized Partner

Address: Baghdad – Harithiyah – Kendi Str.- next to the TBI

Tel: 07901241124

e-mail: mf_lassaf@yahoo.com



Mercy Hands for Humanitarian Aid (NGO)

BALANCE SHEET AS OF 31.Dec.2016

Acc. Name	Current Year USD	Current Year IQD	Previous Year IQD
ASSETS			
Fixed Assets			
Fixed Assets at book value (Statement 15)	1,571,163	18,865,956	19,782,060
Total Fixed Assets	1,571,163	18,865,956	19,782,060
Current Assets			
advances	0,00	0,00	2,152,116
cash in hand	16,330,06	19,596,072	5,044,548
cash in bank	614,247,55	737,097,060	468,259,056
increase of rotated projects' expenses than income	0,00	0,00	69,789,036
Total Current Assets	630,577,61	756,693,132	545,244,756
Total Assets	646,299,24	775,559,088	565,026,816
Financing Sources			
Long-Term Financing Sources			
Miscellaneous reserves	26,595,79	31,914,948	28,042,548
Surplus			
rotated surplus	410,333,50	492,400,200	371,002,164
to be added, increase of closed projects' income than expenses	159,726,66	191,671,992	121,397,496
Net Surplus	570,060,16	684,072,192	492,399,660
Total Long-Term Financing Sources	596,655,95	715,987,140	520,442,208
Short-Term Financing Sources			
received collaterals	7,372,10	8,846,520	41,584,608
accrued expenses	18,000,00	21,600,000	3,000,000
increase of rotated projects' income than expenses	24,271,19	29,125,428	0,00
Total Short-Term Financing Sources	49,643,29	59,571,948	44,584,608
Total Financing Sources	646,299,24	775,559,088	565,026,816

Accountant
Hmood Hadi Muhsin

Chairman
Dr. Khaldoon Jasim Al-Moosawi

Subject to my report Ref. 5/58/54 dated 22.Mar.2016

Seal of Muhanned Fadhil
Al-Assaf & Co., Chartered
Accountants & Auditors

(SIGNATURE)
Muhannad Fadhil Al-Assaf
Chartered Accountant & Auditor
Authorized Partner



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT OF INCOME & EXPENSES AS OF 31.Dec.2015

statement Nr.	Acc. Name	Current Year USD	Current Year IQD	Previous Year IQD	Program Status
<u>Current Income (donations & grants)</u>					
	WFP Program	0,00	0,00	600,942,000	closed
	WFP Program Kerbala 1	0,00	0,00	97,445,916	closed
1	WFP Program Kerbala 2	188,510,10	226,212,120	96,615,684	closed
	LAIC3 Program	0,00	0,00	108,258,000	closed
2	LAIC4 Program	94,620,00	113,544,000,0	38,164,800	closed
3	UNESCO EACI Program	264,903,10	296,283,720	204,447,720	closed
	RWI 1 Program	0,00	0,00	14,369,904	closed
	RWI 2 Program	0,00	0,00	53,280,000	closed
4	BPCS Program	1,341,782,00	1,610,073,600	995,598,000	rotated
5	Baghdad WFP 1 Program	268,273,74	321,928,488	0,00	closed
6	WFP Basrah Program	220,934,74	265,121,688	0,00	rotated
7	WFP Kerbala 3 Program	228,103,64	273,724,368	0,00	rotated
8	Baghdad WFP 2 Program	403,546,44	484,255,728	0,00	rotated
9	Warehouses /1 WFP Program	135,528,14	162,633,768	0,00	rotated
10	Warehouses /2 WFP Program	23,369,00	28,042,800	0,00	rotated
11	Warehouses /3 WFP Program	0,00	0,00	0,00	rotated
12	LAIC5 Program	9,000,00	10,800,000	0,00	rotated
13	UNESCO Program- School Workshops	0,00	0,00	0,00	rotated
	Miscellaneous Income	86,638,00	103,965,600	183,462,804	rotated
	TOTAL CURRENT INCOME	3,247,154,90	3,896,585,880	2,392,584,828	



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT OF INCOME & EXPENSES AS OF 31.Dec.2015

statement Nr.	Acc. Name	Current Year USD	Current Year IQD	Previous Year IQD	Program Status
	<u>Current Expenses</u>				
	WFP Program	0,00	0,00	601,031,280	closed
	WFP Program Kerbala 1	0,00	0,00	122,916,264	closed
1	WFP Program Kerbala 2	187,768,16	225,321,792	107,045,304	closed
	LAIC3 Program	0,00	0,00	108,676,056	closed
2	LAIC4 Program	93,241,12	111,889,344	36,249,900	closed
3	UNESCO EACI Program	246,866,35	296,239,620	296,239,620	closed
	RWI 1 Program	0,00	0,00	8,900,064	closed
	RWI 2 Program	0,00	0,00	46,206,240	closed
	RWI 3 Program	0,00	0,00	1,327,188	closed
4	BPCS Program	1,438,000,75	1,725,600,900	965,080,416	rotated
5	Baghdad WFP 1 Program	143,563,83	172,276,596	0,00	closed
6	WFP Basrah Program	156,351,57	187,621,884	0,00	rotated
7	WFP Kerbala 3 Program	168,424,96	202,109,952	0,00	rotated
8	Baghdad WFP 2 Program	241,351,76	289,622,112	0,00	rotated
9	Warehouse /1 WFP Program	214,378,65	257,254,380	0,00	rotated
10	Warehouse /2 WFP Program	66,439,90	79,727,880	0,00	rotated
11	Warehouse /3 WFP Program	40,000,00	48,000,000	0,00	rotated
12	LAIC5 Program	11,893,64	14,272,368	0,00	rotated
13	UNESCO Program- School Workshops	1,097,54	1,317,048	0,00	rotated
14	Operational Expenses	53,778,37	64,534,64	47,304,036	rotated
	TOTAL CURRENT EXPENSES	<u>3,063,156,60</u>	<u>3,675,787,920</u>	<u>2,340,976,368</u>	



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (1)

WFP KERBALA/2 PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	188,510,10	226,212,120
<u>EXPENSES</u>		
salaries	102,225,00	122,670,000
fuel & oils	17,14	20,568
equipment & tasks	2,964,63	3,557,556
stationery	402,65	483,180
water & power supply	162,63	195,156
furniture & appliances	344,00	412,800
buildings' maintenance	283,74	340,488
furniture & appliances' maintenance	12,24	14,688
publication & press	208,99	250,788
hospitality	378,28	453,936
commodity & goods' transportation	17,737,14	21,284,568
travel & delegations	70,00	84,000
telecommunication	2,711,26	3,253,512
buildings' renting	12,051,56	14,461,872
non-employee compensations	2,250,00	2,700,000
banking services	895,87	1,075,044
other services	45,053,03	54,063,636
TOTAL CURRENT EXPENSES	187,768,16	225,321,792
income increase than expenses (rotated), to be moved to the balance sheet	741,94	890,328



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (2)

LAIC 4 PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current USD	Current Year IQD
<u>INCOME</u>	94,620,00	113,544,000
<u>EXPENSES</u>		
Salaries	83,150,00	99,780,000
equipment & tasks	735,00	882,000
Stationery	1,544,80	1,853,760
furniture & appliances' maintenance	60,88	73,056
publication & press	488,73	586,476
employee transportation	175,73	210,876
commodity & goods' transportation	3,498,10	4,197,720
non-employee compensations	400,00	480,000
legal services	2,835,02	3,402,024
banking services	352,86	423,432
<u>TOTAL CURRENT EXPENSES</u>	<u>93,241,12</u>	<u>111,889,344</u>
income increase than expenses (rotated), to be moved to the balance sheet	<u>1,378,88</u>	<u>1,654,656</u>



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (3)

UNESCO EACI PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	246,903,10	296,283,720
<u>EXPENSES</u>		
Salaries	77,686,00	93,223,200
fuel & oils	61,97	74,364
equipment & tasks	69,783,46	83,740,152
Stationery	6,579,95	7,895,940
water & power supply	284,34	341,208
buildings' maintenance	1,605,43	1,926,516
furniture & appliances' maintenance	417,71	501,252
publication & press	9,391,29	11,269,548
Hospitality	4,689,52	5,627,424
commodity & goods' transportation	4,099,27	4,919,124
travel & delegations	536,62	643,944
telecommunication	3,290,35	3,948,420
buildings' renting	2,520,00	3,024,000
non-employee compensations	45,200,00	54,240,000
legal services	2,000,00	2,400,000
banking services	936,13	1,123,356
other services	9,284,31	11,141,172
training & habilitation	500,00	600,000
auditing charges	8,000,00	9,600,000
 TOTAL CURRENT EXPENSES	 246,866,35	 296,239,620
income increase than expenses (rotated,) to be moved to the balance sheet	63,75	44,100



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (4)

UNESCO EACI PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	1,341,728,00	1,610,073,600
<u>EXPENSES</u>		
Salaries	749,368,00	899,241,600
fuel & oils	5,213,86	6,256,632
equipment & tasks	140,770,93	168,925,116
stationery	7,428,86	8,914,632
water & power supply	4,301,48	5,161,776
furniture & appliances	344,17	413,004
buildings' maintenance	1,339,35	1,607,220
furniture & appliances' maintenance	2,978,25	3,573,900
publication & press	9,871,17	11,845,404
hospitality	67,194,02	80,632,824
employee transportation	57,022,95	68,427,540
commodity & goods' transportation	11,075,20	13,290,240
travel & delegations	148,367,35	178,040,820
telecommunication	28,346,38	34,015,656
buildings' renting	48,765,14	58,518,168
renting vehicles	741,66	889,992
non-employee compensations	16,834,67	20,201,604
banking services	2,513,80	3,016,560
other services	59,234,55	71,081,460
training & habilitation	12,290,96	14,749,152
taxes & charges	140,00	168,000
auditing charges	63,858,00	76,629,600
TOTAL CURRENT EXPENSES	<u>1,438,000,75</u>	<u>1,725,600,900</u>
expenses increase than income (closed), to be moved to income & expenses' Acc.	<u>- 96,272,75</u>	<u>-115,527,300</u>



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (5)

WFP BAGHDAD/1 PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	268,273,74	321,928,488
<u>EXPENSES</u>		
salaries	37,575,00	45,090,000
equipment & tasks	3,413,85	4,096,620
stationery	564,59	677,508
buildings' maintenance	119,05	142,860
publication & press	3,277,96	3,933,552
commodity & goods' transportation	22,941,32	27,529,584
telecommunication	2,918,12	3,501,744
buildings' renting	15,000,00	18,000,000
non-employee compensations	8,650,00	10,380,000
banking services	1,127,45	1,352,940
other services	47,976,49	57,571,788
TOTAL CURRENT EXPENSES	143,563,83	172,276,596
income increase than expenses (rotated), to be moved to the balance sheet	124,709,91	149,651,892



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (6)

WFP BASRAH PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	220,934,74	265,121,688
<u>EXPENSES</u>		
salaries	47,800,00	57,360,000
equipment & tasks	927,29	1,112,748
stationery	168,56	202,272
furniture & appliances	226,19	271,428
buildings' maintenance	30,43	36,516
furniture & appliances' maintenance	99,92	119,904
publication & press	51,59	61,908
hospitality	130,20	156,240
commodity & goods' transportation	27,78	33,336
travel & delegation	6,162,73	7,395,276
telecommunication	118,28	141,936
other services	100,608,60	120,730,320
TOTAL CURRENT EXPENSES	156,351,57	187,621,884
income increase than expenses (rotated), to be moved to the balance sheet	64,583,17	77,499,804



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (7)

**WFP KERBALA/3 PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015**

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	228,103,64	273,724,368
<u>EXPENSES</u>		
salaries	110,383,00	132,459,600
equipment & tasks	629,57	755,484
stationery	208,75	250,500
furniture & appliances	300,00	360,000
buildings' maintenance	42,96	51,552
hospitality	46,33	55,596
commodity & goods' transportation	4,011,73	4,814,076
travel & delegations	452,00	542,400
telecommunication	7,525,99	9,031,188
buildings' renting	17,444,62	20,933,544
banking services	716,33	859,596
other services	26,663,68	31,996,416
TOTAL CURRENT EXPENSES	<u>168,424,96</u>	<u>202,109,952</u>
income increase than expenses (rotated), to be moved to the balance sheet	<u>59,678,68</u>	<u>71,614,416</u>



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (8)

WFP BAGHDAD/2 PROGRAM STATEMENT OF INCOME & EXPENSES

AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	403,546,44	484,255,728
<u>EXPENSES</u>		
salaries	102,825,00	123,390,000
fuel & oils	1,111,01	1,333,212
equipment & tasks	1,688,00	2,025,600
stationery	427,36	512,832
water & power supply	885,43	1,062,516
buildings' maintenance	170,39	204,468
furniture & appliances' maintenance	328,53	394,236
publication & press	1,062,18	1,274,616
hospitality	315,28	378,336
commodity & goods' transportation	17,681,98	21,218,376
travel & delegation	121,31	145,572
telecommunication	9,016,25	10,819,500
buildings' renting	40,650,00	48,780,000
banking services	1,252,69	1,503,228
other services	63,566,35	76,279,620
training & habilitation	250,00	300,000
TOTAL CURRENT EXPENSES	241,351,76	289,622,112
income increase than expenses (rotated), to be moved to the balance sheet	<u>162,194,68</u>	<u>194,633,616</u>



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (9)

**WAREHOSES/1 WFP PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015**

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	135,528,14	162,633,768
<u>EXPENSES</u>		
salaries	31,070,00	37,284,000
equipment & tasks	492,14	590,568
stationery	388,68	466,416
furniture & appliances	995,00	1,194,000
buildings' maintenance	28,81	34,572
furniture & appliances' maintenance	270,00	324,000
commodity & goods' transportation	80,00	96,000
telecommunication	998,76	1,198,512
buildings' renting	114,048,00	136,857,600
other services	66,007,26	79,208,712
TOTAL CURRENT EXPENSES	214,378,65	257,254,380
expenses increase than income (closed), to be moved to income & expenses' Acc.	<u>-78,850,51</u>	<u>-94,620,612</u>

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REPUBLIC OF IRAQ Board of Monitoring & Auditing Profession The Secretariat	
We approve authentication of the seal and signature of the auditor and that he is practicing the profession of monitoring and auditing accounts of 2016, without any responsibility for the contents of these financial statements	
Approved by: Sa'ad Manee' Al-Athaaree	(SIGNATURE)
Receipt Nr. 2382	Date: 16.Apr.2016



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (10)

WAREHOUSES/2 WFP PROGRAM STATEMENT OF INCOME & EXPENSES

AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	23,369,00	28,042,800
<u>EXPENSES</u>		
salaries	12,600,00	15,120,000
equipment & tasks	16,842,92	20,211,504
stationery	144,20	173,040
furniture & appliances	678,96	814,752
buildings' maintenance	661,15	793,380
furniture & appliances' maintenance	72,10	86,520
commodity & goods' transportation	40,00	48,000
telecommunication	541,32	649,584
buildings' renting	31,500,00	37,800,000
other services	3,359,25	4,031,100
TOTAL CURRENT EXPENSES	66,439,90	79,727,880
expenses increase than income (closed), to be moved to income & expenses' Acc.	<u><u>-43,070,90</u></u>	<u><u>-51,685,080</u></u>



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (11)

WAREHOUSES/3 WFP PROGRAM STATEMENT OF INCOME & EXPENSES
AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	0,00	0,00
<u>EXPENSES</u>		
buildings' renting	40,000	48,000,000
TOTAL CURRENT EXPENSES	40,000	48,000,000
income increase than expenses (closed) to be moved to income & expenses' Acc.	-40,000	-48,000,000



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (12)

LAIC 5 PROGRAM STATEMENT OF INCOME & EXPENSES AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	9,000,00	10,800,000
<u>EXPENSES</u>		
salaries	8,750,00	10,500,000
stationery	256,52	307,824
water & power supply	69,42	83,304
furniture & appliances	560,00	672,000
publication & press	844,62	1,013,544
hospitality	133,34	160,008
telecommunication	698,34	838,008
buildings' renting	413,22	495,864
other services	168,18	201,816
TOTAL CURRENT EXPENSES	11,893,64	14,272,368
expenses increase than income (closed), to be moved to income & expenses' Acc.	-2,893,64	-3,472,368



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (13)

UNESCO PROGRAM - SCHOOL WORKSHOPS' ACTIVITY STATEMENT OF INCOME & EXPENSES AS
OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	0,00	0,00
<u>EXPENSES</u>		
water & power supply	20,99	25,188
publication & press	20,58	24,696
hospitality	216,06	259,272
other services	839,91	1,007,892
TOTAL CURRENT EXPENSES	1,097,54	1,317,048
expenses increase than income (closed), to be moved to income & expenses' Acc.	-1,097,54	-1,317,048



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT (14)

STATEMENT OF INCOME & EXPENSES- OPERATIONAL EXPENSES AS OF 31.Dec.2015

Acc. Name	Current Year USD	Current Year IQD
<u>INCOME</u>	0,00	0
<u>EXPENSES</u>		
salaries	5,725,00	6,870,000
compensations	10,705,00	12,846,000
fuel & oils	109,54	131,448
equipment & tasks	3,266,19	3,919,428
stationery	163,67	196,404
water & power supply	272,05	326,460
furniture & appliances	2,122,00	2,546,400
buildings' maintenance	1,034,71	1,241,652
furniture & appliances' maintenance	4,98	5,976
publication & press	41,15	49,380
hospitality	539,81	647,772
employee transportation	995,00	1,194,000
travel & delegations	270,00	324,000
telecommunication	235,06	282,072
buildings' renting	12,271,26	14,725,512
subscription rates	340,00	408,000
non-employee compensations	2,860,00	3,432,000
banking services	2,749,24	3,299,088
other services	1,636,29	1,963,548
consultation charges	2,000,00	2,400,000
depreciation	3,990,42	4,788,504
auditing charges	2,447,00	2,936,400
TOTAL CURRENT EXPENSES	53,778,37	64,534,044
expenses increase than income (closed), to be moved to income & expenses' Acc.	-53,778,37	-64,534,044



Mercy Hands for Humanitarian Aid (NGO)

STATEMENT OF FIXED ASSETS AND DEPRECIATION AS OF 31.Dec.2015

STATEMENT (15)

FIXED ASSETS	FURNITURE & OFFICE APPLIANCES USD	FURNITURE & OFFICE APPLIANCES IQD
cost as of 1.Jan.2015	26,595,79	31,914,948
fixed assets added during the year	0,00	0,00
to be deducted: cost of written-off assets	0,00	0,00
cost as of 31.Dec.2015	26,595,79	31,914,948
depreciation percentage	15%	15%
depreciation allowance as of 1.Jan.2015	6,883,74	8,260,488
to be added: year's depreciation	3,990,42	4,788,504
allowance as of 31.Dec.2015	10,874,16	13,048,992
book value as of 31.Dec.2015	15,721,63	18,865,956

