

FORUM FOR SOCIAL STUDIES

Audited Financial Statement ----- IPSAS based

*For the year ending on
December 31, 2019 G.C.*

Mekonnen G. Audit Service Certified Audit Firm

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FORUM FOR SOCIAL STUDIES (FSS)
KEY INFORMATION
For the year ended December 31, 2019 G.C

OFFICE LOCATION

Addis Ababa City Administration
Arada Sub city, Woreda 07,
House No.534
Tel: +251 111545605/06
Addis Ababa, Ethiopia

BUSINESS ACTIVITY

As per its amended Articles of Association, FSS was established for the following objectives:-

- ✓ Undertake research on development issues
- ✓ Dissemination of the research works to decision makers and stakeholder
- ✓ Enhance the awareness of the communities about the challenges of the development and undertake public forums
- ✓ Establishment of research center

KEY MANAGEMENT

Name	Position	Appointment date
Yeraswork Admassie (PhD)	Executive Director	June 2018
Tigist Nigussie	Chief Finance Officer	February 2012
Abera Woldekidan	Communication Expert	March 2013

BANKERS

Awash bank, Dashen Bank, Commercial Bank of Ethiopia,
Addis Ababa, Ethiopia

STATUTORY AUDITORS

Mekonnen Gebeyehu
Certified Audit Firm
Addis Ababa City Administration
Kirkos Sub city, Woreda 01,
House No. 455 (Hailegebrel Building)
P.O.Box 34045
Addis Ababa, Ethiopia



STATEMENT OF MANAGEMENT RESPONSIBILITIES

The Financial Reporting Proclamation No. 847/2014 requires the entity to prepare its financial statements in accordance with the International Public Sector Accounting Standards (IPSAS).

The Management is required to prepare financial statements in respect of that entity, which give a true and fair view of the state of affairs of the entity at the end of the financial year/period and the operating results of the entity for that year/period. The Management is also required to ensure that the entity keeps proper accounting records which disclose with reasonable accuracy the financial position of the entity. The Management is also responsible for safeguarding the assets of the entity.

The Management is responsible for the preparation and presentation of the entity's financial statements, which give a true and fair view of the state of affairs of the entity for and as at the end of the financial year (period) ended on 31 December 2019.

The Management accepts responsibility for the entity's financial statements, which have been prepared using appropriate accounting policies supported by reasonable and prudent judgments and estimates, in conformity with International Public Sector Accounting Standards (IPSASs). The Management is of the opinion that the entity's financial statements give a true and fair view of the state of entity's transactions during the financial year ended 31 December 2019, and of the entity's financial position as at that date. The Management further confirms the completeness of the accounting records maintained for the entity, which have been relied upon in the preparation of the entity's financial statements as well as the adequacy of the systems of internal financial control.

Nothing has come to the attention of the Management to indicate that the entity will not remain a going concern for at least the next twelve months from the date of this statement.

Approval of the financial statements

The entity's financial statements were approved by the Management on August 05, 2020 and were signed on its behalf by:

Name	Position	Sign
Yeraswork Admassie (PhD)	Executive Director	
Tigist Nigussie	Finance Manager	



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**REPORT OF THE INDEPENDENT AUDITORS
ON THE FINANCIALS STATEMENTS OF
FORUM FOR SOCIAL STUDIES (FSS)**

We have audited the accompanying statement of Financial Position of Forum for Social Studies (FSS) as of December 31, 2019 G.C and the related Financial Performance, Changes in Net Assets and cash flows for the year then ended, which have been prepared on the basis of the accounting policies set out on pages 10 to 23, and in accordance with the International Public Sector Accounting Standards (IPSAS).

Responsibilities of the management of the organization for the financial statements

The management of Forum for Social Studies (FSS) are responsible for the preparation of financial statements that give a true and fair view in accordance with IPSAS standards, and for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, the management are responsible for assessing the organization'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 they either intend to liquidate the organization or to cease operations, or have no realistic alternative but to do so. The organization is responsible for overseeing its financial reporting process.

Auditor's responsibilities for the financial statements

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and presentation of the consolidated financial statements that give a true and fair view in order to design



audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the organization has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the 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.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the 'Auditor's responsibilities for the audit of the financial statements' section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

OPINION

Based on our audit, in our opinion, the accompanying financial statements give a true and fair view of the financial position of Forum for Social Studies (FSS), as of December 31, 2019 G.C, and the financial performance, changes in Net Assets and cash flows for the year then ended, in conformity with the International Public Sector Accounting Standards (IPSAS).



Mekonnen Gebeyehu Audit Service
Certified Audit Firm
Addis Ababa, Ethiopia
August 05, 2020

**FORUM FOR SOCIAL STUDIES (FSS)
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31,**

In Ethiopian Birr

ASSET	Notes	2019	2018
Current Assets			
Cash	4,6	3,893,258	1,944,889
Prepayments	7	32,072	-
Account receivable	8	70,589	36,085
Total Current Assets		<u>3,995,919</u>	<u>1,980,974</u>
NON CURRENT ASSET			
Fixed assets	1,9	327,004	338,811
Leasehold land	1,10	3,539,988	3,578,053
Construction in progress	1,11	7,708,240	7,580,355
Total Non Current Assets		<u>11,575,232</u>	<u>11,497,220</u>
TOTAL ASSET		<u>15,571,151</u>	<u>13,478,194</u>
LIABILITIES			
Current Liabilities			
Payables	4,12	50,100	19,600
Taxes payables	13	-	13,442
Employee benefits	4	301,563	192,292
Total Current Liabilities		<u>351,663</u>	<u>225,334</u>
Non Current Liabilities			
Land lease payable	10	600,500	618,697
Accrued staff benefits	4	579,092	459,445
Total Non Current Liabilities		<u>1,179,592</u>	<u>1,078,142</u>
Total Liabilities		<u>1,531,255</u>	<u>1,303,476</u>
NET ASSETS		<u>14,039,896</u>	<u>12,174,718</u>
NET ASSETS/EQUITY			
Reserve	14	12,174,718	8,046,122
Surpluses (deficit) for the year		1,865,179	4,128,596
TOTAL EQUITY		<u>14,039,896</u>	<u>12,174,718</u>

The accompanying notes are an integral part of these financial statements.



**FORUM FOR SOCIAL STUDIES (FSS)
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDING ON DECEMBER 31,**

In Ethiopian Birr

	Notes	2019	2018
REVENUE FROM NON-EXCHANGE TRANSACTIONS			
Voluntary contributions from donors	1,15	10,962,748	12,750,045
Other voluntary contributions		<u>7,105</u>	<u>9,900</u>
		<u>10,969,853</u>	<u>12,759,945</u>
REVENUE FROM EXCHANGE TRANSACTIONS			
Other income		<u>53,364</u>	<u>62,438</u>
Total Revenue		11,023,218	12,822,383
EXPENSES			
Program Expenditure			
Research and book project	16	4,400,848	4,037,241
Public dialog	17	485,954	521,127
Outreach and dissemination		1,159,895	778,275
Capacity building	18	741,564	525,432
Publications	19	341,841	269,432
Documentation center	20	<u>147,118</u>	<u>142,471</u>
Total program expenditure		7,277,219	6,373,978
Administrative expenditure	21	<u>1,880,820</u>	<u>2,313,559</u>
Total expenses		9,158,039	8,687,537
Surplus/ (deficit) for the period	22	<u>1,865,179</u>	<u>4,134,846</u>

The accompanying notes are an integral part of these financial statements.



**FORUM FOR SOCIAL STUDIES (FSS)
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDING ON DECEMBER 31,**

In Ethiopian Birr

	Notes	Reserve	Accumulated surplus /deficit	Total
Balance as at December 31, 2017		6,871,791	2,196,345	9,068,136
Transfers between accumulated surplus or deficit and reserve		(808,058)	-	(808,058)
Prior period adjustment		(7,631)	-	(7,631)
IPSAS adjustments for property, plant and equipment		385,981	-	385,981
IPSAS adjustments on lease value of land		(152,258)	-	(152,258)
IPSAS adjustments for employee benefits		(533,517)	-	(533,517)
Balance as at 01 January 2018		5,756,308	2,196,345	7,952,653
Transfers between accumulated surplus or deficit and reserve		2,196,345	(2,196,345)	-
Prior period adjustment		93,469	-	93,469
Surplus/ deficit during the year		-	4,128,596	4,128,596
Balance as at 31 December 2018		8,046,122	4,128,596	12,174,718
Transfers between accumulated surplus or deficit and reserve		4,128,596	(4,128,596)	-
Surplus/ deficit during the year		-	1,865,179	1,865,179
Balance as at 31 December 2019		12,174,718	1,865,179	14,039,896

The accompanying notes are an integral part of these financial statements.



**FORUM FOR SOCIAL STUDIES (FSS)
STATEMENT OF CASH FLOW
FOR THE YEAR ENDING ON DECEMBER 31,**

In Ethiopian Birr

	Notes	2019	2018
Operating Activities			
Surplus (deficit) for the year		1,865,179	4,128,596
Adjustments to reconcile surplus (deficit) to cash flow provided by operating activities			
Depreciation	9	48,707	47,170
Amortization	10	38,064	31,815
Prior year adjustments		-	123,156
Decrease (increase) in receivables		(34,504)	20,569
Decrease (increase) in prepayments		(32,072)	-
Decrease (increase) in inventories			
Increase (decrease) in accounts payables		30,500	19,600
Increase (decrease) in tax payables		(13,442)	13,442
Increase (decrease) in accrued leave payable		109,271	45,745
Increase (decrease) in accrued termination payable		119,647	72,475
Net cash provided from (used by) operating activities		<u>2,131,351</u>	<u>4,508,817</u>
Investment Activities			
Purchase of property, plant and equipments	9	(36,900)	-
Payment for construction in progress	11	(127,884)	(3,512,010)
Net cash provided from (used by) investing activities		<u>(164,784)</u>	<u>(3,512,010)</u>
Financing Activities			
Prior year adjustment on reserve		-	93,469
Lands lease payment		(18,197)	-
Net cash provided from (used by) financing activities		<u>(18,197)</u>	<u>93,469</u>
Change in cash		<u>1,948,369</u>	<u>1,090,276</u>
Cash at beginning of year		<u>1,944,889</u>	<u>854,613</u>
Cash at end of year		<u>3,893,258</u>	<u>1,944,889</u>

The accompanying notes are an integral part of these financial statements.



**FORUM FOR SOCIAL STUDIES (FSS)
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDING ON DECEMBER 31, 2019**

In Ethiopian Birr

NOTE 1: REPORTING ENTITY

FORUM FOR SOCIAL STUDIES (FSS) - is a legal entity registered in Ethiopia with the Charities and Societies Agency as Ethiopian Residents Charity. It is a not-for-profit, non-governmental organization, having registration number 0072 from the Charities and Societies Agency.

As per its amended Articles of Association, FSS was established for the following objectives:-

- ✓ Undertake research on development issues
- ✓ Dissemination of the research works to decision makers and stakeholder
- ✓ Enhance the awareness of the communities about the challenges of the development and undertake public forums
- ✓ Establishment of research center

Project descriptions

During the year, it is undertaking nine projects, all of which are funded by various donors. Their brief descriptions are as follows.

Projects	Objective and partner	Implementation Status
WIDE Public Awareness and Dissemination Project Dec 2018 - July 2019	Objective: to disseminate WIDE's research outputs through selected local media (Radio, TV and Newspaper) Partner: WIDE	Project Completed
Media Dissemination Project Project ID: NED 2018-395 May 1, 2018 - August 31, 2019	Objective: Dissemination of research and dialogue outputs of FSS among stakeholders and the wider public through electronic and print media. Partner: National Endowment for Democracy (NED)	Project completed
Clarifying the Uncharted Routes of Ethiopia's Transition towards Democracy: ... NED - 2019-0029 Feb 1, 2019–Jan 31, 2020 Extended to July 31, 2020	Objective: To support Ethiopia's transition to a democratic society by conducting a series of informed dialogue on major current socio-political issues among policy makers and all relevant stakeholders, and engaging the public at large through electronic and print dissemination media. Partner: National Endowment for Democracy (NED)	Project in progress (75%)



<p>Implementing the Women's Social and Economic Empowerment Program of CAFOD, SCIAF, Trócaire 5 Year project</p> <p>Year 3 – Jan– Dec 31, 2019</p>	<p>Objective: Research, learning and capacity building for social and economic empowerment of women</p> <p>Partner: CAFOD, SCIAF, Trócaire (CST - together)</p>	<p>Project phase (95%) completed</p>
<p>Land and food security in Ethiopia's transition to a democratic society: an informed dialogue and dissemination project to inform policy makers and the public</p> <p>Nov 1, 2019 – Oct 31, 2020 Extension to Dec 2021</p>	<p>Objective: to support the current reform that is unfolding in the country by conducting public dialogue forums the outputs of which are made available to leaders / policy makers, stakeholders and the public at large through appropriate dissemination mechanisms.</p> <p>Partner: Open Society Initiative for Eastern Africa (OSIEA)</p>	<p>Project in progress (15%)</p>
<p>Land for life Initiative Jan 1, 2018- Dec 31, 2019 Extended until June 2020 Second extension to Aug 2020</p>	<p>Objective: to contribute to the formulation and implementation of policies on Land governance and agricultural investments that are consistent with international standards and human right to adequate food by engaging actors drone from stockholder in a processes owned and directed by them.</p> <p>Partner: Welthungerhilfe/German Agro-Action (WHH)/GAA)</p>	<p>Project in progress (75%)</p>
<p>Governing Economic Hubs and Flows in Somali East Africa (GOVSEA) Project, 2016- 2018 Extension until 2019</p>	<p>Objective: understanding of key economic and political processes that have shaped state formation in Somali East Africa, including Somaliland, Puntland, and Somali speaking populations of Ethiopia and Kenya. In 2019, there was a no cost extension of the project. In this year, the final meeting/policy meeting of the project was held in Copenhagen. Two senior researchers participated in the workshop. As there were some unused funds, three (short) researches were agreed to be conducted. The fieldwork and the write up for these has been completed and left only a publication.</p> <p>Partner: Roskilde University, Denmark</p>	<p>Project completed</p>
<p>Governing Climate Mobility 4 years project Phase/Year 1 Mar 1, 2019- Dec 2019</p>	<p>Objective: To determine how differing Governance contexts, national and local, affect adaptive climate mobility.</p> <p>Partner: Danish Institute for International Studies (DIIS)</p>	<p>Project phase/year 1 completed</p>
<p>The Politics of Youth Interventions in Africa's Authoritarian Regimes, Sep 2019 - 2021</p>	<p>Objective: The project will look at two policy areas, youth employment and youth representation, in order to better understand the regime-youth interaction.</p> <p>Partner: Chr. Michelsen Institute (CMI)-</p>	<p>Project activities not started in 2019</p>



NOTE 2: STATEMENT OF COMPLIANCE

New standards and Interpretation not yet adopted

The financial statements of Forum for Social Studies (FSS) have been prepared in accordance with the International Public Sector Accounting Standards (IPSAS) and applicable Ethiopian Government (ACSO) regulations. These annual financial statements of Forum for Social Studies (FSS) are the first to be prepared in accordance with IPSAS and certain transitional provisions as identified in note 3.

Prior to 1 January 2019, Forum for Social Studies (FSS) prepared its financial statements in accordance with GAAP, which prescribed the use of a modified cash basis of accounting.

On 1 January 2019, Forum for Social Studies (FSS) adopted IPSAS reporting standards, and the conversion to full accrual accounting as prescribed by IPSAS has resulted in significant changes to accounting policies and in the type and measurement of assets, liabilities, revenues and expenses recognized. Accordingly adjustments and reclassifications were made to the Forum for Social Studies (FSS) statement of financial position as at 31 December 2017 under GAAP to arrive at the Forum for Social Studies (FSS) restated 1 January 2018 IPSAS opening statement of financial position.

i) IPSAS 41, Financial Instruments

IPSAS 41, Financial Instruments, establishes new requirements for classifying, recognizing and measuring financial instruments to replace those in IPSAS 29, Financial Instruments: Recognition and Measurement. The IPSASB approved IPSAS 41, Financial Instruments, in June 2018 and issued in August 2018.

IPSAS 41 provides users of financial statements with more useful information than IPSAS 29, by:

- ✓ Applying a single classification and measurement model for financial assets that considers the characteristics of the asset's cash flows and the objective for which the asset is held;
- ✓ Applying a single forward-looking expected credit loss model that is applicable to all financial instruments subject to impairment testing; and
- ✓ Applying a model that improved hedge accounting broadens the hedging arrangements in scope of the guidance. The model develops a strong link between an entity's risk management strategies and the accounting treatment for instruments held as part of the risk management strategy.

The standard is effective 1 January 2022. Although early adoption is permitted, the Entity did not apply this standard in 2019.

ii) IPSAS 42, Social Benefits

IPSAS 42 'Social Benefits', seeks to improve the relevance, faithful, representativeness and compatibility of the information that a reporting statements provides about social benefits.



NOTE 3: BASIS OF PREPARATION

These financial statements are prepared on an accrual basis of accounting in accordance with IPSAS.

Forum for Social Studies (FSS) previously prepared its financial statements on the modified cash basis under GAAP. The House of Peoples' Representatives and Council of Ministers of Ethiopia approved financial reporting proclamation 847/2014 and regulation 332/2014 respectively. Both proclamation and regulation enforce the adoption of International Public Sector Accounting Standard (IPSAS) for Non-Profit making reporting entities when preparing and presenting their annual financial statements, to become effective 31 December 2019. The first time adoption of IPSAS effective 1 January 2019 reflected the change from a modified cash basis of accounting to an accrual basis of accounting. The accounting period is 1 January through 31 December.

The financial statements prepared in accordance with IPSAS consist of:

Statement of Financial Position - details the net assets (the difference between total assets and total liabilities) of the Organization. This statement provides information about the financial strength of the Organization, and the resources which are available to support its future objectives;

Statement of Financial Performance - measures the net surplus or deficit (the difference between total revenue and total expenses) for deficit is presented on a full accrual basis of accounting, recognizing revenue in the period it is earned and expenses when incurred, regardless of when the associated cash is received or paid;

Statement of Changes in Net Assets- identifies the change in the net asset position during the year. This statement highlights the sources of changes in the Organization's overall financial position, including changes due to the surplus or deficit for the period;

Statement of Cash Flow- presents the movements of cash during the year resulting from operating, investing and financing activities. This statement provides information on how cash has been raised and used during the year, including borrowing and repayment of borrowing, and the acquisition and disposal of fixed assets. In contrast to the Statement of Financial Performance, the Organization's net cash flow measures the difference between cash coming into the Organization and cash going out;

Notes to the Financial Statements - assist in understanding the principal financial statements. The Notes comprise a summary of significant accounting policies and other explanatory information. They also disclose information required by IPSAS which is not presented on the face of the principal financial statements.

3.1 Change in accounting policy and estimate & critical judgment

Forum for Social Studies (FSS) recognizes the effect of change in accounting policy and change in accounting estimates retrospectively at the date of adoption



and after adoption of IPSAS, change in accounting estimates applied prospectively and change in change in accounting policy.

The preparation of financial statements in accordance with IPSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses for the year. Accruals, property, plant, equipment, and employee-benefit liabilities are the most significant items where estimates are used. Actual results could differ from these estimates. Changes in estimates are reflected in the year in which they become known.

3.2 Going concern

These financial statements were prepared on the assumption that the Organization is a going concern and will continue in operation and will meet its mandate for the foreseeable future (IPSAS 1). The Management of Forum for Social Studies (FSS) has not communicated any intention to terminate the Organization or to cease its operations.

IPSAS applicable to Forum for Social Studies (FSS) are:

IPSAS 1: Presentation of Financial Statements

IPSAS 2: Cash Flow Statement

IPSAS 3: Accounting Policies, Change in Accounting Estimates and Error

IPSAS 4: The effect of changes in Foreign Exchange Rate

IPSAS 12: inventories

IPSAS 13: Leases

IPSAS 14: Events after the reporting date

IPSAS 17: Property, Plant and Equipment

IPSAS 19: Provisions, Contingent Liabilities

IPSAS 20: Related Party Disclosure

IPSAS 21- impairment of Non-Cash Generating Assets

IPSAS 23: Revenue from Non-Exchange Transactions

IPSAS 28, 29 & 30: Financial instruments

IPSAS 31: Intangible Assets

IPSAS 39: Employee Benefits

3.3 Transitional provisions & exemptions

IPSAS standards, with effect from 1 January 2019, are applied in accordance with IPSAS transitional provisions as follows:

Presentation of budget information in the financial statement is required annually as one element of financial statement when Forum for Social Studies (FSS) make its annual budget for the year 31 December 2019 publically available. However, the budget information for the period 01 January 2019- 31 December 2019 was not publically available and therefore exempted to produce budget versus actual amount as part financial statement for the period 31 December 2019.

These financial statements are certified and approved by the Management of Forum for Social Studies (FSS). This issuance approval is dated. No other authority



has the power to amend the Financial Statements after issuance. (Reference: IPSAS 4).

3.4 Risk Management

Forum for Social Studies (FSS) activities exposed it to a variety of compliance and financial risks, mainly, liquidity risk, market risk, foreign exchange risk and credit risk.

i) Compliance or regulatory risk

Compliance or regulatory risk arises when the regulatory body such as Agency for Civil Society Organization issued new regulation like threshold for program and administrative expenses, limit the scope of operation affects the over operation of Forum for Social Studies (FSS). Forum for Social Studies (FSS) has close follow up on these risks and set proper safeguard tools in place to avoid the risk related with compliance and regulation.

ii) Liquidity Risk

Liquidity risk is the risk of Forum for Social Studies (FSS) not being able to meet its obligations as they fall due. Forum for Social Studies (FSS)'s approach to managing liquidity risk is to ensure that sufficient cash is available to meet its liabilities when due, without incurring unacceptable losses of risking damage to Forum for Social Studies (FSS) reputation. Forum for Social Studies (FSS) ensures that it has sufficient cash on demand to meet rating expenses through the cash and deposits demand.

As at the year- end, Forum for Social Studies (FSS)'s cash and current asset amount to ETB 6.8 million that is substantially more than the current liabilities equalling ETB 1.9 million. Therefore, the Organization is not exposed to a significant liquidity risk.

iii) Market Risk

Foreign exchange currency risk

The Organization receives contributions in currencies other than the Ethiopian Birr and it is exposed to foreign exchange currency risk arising from fluctuations in currency exchange rates. Translation into Ethiopian Birr of transactions expressed in other currencies is done at the prevailing rates of Exchange at the date of transaction.

Price Risk

The Organization does not hold any financial instruments subject to price risk.

iv) Cash flow, fair value and interest rate risk

The Organization does not hold any bank loans and loans from related parties subject to cash flow, fair value and interest rate risk.



v) Credit risk

Credit risk is the risk of financial loss to Forum for Social Studies (FSS) if donors fail to meet their promises. The organization has a very good record of collecting all amounts due. Therefore, the risks related to credit are considered minor.

The amount that best represents the organization's maximum exposure to credit risk at 31 December 2019 is made up as follows:

	2019	2018
Cash	<u>3,893,258</u>	<u>1,944,889</u>
Current Liabilities	<u>351,663</u>	<u>225,334</u>

NOTE 4: SIGNIFICANT ACCOUNTING POLICIES

4.1 Introduction to summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Cash and Cash Equivalents

Cash comprise cash on hand and cash at bank, deposits on call and liquid investments with an original maturity of three (3) months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank account balances include amounts held at various banks in Ethiopia at the end of the financial year.

Inventories

Inventories held for distribution at no charge or for a nominal charge are stated at the lower of cost or current replacement cost. Inventories held for sale are stated at the lower of cost or net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the costs of completion and selling expenses. Cost is determined using the FIFO valuation method. The cost of inventories includes costs incurred in acquiring the inventories and other costs incurred in bringing them to their existing location and condition. For inventories acquired through a non-exchange transaction (e.g., donated goods), cost shall be measured at its fair value at the date of Acquisition

Property, Plant & Equipment

Recognition and measurement

All property, plant and equipment are stated at historical cost, less accumulated depreciation and accumulated impairment losses. This includes costs that are directly attributable to the acquisition of the asset and the initial estimate of dismantling and site restoration costs. Where an asset is acquired for nil or nominal consideration, the fair value at the date of



acquisition is deemed its cost. The threshold for recognition of property, plant and equipment as an asset is USD 1,000 (equivalent of Birr 32,000) per unit.

Transition to IPSAS

On transition to IPSAS, Forum for Social Studies (FSS) has elected to continue with its property, plant and equipment, recognized as at 01 January 2018, measured as its historical cost and use that cost as the deemed cost of the property, plant and equipment.

Subsequent costs

Forum for Social Studies (FSS) elected to apply the cost model to measurement after recognition instead of the revaluation model.

Depreciation

Depreciation of property, plant and equipment is calculated using the straight-line basis over the estimated useful lives.

The estimated useful lives are as follows:

	<i>On straight line basis</i>	<i>Residual value</i>
Computer and Information system	4 years	nil
Building	50 years	nil
Motor vehicles	10 years	10% of cost
Equipment and fixture	12 years	nil

Impairment

The carrying values of PPEs are reviewed for impairment if events or changes in circumstances indicate that the book value of the asset may not be recoverable. If such an indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss if any. Any provision for impairment is included in the Statement of Financial Performance.

Leasehold improvements:

Shorter of lease term or life of applicable asset

The organization commences depreciation when the asset is available for use, and ceases depreciation of an asset when the asset is derecognized. Given the expected pattern of usage of property, plant and equipment, there are no residual values following full depreciation.

Depreciation methods, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.



Intangible Assets

Intangible assets are carried at cost less accumulated amortization and impairment. Intangible assets are capitalized in the financial statements if they have a cost exceeding USD 5,000 (or the equivalent in Birr).

Amortization

Amortization is provided on a straight-line basis on all intangible assets of finite life, at rates that will write off the cost or value of the assets over their useful lives.

Foreign Currency Translation

a) Functional and presentation currency

Measured using the currency of the primary economic environment in which the Entity operates ('the functional currency'). The functional currency and presentation currency of Forum for Social Studies (FSS) is Ethiopian Birr.

b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at exchange rates of monetary assets and liabilities denominated in currencies other than the Entity's functional currency are recognized in statement of financial performance. Monetary items denominated in foreign currency are translated using the closing rate as at the reporting date.

Employee Benefits

Short-term employee benefits

Short-term employee benefits are those that are expected to be settled within 12 months after the end of the year in which employees render the related service. Those benefits include assignment benefits; regular monthly benefits (e.g. Wages and salaries), compensated absences (e.g. paid leave, such as annual leave), other short-term and non-monetary benefits, and the current portion of long-term benefits provided to employees. An expense is recognized when a staff member provides services in exchange for employee benefits. A liability is reported for any entitlement that has not been settled at the reporting date and represents or expected to be paid to.

Owing to the short-term nature of those entitlements, the liabilities are not discounted for the time value of money and are presented as current liabilities.

Employees' benefits

Defined contribution plan/pension & provident fund contribution



Forum for Social Studies (FSS) has defined contribution plans; Pension scheme in line with the provisions of Ethiopian pension of private organization employees' proclamation 715/2011. Funding under the scheme is 7% and 11% by employees and Forum for Social Studies (FSS) respectively based on the employees' salary.

Employer's contributions to this scheme are charged to statement of financial performance in the period in which it relates. The contributions are treated as payments to a defined contribution plan. A defined contribution plan is a pension plan under which fixed contributions are paid into a separate pension entity fund. Once the contributions have been paid, the organization retains no legal or constructive obligation to pay further contributions if the Fund does not hold enough assets to finance benefits accruing under the retirement benefit plan. The contributions are recognized as employee benefit expense when they are due.

End of service/severance benefits

Forum for Social Studies (FSS) provides end of services/ severance benefits for its employees. The severance benefits are based on the statutory severance benefit as set out in Labor Proclamation No. 1156/2019.

The entitlement to this benefit is based upon the employees' length of service. Severance pay amounts to: 30 times the average daily pay of the last week of service for the first year of service. (For less than one year of service, severance pay should be calculated in proportion of the period of service), If the worker has served for more than a year, severance pay shall be increased by 1/3 of the previous sum, for every additional year of service, within a limit of a total amount of 12 months' wages. The recent salary has been used to determine the entitlement.

The expected costs of these benefits are accrued over the period of employment. Forum for Social Studies (FSS) severance pay plan for employees who serve five years & above the fixed time employees.

Other long-term employee benefits

Other long-term employee benefit obligations are benefits, or portions of benefits, that are not due to be settled within 12 months after the end of the year in which employees provide the related service. Those benefits include the non-current portions of annual leave and severance benefits. These are recognized as non-current liabilities and are measured based on management estimate of severance pay to those employees who have served Forum for Social Studies (FSS) at the reporting dates. The recent salary has been used to determine the entitlement.

Paid Annual Leave

The estimated monetary liability for employees' accrued annual leave entitlement at the statement of financial position date is recognized as an expense accrual. Forum for Social Studies (FSS) recognizes and accrues leave based



on the number of outstanding leave days as at the financial year end. The payment is based on an employee's basic salary prorated to the average number of working days in the last financial year end month.

Termination benefits

Termination benefits are recognized as an expense only when Forum for Social Studies (FSS) is demonstrably committed, without realistic possibility of withdrawal, to a formal detailed plan to either terminate the employment of a staff member before the normal retirement date, or provide termination benefits as a result of an offer made in order to encourage voluntary redundancy. Termination benefits settled within 12 months are reported at the amount expected to be paid.

Leases

The determination of whether an arrangement is lease, or contains a lease, is based on the substance of the arrangement and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific asset or assets or whether the arrangement conveys a right to use the asset.

Entity as a lessee

Leases that do not transfer to the organization substantially the entire risks and benefits incidental to ownership of the leased items are operating leases. Operating lease payments are recognized as an expense in the statement of financial performance on a straight-line basis over the lease term.

Entity as a lessor

Leases where the organization does not transfer substantially all of the risk and benefits of ownership of the asset are classified as operating leases. Rental income is recorded as earned based on the contractual terms of the lease. Initial direct costs incurred in negotiating operating leases are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income.

Right-to-use arrangements

Where Forum for Social Studies (FSS) has signed an agreement for the right-to-use assets without legal title/ownership of the assets, e.g., through donated use granted to Forum for Social Studies (FSS) at no cost, the transaction is a non-exchange. In this case, an asset and revenue is recognized at the point the agreement is entered into. Recognition of an asset is contingent upon satisfying criteria for recognition of an asset. Valuation of the asset will be the fair value of the resource for which the right to use shorter of the asset's useful life and the right-to-use term. Revenue is also recognized at the same amount as the asset, except to the extent that a liability is also recognized.

Provisions and contingencies

Provisions



A provision is recognized if, as a result of a past event, Forum for Social Studies (FSS) has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured at the present value of the expenses expected to be required to settle the obligation. The increase in a provision due to the passage of time is recognized as a finance cost.

Contingencies

Contingent assets

A contingent asset is disclosed when an inflow of economic benefits or service potential is probable. If it has become virtually certain that an asset is no longer contingent and that its value can be measured reliably, the asset and the related revenue are recognized in the year in which the change occurs.

Contingent liabilities

A contingent liability is disclosed unless the possibility that it will be realized is remote. If it becomes probable that a contingent liability will be realized, a provision is recognized in the year in which the change of probability occurs.

Revenue Recognition

Revenue is recognized to the extent that it is probable that the economic benefits or service potential will flow to Forum for Social Studies (FSS) and the revenue can be reliably measured.

Revenue from non-exchange transactions

Revenue from non-exchange transactions is measured based on the increase in net assets recognized. Where the full criteria for recognition of an asset under a non-exchange agreement are not fulfilled contingent asset may be disclosed.

Voluntary contributions are non-exchange transactions, which are recognized as revenue when contribution agreements become enforceable, or when cash is received in the absence of contribution agreements. To the extent that there is a related condition attached that would give rise to a liability to repay the amount, deferred income is recognized instead of revenue.

In-kind contributions of goods provided are recognized as assets and revenue once it is probable that future economic benefits or service potential will flow to Forum for Social Studies (FSS) and the fair value of those assets can be measured reliably. Forum for Social Studies (FSS) discloses contributions of services in-kind if services don't meet the definition of an asset.

Revenue from exchange transactions

Exchange transactions are those in which Forum for Social Studies (FSS) sells goods or provides services. Revenue comprises the fair value of consideration received or receivable for the sale of goods and services. Revenue is shown net of returns and discounts. Revenue is recognized when it can be reliably



Contribution in-kind and in-service

Contributions in-kind and in-service received by Forum for Social Studies (FSS) are recorded upon receipt from the contributor at an amount equal to their fair market value as determined at the time of acquisition. Donated PPE and inventories are recognized as an asset with the corresponding entry to revenue. Other in-kind or in-service contributions are recognized as revenue with corresponding entry to expense.

Miscellaneous Revenue (exchange transactions)

Miscellaneous revenue includes foreign currency revaluation, exchange rate gains and losses, interest earned, realized gains and losses, and gains and losses from the sale of property, plant, and equipment.

Expense recognition

Under accrual accounting, expenses are decreases in economic benefits or service potential during the reporting period in the form of outflows or consumption of assets or in currencies of liabilities that result in decreases in net assets/equity. Expenses are recognized when the transaction or event causing the expense occurs, and the recognition of the expense is therefore not linked to when cash or its equivalent is received or paid.

Statement of Cash flows

The cash flow statement is prepared using the indirect method permitted under IPSAS 2. This means that the actual result for the financial year is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and items revenue or expense associated with investing cash flows. The cash flow statement reports cash flows during the period classified by operating, investing activities and the financing activities

Related Parties

The entity regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the Entity, or vice versa. The head office and members of key management are regarded as related parties.

NOTE 5: IPSAS 33: First-Time Adoption of IPSAS for Forum for Social Studies (FSS)

These financial statements, for the year ended 31 December 2019, are the first time the Entity has prepared in accordance with International Public Sector Accounting Standards (IPSAS) as issued by the International Public Sector Accounting Standards Board (IPSASB).

For periods up to and including the year ended 31 December 2018, the Entity prepared its financial statements in accordance with its accounting framework.



Accordingly, the Entity has prepared financial statements which comply with IPSAS applicable for periods ending on or after 31 December 2019, together with an opening statement of financial position at the date of adoption (01 January 2019), as described in the summary of significant accounting policies.

In preparing these financial statements, the Entity's opening statement of financial position was prepared as at 1 January 2019, the Entity's date of transition to IPSAS. This note explains the principal adjustments made by the Entity in restating its financial statements prepared under the previous framework, including the statement of financial position as at 1 January 2019.

In preparing its opening IPSAS statement of financial position, the Entity has adjusted amounts reported previously in financial statements prepared financial position is set out in the following table and the notes that organization the tables.

In preparing these financial statements in accordance with IPSAS 1, the Entity has applied the mandatory exceptions from full retrospective application of IPSAS. The optional exemptions from full retrospective application selected by the Entity are summarized below.

Exemptions applied

IPSAS 33 allows first-time adopters certain exemptions from the retrospective application of certain requirements under IPSAS. Following from the principles underpinning IPSAS 33, the Entity has applied the following exemption:

Presentation of financial statements

- ✓ As per IPSAS 33.77 "Presentation of financial statements", as permitted for first year adoption, comparative information has not been provided. First IPSAS financial statements presented in accordance with this IPSAS shall include; One statement of financial position, and an opening statement of financial position at the date of adoption (01 January 2019), One statement of financial performance, One statement of changes in net assets, One statement of cash flow, and Related notes and disclosures.
- ✓ As per IPSAS 33.79 (e): Presentation of budget and actual amount as a separate additional financial statement or as a budget column in the financial statement if the first-time adopter (Forum for Social Studies (FSS)) makes publicly available. Information for the December 2019 was not publically available and therefore exempted to produce budget versus actual amount as part of financial statement for the period 31 December 2019.



NOTE 6 : CASH

The amount represents the year- end cash at bank balances.

	2019	2018
CBE C/A No. 01718/262736/00	144,122	6,081
Dashen C/A No. 0008678370007	1,538	924,244
Dashen C/A No.0008678370077	104,080	832,694
Dashen S/A No. 5008678370070	296	277
Awash C/A No. 01308029747400	770,197	85,012
Awash C/A No. 01308029747401	1,190,736	11
Awash C/A No. 01308029747405	1,643,081	49,976
Awash C/A No. 01308029747402	39,208	46,594
	<u>3,893,258</u>	<u>1,944,889</u>

NOTE 7: PREPAYMENTS

	2019	2018
Travel advance	23,870	-
Prepayments	8,202	-
	<u>32,072</u>	<u>-</u>

NOTE 8: RECEIVABLES

	2019	2018
Tax and duties receivable	36,085	36,085
Advance for project	34,503	-
	<u>70,589</u>	<u>36,085</u>

NOTE 9: PROPERTY, PLANT AND EQUIPMENT

	Motor Vehicles	Computers	Equipments	Total
CARRYING COST				
Balance as at January 1,2019	1,035,000	-	252,262	1,287,262
Addition	-	36,900	-	36,900
Total Historic Cost, December 31, 2019	1,035,000	36,900	252,262	1,324,162
DEPRECIATION				
Balance as at January 1,2019	783,000	-	165,451	948,451
Addition	33,000	1,538	14,170	48,707
Balance as at December 31, 2019	816,000	1,538	179,620	997,158
Net Book Value				
January 1, 2019	252,000	-	86,811	338,811
December 31, 2019	219,000	35,363	72,642	327,004



NOTE 10: LEASE VALUE OF LAND

	2019	2018
Cost of lease hold land	3,768,375	3,768,375
Addition of lease hold land	<u>-</u>	<u>-</u>
	<u>3,768,375</u>	<u>3,768,375</u>
Less:- Amortization - previous year	190,322	152,258
- current year	<u>38,064</u>	<u>38,064</u>
	<u>228,386</u>	<u>190,322</u>
	<u>3,539,988</u>	<u>3,578,053</u>

From the Addis Ababa City Administration, FSS has acquired 998 square meters of land located at Arada Sub City, through lease for the period of 99 years since 2005 E.C. The land has held on free hold basis before. The agreed lease value of the land is Birr 933,130, of which Birr 223,448 was paid to the Administration as advance payment. The remaining shall be fully payable until the year 2044 E.C, bearing interest on the unpaid amount. The agreement provides a yearly settlement of the outstanding lease. The amount paid for the acquisition of the land and lease payments are capitalized as leasehold land. FSS is building office and research center on this premises.

NOTE 11: CONSTRUCTION IN PROGRESS

	Construction in progress
CARRYING COST	
Balance as at January 1, 2018	4,068,345
Addition of construction	3,512,010
<i>Total Historic Cost, December 31, 2018</i>	<u>7,580,355</u>
CARRYING COST	
Balance as at January 1, 2019	7,580,355
Addition of construction	127,884
<i>Total Historic Cost, December 31, 2019</i>	<u>7,708,240</u>

NOTE 12: PAYABLES

	2019	2018
Sundry payables	19,600	19,300
Accruals - audit fee	<u>30,500</u>	<u>-</u>
	<u>50,100</u>	<u>19,300</u>



NOTE 13: TAXES PAYABLE

	2019	2018
Income tax payable	-	12,664
Withholding tax payable	-	778
	<u>-</u>	<u>13,442</u>

NOTE 14: RESERVE

Unless it is specifically designated for, the yearly surplus of revenue over expenses and vice-versa shall be taken to the Reserve Balance.

	2019	2018
Opening fund balance	8,046,122	5,633,151
Add: Prior period adjustment	-	123,156
Excess of income over expenditure	4,128,596	2,196,345
Less: Transfer to Earmarked fund	-	93,469
Ending fund balance	<u>12,174,718</u>	<u>8,046,122</u>

NOTE 15: REVENUE FROM NON-EXCHANGE TRANSACTIONS – by donor

	2019	2018
CODESRIA	116,125	1,011,604
Donation from head quarter building	22,000	194,020
NED - National Endowment for Democracy	1,839,952	563,935
TRÓCAIRE	1,166,589	2,362,115
Welthungerhilfe	967,850	2,372,449
IOM	119,350	1,403,697
DIIS - governing climate mobility	2,109,356	-
OSIEA - Foundation of Open Society Institution	2,122,022	-
Grant-EU-CSF II	276,724	-
Grant-GOVSEA, ILO, SOAS	2,222,780	4,833,225
	<u>10,962,748</u>	<u>12,750,045</u>



NOTE 16: RESEARCH AND BOOK PROJECT

	2019	2018
Honorarium for professionals	1,709,129	1,522,066
Researcher support professional	114,000	269,125
Researchers per diem	63,904	40,500
Researchers's accommodation	52,536	37,990
Field transport	300,050	77,176
Field work expenditure	62,595	1,322
Field researcher professional	-	487,880
Publications cost	331,822	151,747
Professional staff remuneration	1,627,378	1,420,629
Dissemination workshop	1,980	27,545
Workshop expenditure	137,453	1,261
	<u>4,400,848</u>	<u>4,037,241</u>

NOTE 17: PUBLIC DIALOGUE

	2019	2018
Public dialogue professional fee	100,000	96,500
Workshop participant per diem	105,051	223,718
Travel for workshop	-	93,380
Publication and editing	46,084	-
Public dialogue - event cost	234,819	107,529
	<u>485,954</u>	<u>521,127</u>

NOTE 18: CAPACITY BUILDING TRAINING

	2019	2018
Training modules	39,571	50,300
Training professional fee	9,000	31,400
Trainees per diem	487,947	528,329
Training supplies and set up	11,292	5,283
Stipend payment for PhD student	135,067	-
Field work travel	58,687	9,520
	<u>741,564</u>	<u>625,432</u>

NOTE 19: PUBLICATIONS

	2019	2018
Professional fee- ARB Editing	341,841	258,791
Professional fee- ARB-Design	-	4,620
ARB- Publication distribution	-	6,021
	<u>341,841</u>	<u>269,432</u>



NOTE 20: DOCUMENTATION CENTER

	2019	2018
Library books and publication	-	6,506
Documentary and data management	145,018	135,965
Documentary duty and service charge	2,100	-
	<u>147,118</u>	<u>142,471</u>

NOTE 21: ADMINISTRATIVE EXPENDITURE

	2019	2018
Staff salaries for support staff	863,706	1,057,354
Transport allowance and benefits	116,373	-
Annual leave expense	109,271	45,745
Staff termination benefits	119,647	72,475
Leave pay	5,129	-
Travel and per diem	80,761	47,989
Supplies and stationeries	22,374	117,667
Consumable items	12,746	2,700
Non capitalized Fixed asset purchase	-	233,142
Depreciation and amortization	48,707	47,170
Amortization	38,064	33,064
Land lease interest and penalty	80,024	-
Office rent	-	115,000
Office resettlement	730	73,252
Audit fee	70,904	63,999
Vehicle running costs	94,124	123,425
Maintenance	6,522	9,738
Communications	74,277	76,787
Utilities	4,347	16,482
Printing	1,982	2,550
Training and capacity building	-	4,000
Training - hall rent	1,157	11,962
Conference facilities	6,435	25,099
Refreshment and retreat	17,609	26,458
Advertisement	31,602	15,525
Uniforms	37,492	-
Insurance	29,221	79,443
Bank charge	606	-
Kitchen items	1,100	3,786
Sundries	5,910	4,997
	<u>1,880,820</u>	<u>2,312,809</u>

NOTE 22: SURPLUS /DEFICIT/ OF REVENUE OVER EXPENSE

According to the income and expenditure statement, the revenue is in excess of the expense by Birr 1,865,179 and the balance is closed to the reserve account.



Unless it is specifically designated for, the yearly excess of income over expenditure and vice-versa shall be taken to the Fund Balance.

NOTE 23: EXPENSE CLASSIFICATION

The Agency for Civil Society Organization states that the program and administrative expenditures shall be separated and the former should not be less than 80% of the total expenditure.

Forum for Social Studies (FSS) has segregated all expenditure to program and administrative. Based on the classification, for the year 2019 G.C. the program expenditure constitutes 79% of the total expenditure.

NOTE 24: COMMITMENTS

The office building is being built on the land the organization has acquired and the construction is contracted to BEFCON Construction. The company is contracted to provide labor for a total value of Birr 1,036,480. The FSS is responsible to procure construction material.

NOTE 25: RELATED PARTY TRANSACTIONS

Related party transactions represent transactions with the H.Q, senior management of Forum for Social Studies (FSS) and entities in which they are principal owners or over which they exercise significant influence.

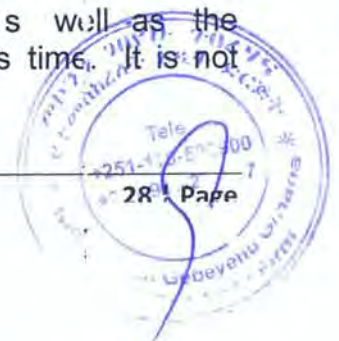
Key management personnel are the Executive Director and Finance Manager , as they have the authority and responsibility for planning, directing and controlling the activities of the Organization. Key management personnel are also qualified for post-employment benefits at the same level as other employees. The salaries and benefits of the key management of the organization are included in the respective expenses.

NOTE 26: SUBSEQUENT EVENTS

Since 31 December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In Ethiopia, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses nationwide.

Forum for Social Studies (FSS) has determined that these events are non-adjusting subsequent events.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government responses, remains unclear at this time. It is not



possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of Forum for Social Studies (FSS) for future periods. Management will continue to monitor the potential impact and will take all steps possible to mitigate any effects.

NOTE 27: FIRST TIME ADOPTION AND COMPARATIVE FIGURES

Reconciliation of statement of financial position as at 01 January 2019

The financial statements for the 2019 financial period are the first financial statements that comply with the requirements of IPSAS.

The following table shows the adjustments made from the audited statement of financial position of Forum for Social Studies (FSS) as at 31 December 2018 (reclassified and restated for IPSAS presentation) to the IPSAS opening statement of financial position of Forum for Social Studies (FSS) as at 1 January 2019:



ASSET	2018	2017
Current Assets		
Cash	1,944,889	854,613
Prepayments	-	-
Account receivable	<u>36,085</u>	<u>56,654</u>
Total Current Assets	<u>1,980,974</u>	<u>911,267</u>
NON CURRENT ASSET		
Fixed assets	338,811	385,981
Leasehold land	3,578,053	3,616,117
Construction in progress	<u>7,580,355</u>	<u>4,068,345</u>
Total Non Current Assets	<u>11,497,220</u>	<u>8,070,444</u>
TOTAL ASSET	<u>13,478,194</u>	<u>8,981,711</u>
LIABILITIES		
Current Liabilities		
Payables	19,600	-
Taxes payables	13,442	-
Employee benefits	<u>192,292</u>	<u>146,547</u>
Total Current Liabilities	<u>225,334</u>	<u>146,547</u>
Non Current Liabilities		
Land lease payable	618,697	618,697
Accrued staff benefits	<u>459,445</u>	<u>386,970</u>
Total Non Current Liabilities	<u>1,078,142</u>	<u>1,005,667</u>
Total Liabilities	<u>1,303,476</u>	<u>1,152,214</u>
NET ASSETS	<u>12,174,718</u>	<u>7,829,496</u>
NET ASSETS/EQUITY		
Reserve	8,046,122	5,633,151
Surpluses (deficit) for the year	<u>4,128,596</u>	<u>2,196,345</u>
Total Equity	<u>12,174,718</u>	<u>7,829,496</u>

