

**The Lebanese Association for Development
Al Majmoua
Statement of Financial Position
As at December 31, 2004**

ASSETS	Note	US Dollars 2004	US Dollars 2003
Cash and Banks	3	1,273,250	1,285,137
Restricted Cash	4	400,000	300,000
Short term receivables	5	5,788,746	4,895,500
Grant Receivable	6	-	40,000
Other assets	7	24,917	30,556
Total current assets		<u>7,486,913</u>	<u>6,551,193</u>
Long term receivables	8	155,078	-
Property and Equipment	9	140,557	184,113
Total non-current assets		<u>295,635</u>	<u>184,113</u>
Total Assets		<u><u>7,782,548</u></u>	<u><u>6,735,306</u></u>
 LIABILITIES			
Accounts Payable and Accruals	10	102,161	60,743
Short-term debt	11	73,370	-
Deferred Interest	12	858,527	646,501
Total current liabilities		<u>1,034,058</u>	<u>707,244</u>
Provisions - End of Service		59,883	39,628
Long term debt	11	324,507	-
Total non-current liabilities		<u>384,390</u>	<u>39,628</u>
Total Liabilities		<u>1,418,448</u>	<u>746,872</u>
 NET ASSETS			
Unrestricted		6,364,100	5,948,434
Temporarily Restricted		-	40,000
Total Net Assets		<u>6,364,100</u>	<u>5,988,434</u>
Total Liabilities and Net Assets		<u><u>7,782,548</u></u>	<u><u>6,735,306</u></u>

The notes on pages 5 to 10 form part of these financial statements

The Independent Auditors' report is set forth on page 1

**The Lebanese Association for Development
Al Majmoua
Statement of Activities
For the year ended December 31, 2004**

		US Dollars 2004	US Dollars 2004	US Dollars 2004	US Dollars 2003
	Note	Unrestricted	Temporarily Restricted	Total	Total
<i>Revenues, Gains and other Support</i>					
Loan Interest and Fees		1,760,558	-	1,760,558	1,397,524
Bank interest		55,010	-	55,010	60,503
Other		69,488	-	69,488	69,704
<i>Net Assets Released from Restrictions</i>					
Satisfaction of Grants Restrictions		40,000	(40,000)	-	-
Total Revenues, Gains and Other Support		<u>1,925,056</u>	<u>(40,000)</u>	<u>1,885,056</u>	<u>1,527,731</u>
<i>Expenses and Losses</i>					
HNE-A-00-97-00063-00		-	-	-	6,432
City Group/United Way		273	-	273	-
ESFD project		48,687	-	48,687	-
Management and General		1,457,347	-	1,457,347	1,382,786
Total Expenses	14	<u>1,506,307</u>	-	<u>1,506,307</u>	1,389,218
Loss / (Gain) on Disposal of fixed assets		3,084	-	3,084	(52)
Total Expenses and Losses		<u>1,509,391</u>	-	<u>1,509,391</u>	1,389,166
Change in Net Assets		415,665	(40,000)	375,665	138,565
Net Assets at Beginning of Year		<u>5,948,434</u>	40,000	<u>5,988,434</u>	5,849,869
Net Assets at End of Year		<u>6,364,100</u>	<u>0</u>	<u>6,364,100</u>	<u>5,988,434</u>

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**The Lebanese Association for Development
Al Majmoua
Statement of Cash Flows
For the year ended December 31, 2004**

	US Dollars 2004	US Dollars 2003
Cash Flow from Operating Activities:		
Change in Net Assets	375,666	138,565
Adjustments to reconcile change in net assets to net Cash used in operating activities:		
Depreciation	46,411	49,954
Loss on Disposal of fixed assets	3,084	(52)
Increase in Provisions	135,302	3,103
Increase in Accounts Receivables	(911,313)	(761,138)
Decrease in Other assets	5,639	4,257
Increase in Accounts Payable and Accruals	41,418	4,074
Increase in Short Term Debt	73,370	-
Increase in Long term debt	324,507	-
Net cash from operating activities	<u>94,083</u>	<u>(561,237)</u>
Cash flows from investing activities:		
Purchase of Equipment	(5,970)	(7,991)
Proceeds from sale of fixed assets	-	2,291
Net cash used in investing activities	<u>(5,970)</u>	<u>(5,700)</u>
Net increase in cash and cash equivalents	88,113	(566,937)
Cash and cash equivalents at beginning of year	<u>1,585,137</u>	<u>2,152,074</u>
Cash and cash equivalents at end of year	<u>1,673,250</u>	<u>1,585,137</u>

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The Lebanese Association for Development
Al Majmoua
Notes to Financial Statements
December 31st, 2004

14 Total expenses

	Mgmt & Gen'l	ESFD loan	City Group / United Way	Total Expenses 2004	Total Expenses 2003
	USD	USD	USD	USD	USD
Salaries and Benefits	789,996	38,129	0	828,124	836,238
Office Supplies	24,613	0	0	24,613	14,797
Government Tax	18,866	983	0	19,849	15,868
Rent	58,386	0	0	58,386	57,000
Transport and Telecommunication	91,235	8,026	0	99,260	81,827
Repair and Maintenance	26,431	0	0	26,431	15,745
Common Expenses	22,027	0	0	22,027	28,441
Professional Fees	141,079	0	0	141,079	83,812
Training Expenses	6,292	58	0	6,350	2,716
Insurance Expenses	4,820	0	0	4,820	5,424
Operating Charges	7,583	0	0	7,583	9,502
Depreciation	46,411	0	0	46,411	49,954
Provisions	199,332	0	273	199,606	181,350
Bank Charges	19,711	1,492	0	21,204	5,964
Negative difference of exchange	565	0	0	565	581
Total Expenses	1,457,347	48,687	273	1,506,307	1,389,218