

Chamber of Diving and Water Sports
8 ElSad ElAli street – Dokki – Cairo

Balance sheet

chamber of diving and water sports

For Financial Year

Ended June 30, 2020

Chartered accountants office & partners

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Auditor's Report

To: chairmen's of chamber of diving and water sports

Report on the Financial Statements

We have audited the accompanying financial statements of Chamber of Diving and Water Sports, which comprise the balance sheet as at June 30, 2020, the income statement and statement of cash flows for the year then ended, and a summary of the significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of the company's managements. Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Egyptian accounting standards and in light of the prevailing Egyptian laws. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatements, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances .

Auditor's Responsibility

Our responsibility is to express an opinion on these statements based on our audit.

We conducted our audit in accordance with the Egyptian Standards on auditing and in light of the prevailing Egyptian laws. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or errors. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we obtained is sufficient and appropriate and provide a reasonable basis for our opinion on the financial statements.

فكرى عبد الكريم وشفيفى غالى ومجدى نسيم

محاسبون قانونيون

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Chamber of diving and water sports as at June 30, 2019, and of its financial performance and its cash flows for the financial year then ended in accordance with the Egyptian Accounting Standards and in the light of the prevailing Egyptian laws and regulations.

Report on the legal and other Regulation Requirements

The chamber of diving and water sports maintains proper books of accounts, which include all that is required by law and by the statutes of the chamber. The financial statements are in agreement with the chamber's books of accounts.

Cairo, , 2020

Chartered accountants office & partners

Mohamed fekry abd el Kareem and partners

chamber of diving and water sports
Balance sheet
At June 30, 2020

Description	Note	page no.	June 30, 2020	June 30, 2019
<u>Assets</u>				
<u>Non-current assets</u>				
Fixed assets, net	(9)	(15)	514 759	582 249
<u>Total non-current assets</u>			514 759	582 249
<u>current assets</u>				
Accounts receivable	(4)	(10)	555 176	377 792
Inventory accessories			38 910	51 015
Cash on hand and at bank	(5)	(11)	9 049 905	8 321 381
<u>Total current assets</u>			9 643 990	8 750 187
<u>Total assets</u>			10 158 749	9 332 437
<u>Equity</u>				
Legal reserve			1 515 055	1 453 495
<u>Net surplus (deficit) for retained</u>			61 724	1 322 026
<u>Net surplus (deficit) for the year</u>			5 529 667	4 282 683
<u>Total equity</u>			7 106 445	7 058 204
<u>Non - current liabilities</u>				
Provision for end of service benefits			588 201	588 201
Provision of implementation of international standards			506 616	506 616
<u>Total non-current liabilities</u>			1 094 817	1 094 817
<u>Current liabilities</u>				
Other current liabilities	(6)	(12)	1 957 486	1 179 415
<u>Total current liabilities</u>			1 957 486	1 179 415
<u>Total equity and liabilities</u>			10 158 749	9 332 437

The accompanying notes form an integral part of these financial statements and are to be read therewith .

* Auditor's report attached

Chief Accountant

Treasurer

Chairman of Board of Director

Chamber of diving and water sports
Revenues and Expenses statement
For the Year Ended June 30, 2020

Description	Note	page no.	From July 1, 2019 To June 30, 2020	From July 1, 2018 To June 30, 2019
<u>Revenues</u>				
collected membership fees for the year			294 000	346 800
collected membership fees for the Previous year			321 600	409 200
Member Services revenues			1 907 940	2 119 560
Revenue for services			2 551 600	1 947 500
Registration fees for the first time			1 000 000	1 035 000
Revenues of implementation of international standards			1 900 517	1 846 915
Other revenues			106 750	336 200
<u>Total revenues</u>			8 082 407	8 041 175
<u>Add - Other revenues</u>				
Credit interest			1 041 299	507 338
Foreign exchange differences			—	—
<u>Total revenues</u>			9 123 707	8 548 513

Chamber of diving and water sports
Revenues and Expenses statement
For the Year Ended June 30, 2020

Description	Note	page no.	From July 1, 2019 To June 30, 2020	From July 1, 2018 To June 30, 2019
<u>Less - total revenues</u>				
<u>Expenses</u>				
General and administrative expenses	(7)	(13)	4 870 592	3 935 154
Implementation of international standards expenses			3 461 595	2 423 534
International exhibitions expenses			173 281	47 743
<u>Total Expenses</u>			8 505 468	6 406 431
<u>Add - Other expenses</u>				
Depreciation of Fixed assets	(9)	(15)	176 383	176 554
Foreign exchange differences			33 891	237 602
<u>Total Expenses</u>			8 715 743	6 820 587
<u>Net profit</u>			407 964	1727 926
<u>Distribution as :</u>				
30% Share of egyption fedration	(8)	(14)	184 680	226 800
10% Share of egyption fedration			100 000	103 500
10 % Legal reserve	(8)	(14)	61 560	75 600
<u>Net surplus (deficit) for the year</u>			61724	1322026
			407 964	1727 926

The accompanying notes form an integral part of these financial statements and are to be

Chief Accountant

Treasurer

Chairman of Board of Directors

chamber of diving and water sports
Cash flow statement
For the Year Ended June 30, 2020

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Description	Note	page no.	From July 1, 2019 To June 30, 2020		From July 1, 2018 To June 30, 2019	
			Partial	Total	Partial	Total
<u>Cash flows from operating activities</u>						
Collected membership fees for the year			294 000		346 800	
Collected membership fees for the Previous year			321 600		409 200	
Revenue for services			2201 600		1947 500	
Member Services revenues			1907 940		2119 560	
Registration fees for the first time			1000 000		1035 000	
Revenues of implementation of international standards			1712 360		1846 915	
Other revenues			106 750		336 200	
Other receipts			23 664		70 000	
Collected membership fees advance			642 731		538 157	
Support the Tourism Fund for training programs for workers in the sector			69 534		88 400	
United Nations support for the implementation of the Green Fins program			304 810		0	
Exhibitions Revitalization Authority			736 130		0	
<u>Total Cash flows from operating activities</u>				9321 118		8737 732

chamber of diving and water sports
Cash flow statement
For the Year Ended June 30, 2020

Description	Note	page no.	From July 1, 2019 To June 30, 2020		From July 1, 2018 To June 30, 2019	
			Partial	Total	Partial	Total
<u>Cash out flows from operating activities</u>						
General and administrative expenses			4709 009		3790 561	
Egyptian federation of chambers of tourism			346 640		384 740	
Inventory accessories			0		44 285	
Other creditors			0		0	
Accrued expenses			79 118		30 763	
Payment of insurances and taxes			190 143		33 370	
Other Payment			0		20 500	
Prepaid expenses (health insurance)			0		76 969	
Support the Tourism Fund for training programs for workers in the sector			213 175		18 866	
Member Services expenses			0		65 475	
Implementmation of international standards expenses			3372 716		2334 654	
United Nations support for the implementation of the Green Fins program			381 234		0	
International exhibitions expenses			173 281		47 743	
<u>Cash out flows from operating activities</u>				(9465 316)		(6847 926)
<u>Net Cash flows from operating activities</u>				(144 197)		1889 806

chamber of diving and water sports
Cash flow statement
For the Year Ended June 30, 2020

description	Note	page no.	From July 1, 2018 To June 30, 2019		From July 1, 2017 To June 30, 2018	
			Partial	Total	Partial	Total
<u>Cash flows from investing activities</u>						
Credit interest			1041 299		507 338	
Disposals of fixed assets			—		—	
<u>Total Cash flows from investing activities</u>				1041 299		507 338
<u>Cash out flows from investing activities</u>						
Payment for purchase of fixed assets			108 942		551 527	
<u>TotalCash out flows from investing activities</u>				(108 942)		(551 527)
<u>Net Cash flows from investing activities</u>				932 357		(44 188)
<u>Cash flows from financing activities</u>						
—			—			
<u>Total Cash flows from financing activities</u>				—		
<u>Cash out flows from financing activities</u>				—		
—						
<u>Total Cash out flows from financing activities</u>				—		
<u>Net Cash flows from financing activities</u>				—		
Net change in cash and cash equivalents				788 160		1845 618
Cash and cash equivalent at beginning of the year				8321 381		6605 449
Foreign exchange differences				(59 636)		(129 686)
Cash and cash equivalent at end of the year	(5)	(11)		9049 905		8321 381

The accompanying notes form an integral part of these financial statements and are to be read therewith.

Chief Accountant

Treasurer

Chairman of Board of Directors

Notes for the financial statements at 30 June 2020

1- About the Chamber of Diving and Water Sports:

- The chamber of diving and water sports has been established by the Ministerial Decree 266 for year 2007.
- CDWS is concerned about the dive and water sports operations and safari yachts interests.
- CDWS represents her members in front of public authorities, national and international organizations in order to improve and develop the diving and water sports industry.
- CDWS members pay the annual membership fee to the chamber as per the board of directors' decision. These memberships' fees are the main financial fund of CDWS used to achieve its goals.
- CDWS main office address is located at 8 ElSaad ElAly Street – ElDokki – ElGiza.
- As per the Ministry of Tourism decree # 532 for year 2007 , the chamber of diving and water sports has two branch offices , one is in South Sinai governorate in Sharm Elsheikh and the other is in Red Sea governorate in Hurghada.

2- CDWS funds:

- CDWS financial resources come from the annual membership decided by the board of directors and paid by CDWS members, to achieve the goals set by the chamber to improve the diving industry.

3- The most applicable accounting policies:

a) Foreign currency valuation :

- **CDWS accounts are in Egyptian pound. When transactions are made in foreign currency, it is recorded in CDWS enrollments as per the exchange rate at the Time of the transaction. At the balance sheet date, the assets and liabilities monetary foreign currency are evaluated according to exchange rates published at that date and the revaluation result - whether debit or credit – is included in revenue and expenditure account.**

b) Fixed assets and depreciation:

The fixed assets are recorded at their historical cost. These assets are depreciated as per the straight-line method and according to the following rates:

- Buildings	"2%".
- Offices Furniture	"25%"
- Devices and equipments	"30%."
- PC's	"50%".
- Fixtures	"25%."
- Cars,	"20%".

- **An annual auction for the fixed assets is held yearly and through a committee formed by the Secretary General decree.**
- **The financial statements have been amended as per the Egyptian accounting standards issued during 2015 and ready to use during 2016.**

Note for the financial statements at June 30, 2020**4.Accounts receivable**

Description	Value
Insurance for others (4/1)	61 560
United Nations support for the implementation of the Green Fins program	76 424
Support the Tourism Fund for training programs for workers in the sector	143 641
Health insurance (staff)	12 647
Portfolio note receivable	26 800
Payroll tax (staff)	234 104
Total	555 176

4/1) Insurance for others

Description	Value
Rent Insurance (south of siani)branch new	15 500
Rent Insurance (south of siani) branch	11 200
Rent Insurance (south of siani)branch new	3 000
Rent Insurance (red sea) branch	11 860
Rent Insurance (red sea) branch new	20 000
Total	61 560

5.Cash on hand and at bank

Description	Value
ALAHLI BANK OF KUWAIT , Egyptian pound (5/1)	7257 337
ALAHLI BANK OF KUWAIT (euro)	523 472
ALAHLI BANK OF KUWAIT (Sterling)	5 107
Deposits with the Bank ALAHLI BANK OF KUWAIT (Egp)	722 557
Arab African Bank, Egyptian pound	119 130
Arab African Bank, (euro)	390 907
Cash on hand (South of siani)	31 394
Total	9 049 905

5/1) Bank reconciliation(ALAHLI BANK OF KUWAIT - Egp)

Description	Main center (Egp)
Book value in 30/6/2019	7257 337
Note payable	10 643
Bank book in 30/6/2020	7267 981

6. Other current liabilities

Description	Value
Egyptian federation of chambers of tourism	3 439
Exhibitions Revitalization Authority	736 130
Collected membership fees advance	642 731
Accrued expenses (6/1)	94 751
Social insurance organization	55 524
Insurance from others	6 750
Payroll tax	343 153
Other creditors	35 757
Tax authority - Withholding tax	39 252
Total	1957 486

6/1) Accrued expenses

Description	Value	
Professional fees	30 000	Main center
Rentals	28 000	South of siani
Legal counseling fees are due	8 861	Main center
The value of the due maintenance contract for the copier	24 187	South of siani
Water and maintenance fees	3 704	South of siani
Total	94 751	

7.General and administrative expenses

Description	Main center	South of siani	Red Sea	Total
Salaries	1135 216	550 084	808 724	2494 024
Accommodation allowance	102 000	70 000	74 417	246 417
Internal transitions	42 985	42 294	59 447	144 726
share of chamber of social insurance	72 068	80 074	92 332	244 474
Rent expense	0	108 625	87 975	196 600
Prints	10 000	2 000	5 267	17 267
Office supplies	1 720	7 661	5 220	14 601
Inks and PC accessories	3 041	0	15 949	18 989
Telephone and fax expenses	72 438	12 954	5 942	91 334
Mail and Shipping expenses	2 204	2 323	927	5 454
Water and electric expenses	0	34 460	7 325	41 785
Maintenance expenses	700	23 508	11 585	35 793
Buffet and cleanliness expenses	0	16 429	24 752	41 181
Banking fees	11 773	210	0	11 983
Subscription	4 000	0	0	4 000
Miscellaneous expenses	18	300	0	318
Car expenses	17 520	5 339	0	22 859
Miscellaneous expenses	7 379	800	1 675	9 854
Boards of Directors and the General Assembly expenses	114 339	450	0	114 789
Member Services expenses	29 598	7 410	10 000	47 008
Internal errand	19 174	0	8 475	27 649
Expenses and attorneys' fees issues	71 500	0	0	71 500
Professional fees	153 495	0	0	153 495
Expenses for human resources development	20 593	37 242	19 967	77 803
Environmental projects	304 946	6 244	21 645	332 835
Developing and updating the Chamber's website	177 664	0	138 900	316 564
Health insurance (staff)	87 292	0	0	87 292
Total	2461 662	1008 407	1400 523	4870 592

8.Collected membership

value	Description	South of siani	Red Sea	Value
1200	Collected membership fees	166	347	615 600
%100	Total collected year membership fees and previous years			615 600
%10	Legal reserve			61 560
%30	Share of egyption fedration of chamber of tourism (membership)			184 680
%10	Share of egyption fedration of chamber of tourism (Registration fees for the first time)			100 000

chamber of diving and water sports
Depreciation of Fixed assets
For the Year Ended June 30, 2020

Note no(9)

Description	Cost in 01/07/2019	Additions	Disposals through year	Total book value	Accumulated depreciation in 01/07/2019	Depreciation	Accumulated depreciation in 30/06/2020	Net book value
Equipment and decorations	49 780	0	(0)	49 780	39 183	4 706	43 888	5 892
Equipment and decorations(subsidize)	19 584	0	(0)	19 584	19 572	0	19 572	12
Furniture	302 002	8 208	(0)	310 210	217 870	7 187	225 057	85 103
Office equipment (subsidize)	39 159	0	(0)	39 159	39 159	0	39 159	0
Equipment	251 144	0	(0)	251 144	172 767	7 839	180 606	70 538
Equipment (subsidize)	188 532	0	(0)	188 532	188 506	0	188 506	26
Computers	723 361	100 734	(0)	824 095	321 563	149 403	470 966	353 129
Cars	116 000	0	(0)	116 000	108 750	7 249	115 999	1
Computers (subsidize)	132 181	0	(0)	132 181	132 123	0	132 123	58
Total	1821 742	108 942	(0)	1930 684	1239 494	176 383	1415 877	514 759