

Refah Child Charity Foundation
Statement of Financial Position
As at 03/10/1397 (May 31, 2018)

	<u>Note</u>	<u>03/10/1397</u>	<u>03/10/1396</u>		<u>Note</u>	<u>03/10/1397</u>	<u>03/10/1396</u>
		Rls.	Rls.			Rls.	Rls.
Current Assets:				Current Liabilities :			
Cash	3	7,086,589,011	4,955,190,120	Trade & Non-trade Payables	10	16,286,831,043	67,490,442,962
Short-term investments	4	95,667,258,328	138,674,280,569	Distributable Funds	11	-	-
Trade & Non-trade Receivables	5	25,536,410,412	18,696,642,242	Tax Payable	12	-	23,352,869
Inventories	6	116,868,850	6,520,000				
Prepayments	7	78,109,400	30,000,000				
Total Current Assets		128,485,236,001	162,362,632,931	Total Current Liabilities		16,286,831,043	67,513,795,831
Non-current Assets :				Reserves :			
Intangible Assets	8	200,287,393	129,551,050	Capital Reserve	13	95,824,000,000	95,824,000,000
Tangible Fixed Assets	9	52,124,966,730	54,178,795,913	Accumulated Resources Surplus		68,699,659,081	53,333,184,063
Total Non-current Assets		52,325,254,123	54,308,346,963	Total Reserves		164,523,659,081	149,157,184,063
Total Assets		180,810,490,124	216,670,979,894	Total Liabilities & Reserves		180,810,490,124	216,670,979,894

Covering notes attached, are inseparable part of financial statements.




Refah Child Charity Foundation
Statement of Sources (Charities) & Expenses (Performance)
For the Year Ended May 31, 2018

	Note	03/10/1397	03/10/1396
Operating Donations Received :	14		
Donations received from domestic assistants	15	196,116,317,223	189,525,373,023
Other donations received		54,882,613,085	21,409,198,543
		<u>250,998,930,308</u>	<u>210,934,571,566</u>
Operating Expenses :			
Donations provided to students covered by domestic assistants	16	(158,012,878,328)	(145,534,503,119)
Non-cash donations	17	(6,144,998,403)	(3,431,452,000)
Administrative expenses	18	(48,468,400,408)	(40,152,655,515)
Other donations (urgent)	19	(24,857,922,171)	(9,673,740,108)
		<u>(237,484,199,310)</u>	<u>(198,792,350,742)</u>
Surplus of received resources		13,514,730,998	12,142,220,824
Other non-operating income (expenses)	20	1,851,744,020	(9,921,592,433)
Surplus of received resources of the year		<u>15,366,475,018</u>	<u>2,220,628,391</u>
Surplus of received resources of the year		<u>15,366,475,018</u>	<u>2,220,628,391</u>

Statement of Accumulated Sources (Charities) & Expenses (Performance)

Surplus of received resources of the year	15,366,475,018	2,220,628,391
Surplus of accumulated resources at the begginig of the year	53,333,184,063	51,112,555,672
Accumulated performance at the begginig of the year - adjusted	68,699,659,081	39,740,842,057
Allocatable performance	68,699,659,081	51,112,555,672
Surplus of accumulated resources at the end of the year	<u>68,699,659,081</u>	<u>53,333,184,063</u>

Covering notes attached, are inseparable part of financial statements.



Refah Child Charity Foundation
Statement of Cash Flows
For the Year Ended May 31, 2018

	<u>Note</u>	<u>03/10/1397</u>	<u>03/10/1396</u>
		Rls.	Rls.
Cash flows from operating activities :			
Net cash provided by operating activities	21	(22,891,294,073)	15,130,656,902
Cash flows from financing activities :			
Interest on bank deposits		7,492,621,321	10,227,889,107
Interest on other investments		3,229,858,480	327,226,372
Interest on financial facilities		(8,035,329,363)	(3,488,124,460)
Net cash provided by financing activities		2,687,150,438	7,066,991,019
Tax paid		(23,352,869)	(265,648,606)
Cash flows from investing activities :			
Proceeds from sale of property		1,686,133,362	3,553,205,387
Purchase of property		(17,272,654,640)	(5,332,021,260)
Purchase of Intangible assets		(151,986,100)	(29,360,000)
Purchase of investment securities		37,789,720,558	(16,961,790,143)
Net cash provided by investing activities		22,051,213,180	(18,769,966,016)
Net cash provided prior to financing activities		1,823,716,676	3,162,033,299
Principal repayments of finance lease		-	(22,456,676)
Net cash provided by financing activities		-	(22,456,676)
Net increase in cash		1,823,716,676	3,139,576,623
Foreign currency conversion		307,682,215	74,901,348
Cash at the beginning of the year		4,955,190,120	1,740,712,149
Cash at the end of the year		7,086,589,011	4,955,190,120
Non-cash transactions	22	17,893,242,400	12,508,575,827

Covering notes attached, are inseparable part of financial statements.



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Refah Child Charity Foundation
Explanatory notes to financial statements
Fiscal year ended at May 31, 2018

1- Brief history and field of activities

1-1- Brief story

Refah Child Charity Foundation has been founded as a non-profitable and non-governmental under No.398 at 01/20/1478 in Shiraz and later on has been registered under No.25540 at 09/19/1388 at Companies' Registration Office in Tehran. Head Office is located at 3rd floor, No.89, across Arabali and Eshghyar, Khorramshahr street, Tehran. It is necessary to mention that foundation carry out its activities through representatives in other cities as: Amol, Ardabil, Urmia, Isfahan, Ilam, Boroujerd, Bam, Busher, Birjand, Tabriz, Tehran office, Jiroft, Darab, Rasht, Zabol, Zahedan, Shiraz, Shahrekord, Kashan, Karaj, Kermanshah, Mragheh, Meshed, Ysouj, Yazd and Larestan.

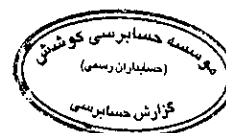
1-2 – Main activities

All social, cultural, educational and training activities which are in line with empowering the thought and scientific abilities of the children and youths whom are supported, depending on being non-profitable, non-political and non-governmental, are allowed. In connection with support the children and youths, the foundation carries out its duties in complete compliance of Islamic Republic of Iran's laws and regulations and its articles of association. The main activity of the foundation during the fiscal year ended at 03/10/1397 has been collecting donation from donators and distributing them between the school and university students.

1-3- Number of employees

Monthly average number of employees whom have been employed by the foundation during the fiscal year has been as follows:

	<u>03/10/1397</u>	<u>03/10/1396</u>
Permanent employees	108	99
Temporary employees	8	25
	<u>124</u>	<u>116</u>



Refah Child Charity Foundation

Explanatory notes to financial statements

Fiscal year ended at May 31, 2018

2-Main accounting procedures

2-1- basis for providing financial statements

Financial statements basically have been provided upon historical cost price and in the following case, the current values have been used.

- Current investment (fast cashable) as per market value (note 4).

2-2- Inventory

Inventory has been measured upon the less of cost price and the net of sales value for each similar item. In cases where the cost price had been more than net sale values, the differences have been considered as loss in inventory.

2-3- Investments:

	<u>Type of investment</u>	<u>Method</u>
Current investments:	fast cashable in market	market value
	other current investments	less of the cost price of total investments and net of sales values of each investment.
Recognition of income:	Current investment in Companies' shares	at the date of the approval earning at general annual meeting of the shareholders of the company its shares have been bought (till the date of Balance sheet)
	Investment in other Securities	At the date of realization of the Guaranteed profit

2-4-Intangible assets

2-4-1- Intangible assets are measured at cost price and entered in the accounts.

Expenses like those for introducing new services such as advertisements, expense for carrying out activities in a new location or with a new group of contributors, similar to employees' expenses, office and general administrative expenses, are not considered in the cost price of the intangible assets. Recognition of expense of an intangible asset with book value when the asset is ready for taking profit is stopped. Therefore, the burdened expenses for reusing or deployment the intangible asset again, is not entered at its book value.



Refah Child Charity Foundation

Explanatory notes to financial statements

Fiscal year ended at May 31, 2018

2-4-2- Depreciation of intangible assets with determined useful life, are calculated with their expected future benefits in accordance with their consumption patterns and as per the following rates and methods:

<u>Intangible assets</u>	<u>rate of depreciation</u>	<u>method of depreciation</u>
Software	3 years	Straight line basis

2-5-Tangible fixed assets

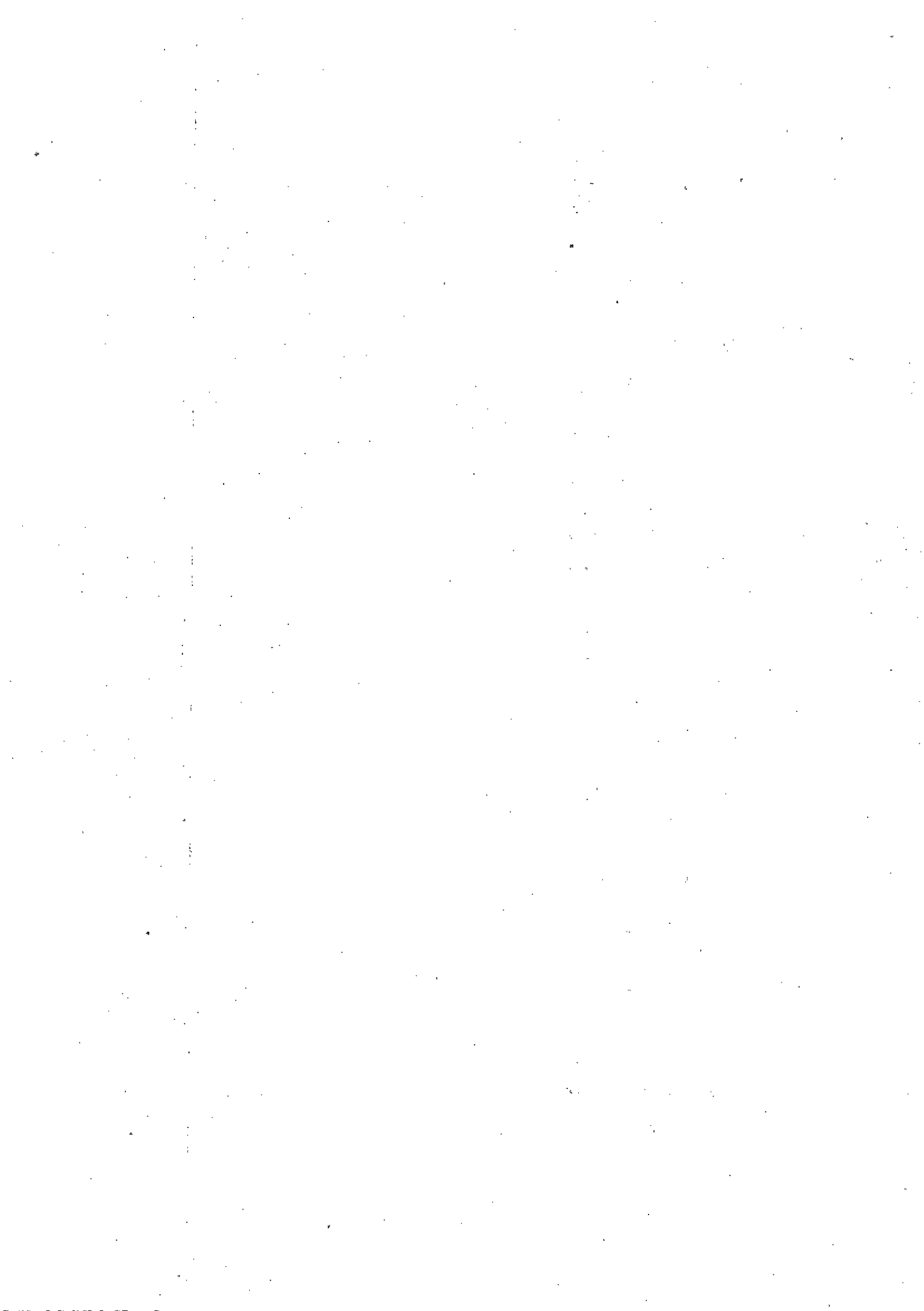
2-5-1-Tangible fixed assets are measured at cost prices. Later expenses made in connection with the fixed assets which improves the assets status in comparison with initial appraised standard and as a result increase the economic benefits of the asset would be added to the book value of the asset and would be depreciated during the remained life of the asset. Daily and routine expenses for maintenance and repair of the assets which are done to keep the status of the assets in line with the initial appraised standard of the assets are recognized at the date of occurring.

2-5-2- Depreciations of fixed assets with considering the estimated useful life of the related assets (and according to the regulations of depreciation of Article 149 of Direct Taxation Act ratified in year 1380 and the amendment dated 04/31/1394) are as the following rates and methods:

<u>Fixed and long-term assets</u>	<u>Rate of Dep.</u>	<u>Method of Dep.</u>
Office furniture and equipment	6 years and 10 years	Straight line basis
Computer equipment	3 years and 5 years	Straight line basis
Vehicles	4 years and 6 years	Straight line basis
Buildings	25 years	Straight line basis

2-5-3- For fixed assets which are possessed and used during month, depreciations are calculated from the beginning of the following month and entered in the accounts. In cases where depreciable assets after being prepared for using but because of stoppage of work or other reasons not being deployed, the amount of depreciation for the said time equals %30 of the rates mentioned above.





Refah Child Charity Foundation

Explanatory notes to financial statements

Fiscal year ended at May 31, 2018

2-5-4- At the end of any reporting period, if there exists a sign to show the possibility of decreasing in value of the assets, asset decreasing test is done.

Then the retrievable amount of the asset is estimated and is compared with its book value. If estimating of a single asset not being possible, then the retrieval amount of the unit which the asset belongs to, is estimated.

2-6- Employees termination fund

For employees' termination fund, there has not been considered any reserve in the accounts. Any payment in this respect during the year enters in the expense of the year account. It is necessary to mention that termination funds for all the employees till the end of month Esfand of year 1396 have been paid in cash and entered in the related account in the year ended at Khordad 10, 1397.

2-7- Operating income

Cash incomes of foundation are recognized and enter in the accounts at the date of payments of cash to bank accounts and noncash incomes including : inventory which is valuated at the values of similar items in the market(fair value) and is recognized and enter in the account at the date of receiving, donated items as land and building are recognized and enter in the accounts upon the created obligations at the date of transferring the ownership documents of the related assets to the name of the foundation.

2-8- Financing expenses

Finance expenses are entered in profit and loss account of the period unless the expenses assigned to assets which are entered in relative accounts.

2-9- Currency exchange

Currency items are exchanged at the rate of first type currency (according to announcement of central bank Iran) at the date of balance sheet and non- monetary items are exchanged at historical cost price as per the accessible currency at the date of transaction. Differences resulted from settlement or exchange of monetary items are recognized either the other resources received or as the expenses of the occurring period.



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

3- Cash

	Note	03/10/1397	03/10/1396
		Rls.	Rls.
Cash at bank - Rials	3-1	6,937,628,719	4,666,702,948
Cash at bank - Other currencies	3-2	3,130,484	6,565,069
Petty cash	3-3	145,829,808	281,922,103
		<u>7,086,589,011</u>	<u>4,955,190,120</u>

3-1- Cash at bank - Rials

	03/10/1397	03/10/1396
	Rls.	Rls.
Bank Melli - Mehr Vatan branch (0105230681009)	3,109,919,577	677,129,497
Bank Melli - Apadana branch (0100551678001)	2,291,714,399	2,861,932,013
Bank Tejarat Oroumieh (3333) - Shahid Beheshti branch	532,692,584	452,870,584
Bank Tejarat - Apadana branch (0037219762)	363,729,543	66,499,543
Bank Saderat - Khoramshahr branch (0109980191006)	250,000,000	250,000,000
Bank Melli Shiraz (0101017524000)	174,832,668	205,662,668
Bank Tejarat Zahedan (5555)	154,925,898	90,675,343
Bank Saman - Pasdaran branch (805-40-960838-1)	29,672,000	9,692,000
Bank Karafarin - Apadana Branch (0100792292602)	20,000,000	20,000,000
Bank Pasargad - Apadana branch (320110100330501)	5,000,000	5,000,000
Bank Keshavarzi - Shahid Ghandi branch (809462865)	4,970,000	4,970,000
Bank Parsian - Apadana branch (201000053106601)	-	482,000
Bank Mellat - Apadana branch (5820894190)	172,050	21,789,300
	<u>6,937,628,719</u>	<u>4,666,702,948</u>

3-2- Cash at bank - Other Currencies

	03/10/1397	03/10/1396
	Rls.	Rls.
Bank Tejarat - € 20.29	997,984	735,838
Bank Tejarat - F 50	2,132,500	1,663,050
Bank Melli	-	2,901,280
Bank Melli Shiraz - \$ 38.98	-	1,264,901
	<u>3,130,484</u>	<u>6,565,069</u>

3-3- Petty Cash

	03/10/1397	03/10/1396
	Rls.	Rls.
Head Office	74,134,260	-
Shiraz	63,618,283	70,296,585
Mr.Amani	7,054,184	4,329,747
Zahedan	1,023,081	-
Tabriz	-	68,851,017
Oroumieh	-	77,038,118
Rasht	-	27,503,232
Ardebil	-	27,013,354
Isfahan	-	5,488,050
Ahwaz	-	1,402,000
	<u>145,829,808</u>	<u>281,922,103</u>



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

4- Short-term Investments

	Note	03/10/1397	03/10/1396
		Rls.	Rls.
Fast Cashable investments	4-1	22,510,851,552	44,144,760,000
MAPNA Group Co.		-	8,968,000,000
KAYSON Co.		-	6,088,250,000
Gostaresh Tejarat Iranian Co.		-	5,708,400,000
Iran Khodro Diesel Co.		-	3,074,329,600
Iranian Petrochemical Co.		-	4,429,340,120
Behran Oil Co.		4,966,911,788	1,901,400,000
Iran Khodro Co.		-	1,798,280,000
Investment Funds		-	36,094,875,472
Other		140,400,000	1,375,019,350
		<u>27,618,163,340</u>	<u>113,582,654,542</u>
Investing Deposits	4-2	68,049,094,988	25,091,626,027
		<u>95,667,258,328</u>	<u>138,674,280,569</u>

4-2- Investing Deposits are as follows :

	03/10/1397	03/10/1396
	Rls.	Rls.
Bank Melli - Eskan branch (04155234225005)	40,000,000,000	-
Bank Saman - Pasdaran branch (805-828-960838-1)	10,518,822,856	18,701,028,484
Bank Melli - Mehr e Vatan brach	10,000,000,000	-
Bank Melli - Apadana (0217061709003)	2,443,801,367	79,223,439
Bank Pasargad - Apadana branch (3208100100330501)	2,015,509,564	3,667,887,234
Bank Saman - Foreign exchange investment (80585196088381)	1,159,793,092	855,142,851
Bank Pasargad - Apadana branch (3208100100330502)	448,886,045	883,706,571
Bank Keshavarzi - Mehr e Gostar branch (594836582)	287,386,112	146,970,743
Bank Parsian - Apadana branch (0200959239001)	238,740,765	300,601,207
Bank Saman - Pasdaran branch (805-810-960838-1)	207,747,338	24,736,343
Bank Karafarin - Apadana branch (3900691315609)	200,000,000	200,000,000
Bank Parsian - Apadana branch (830-453-9)	171,401,593	811,503
Bank Melli - Mehr e Vatan brach (0200823638007)	136,216,289	13,067,221
Bank Mellat - Delpazir branch (4281072233)	69,131,520	38,767,506
Bank Karafarin - Nahid branch (0500792293602)	67,024,997	7,839,606
Bank Saderat - Khoramshahr branch (0208791929005)	36,680,469	66,975,493
Bank Karafarin - Apadana branch (0200013977007)	21,328,494	94,495,293
Bank Tejarat Oroumieh - Shahid Beheshti branch (1204374003)	10,578,847	9,576,105
Bank Melli - Eskan branch - Foreign exchange investment (1027110006582)	8,853,480	-
Bank Melli - Eskan branch - Foreign exchange investment (1027110006571)	6,720,350	-
Bank Dey - Hafez branch (0200414542008)	471,810	796,428
	<u>68,049,094,988</u>	<u>25,091,626,027</u>

5- Trade & Non-trade Receivables

	Note	03/10/1397	03/10/1396
		Rls.	Rls.
Trade Receivables :			
Trade Debtors	5-1	9,694,338,077	3,070,960,890
Loans paid to students		-	201,443,696
		<u>9,694,338,077</u>	<u>3,272,404,586</u>



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

	Note	03/10/1397 Rls.	03/10/1396 Rls.
Non-trade Receivables :			
Notes Receivable	5-2	1,069,830,000	1,069,830,000
Dividends Receivable	5-3	2,540,997,300	2,898,159,000
Deposits to others	5-4	11,000,000	11,000,000
Qarz Al-Hasaneh Deposits		-	29,840,000
Mr.Hosseini Reza Zadeh	5-2	782,541,653	782,541,653
Loans paid to employees		31,182,965	127,736,848
Deposits Receivable	5-5	11,054,060,000	10,539,060,000
Other		352,460,417	349,019,252
		<u>15,842,072,335</u>	<u>15,807,186,753</u>
		25,536,410,412	19,079,591,339
Doubtful Debt Provision		-	(382,949,097)
		<u>25,536,410,412</u>	<u>18,696,642,242</u>

5-1- Operational debtors are in connection with amounts payable for the students supported by foundations located in Germany, America, England and Sweden. The said amounts have been paid in the following fiscal year.

5-2- A cheque with an amount Rials 1,069.8 million received from Mr. Hoseini Rezazadeh and also an amount Rials 782 million credit in connection with the mentioned person is for selling rice and lentil in previous years to him. Legal actions are under way, but till the date of this report, such legal actions has not resulted any collection of the said amounts.

5-3- Earnings of the shares assigned for the year 1395-1396 of companies Mapna, Kayson and Naft-e-Bهران have not been received till the date of this report.

5-4- Rials 1,000,000 deposited at Bank-e-Parsian is in connection with opening bank accounts. Also Rials 10,000,000 is as an initial capital which is deposited at National Network of Charity Foundations.

5-5- Deposits Receivable

	03/10/1397 Rls.	03/10/1396 Rls.
Rent Deposits:		
Head Office Deposit	5,000,000,000	5,000,000,000
Mash'had Office Deposit	2,000,000,000	2,000,000,000
Kashan Office Deposit	650,000,000	550,000,000
Ilam Office Deposit	600,000,000	-
Maragheh Office Deposit	600,000,000	-
Varamin Office Deposit	580,000,000	515,000,000
Isfahan Office Deposit	-	500,000,000
Ardebil Office Deposit	-	470,000,000
Tabriz Office Deposit	450,000,000	450,000,000
Karaj Office Deposit	500,000,000	300,000,000
Birjand Office Deposit	230,000,000	230,000,000
Shahr e Kord Office Deposit	220,000,000	170,000,000
Jiroft Office Deposit	20,000,000	150,000,000
Zahedan Office Deposit	100,000,000	100,000,000
Bam Office Deposit	50,000,000	50,000,000
Booshehr Office Deposit	30,000,000	30,000,000
Bank Melli - Mehr e Vatan branch	24,060,000	24,060,000
	<u>11,054,060,000</u>	<u>10,539,060,000</u>



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

6 - Inventories

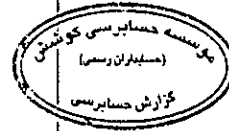
Inventories (Non-cash donation)

<u>03/10/1397</u>	<u>03/10/1396</u>
Rls.	Rls.
<u>116,868,850</u>	<u>6,520,000</u>

7- Prepayments

Bank Melli - Mehr e Vatan branch

<u>03/10/1397</u>	<u>03/10/1396</u>
Rls.	Rls.
<u>78,109,400</u>	<u>30,000,000</u>





Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

8- Intangible Assets

	Cost - Rials			Accumulated Depreciation - Rials			Book Value - Rials		
	Balance at the beginning of	Increase	Decrease	Balance at the end of the year	Balance at the beginning of	Depreciation	Balance at the end of the year	03/10/1397	03/10/1396
Public Services royalties	95,257,327	1,962,000	0	97,219,327	0	0	0	97,219,327	95,257,327
Softwares	110,240,500	150,024,100	0	260,264,600	75,946,777	81,249,757	157,196,534	103,068,066	34,293,723
	<u>205,497,827</u>	<u>151,986,100</u>	<u>0</u>	<u>357,483,927</u>	<u>75,946,777</u>	<u>81,249,757</u>	<u>157,196,534</u>	<u>200,287,393</u>	<u>129,551,050</u>

9- Tangible Fixed Assets

	Cost - Rials			Accumulated Depreciation - Rials					Book Value - Rials		
	Balance at the beginning of	Increase	Decrease	Transfers during the	Balance at the end of the year	Balance at the beginning of	Depreciation	Sold	Balance at the end of the year	03/10/1397	03/10/1396
Land				(15,443,400)					-	482,037,000	15,925,437,000
Building		15,023,500,000	(169,240,000)				1,925,492,622	(112,154,827)		41,309,249,825	28,268,327,620
Furniture & Fixtures		581,417,000					533,417,932			3,108,176,423	3,060,177,355
Computer		407,304,000					394,209,626			655,605,833	642,511,459
Vehicles		314,734,000	(88,700,000)				82,519,645	(84,022,461)		678,401,654	450,864,838
	58,746,708,080	16,326,955,000	(257,940,000)	(15,443,400,000)	59,372,323,080	10,399,389,808	2,935,639,825	(196,177,288)	13,138,852,345	46,233,470,735	48,347,318,272
Assets under construction	5,831,477,641	945,699,640		(885,681,286)	5,891,495,995				-	5,891,495,995	5,831,477,641
	<u>64,578,185,721</u>	<u>17,272,654,640</u>	<u>(257,940,000)</u>	<u>(16,329,081,286)</u>	<u>65,263,819,075</u>	<u>10,399,389,808</u>	<u>2,935,639,825</u>	<u>(196,177,288)</u>	<u>13,138,852,345</u>	<u>52,124,966,730</u>	<u>54,178,795,913</u>

9-1- Decrease in land is in connection with a land donated by a donator to foundation in Tabriz for setting up a training project, but because of the lack of financial ability of the foundation for establishing, they gave the land back to donator.

9-2- Decrease in building resulted from the sale of Broujerd office building (Bahr al oloum).

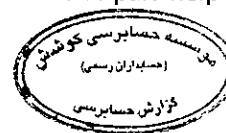
9-3- Increase in building is for purchasing a house with an area 186.1 square meters for Isfahan agency with cost price Rials. 13,573,500,000 and the remain is for buying an apartment with an area 89.39 square meters located in Broujerd.

9-4- Increase in vehicle is in connection with purchasing a Peugeot car 405 for Tehran Agency and the decrease is for selling a Pride car which belonged to Tehran Agency.

9-5- Till the date of this report, the ownership document of an apartment of the Head Office located at No.89 ,3rd floor, Khorramshahr street purchased in year 1391 with an amount equal to Rials. 10,026 million, because of the seller (Mr. Mesbahzadeh) tax problems, has not been transferred to foundation name.

9-6- Assets in progress is related to a complex training under construction in a lot of land which is given over to Foundation by Ministry of Road and Urban Development-Ardabil province as rent on ownership condition through a contract No.90/s/13765. Apart of expenses for construction of the complex Rials.5,864 million has been paid by the foundation and the other part expenses for construction has directly been paid by donators and the its construction is under way. According to the contract between

9-7- With considering note 9-1, expenses made for the projects in progress of Tabriz Agency Rials.885 million is as paid help. In case of paying such expenses to Foundation by the owner of the land , it would be entered as received help.



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

10- Trade & Non-trade Payables

	Note	03/10/1397 Rls.	03/10/1396 Rls.
Trade payables:			
Accounts Payable - Students	10-1	113,743,504	1,025,351,444
		<u>113,743,504</u>	<u>1,025,351,444</u>
Non-trade payables:			
Creditors - Staff		377,997,892	391,462,994
SSO		805,383,134	125,772,135
Payable expenses (Auditing)		103,500,000	-
Sarmayeh & Danesh Brokrag	10-2	11,899,726,095	49,262,749,379
Mr.Mesbah	10-3	1,000,000,000	1,000,000,000
Mr.Asadollah	10-4	1,800,000,000	-
Rent Deposit - Brujerd Building		-	30,000,000
Obligations regarding the assignment of the endowed properties		-	15,443,400,000
Other		186,480,418	211,707,010
		<u>16,173,087,539</u>	<u>66,465,091,518</u>
		<u>16,286,831,043</u>	<u>67,490,442,962</u>

10-1-Students payable account is in connection with the extra payment by Swiss Foundation which has been paid to students in the following year and has been entered in expenses account.

10-2-The said balance is for the principle, interest of facilities and the fees not paid for purchasing and selling of shares which have been traded on credit by Sarmayeh Danesh Brokerage Company. Major part of it has been settled through selling of the next year.

10-3-The said amount is in connection with purchasing the Head Office apartment located in Khorramshahr street, but as the ownership document has not been transferred to the name of Foundation by the seller (subject of note 9-5 of financial statements), the mentioned amount has not been paid to seller till the date of this report.

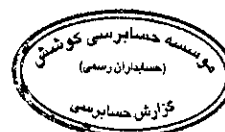
10-4- The balance is related to debt of Foundation to Mr.Bahrami which would be paid to him at the date of transferring of official document to the name of the Foundation (note 9-3).

11- Distributable Funds

	Note	03/10/1397 Rls.	03/10/1396 Rls.
Consignment Cash Received from abroad	11-1	138,140,618,837	90,863,656,430
Non-cash donations received from abroad		7,697,211,356	7,697,211,356
		<u>145,837,830,193</u>	<u>98,560,867,786</u>
Less :			
Cash donations allocated to the children covered by the foundations abroad	11-2	(138,140,618,837)	(90,863,656,430)
Consignment foods	11-2	(7,697,211,356)	(7,697,211,356)
		<u>-</u>	<u>-</u>

11-1 During the fiscal year of this report, the balance of food materials has been Rials. 7,697,211,356 and other currency sources assigned to children equals to Rials 138,140,618,837 which an amount equal to Rials. 119,363,368,745 of it has been supplied in currency by the Child Charity Foundation of America. The said currencies after being exchanged to Rial will be arrived in Iran.

11-2- During the fiscal year of this report, 9173 supported students have received totally Rials. 138,140,618,837 of the donated amounts and other assigned sources. It is necessary to mention that an amount equal to Rials. 7,697,211,356 of deposited distributable materials has not been delivered to Foundation and not settled. In this respect the sent materials by Child Charity of America, because of lacking the appropriate quality, were not distributable between the students and as a result have been considered as deposited items till to make a decision on them.



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

12- Tax Payable

Fiscal year	Net Performance	Declared Income	Taxable Income	03/10/1397					03/10/1396	Assessment Type
				Declared	discerned	finalized	Paid	Balance	Balance	
1390	291,842,186	-	-	-	14,909,503	-	-	-	14,909,503	Examination of Books
1391	163,944,743	-	-	-	257,965,000	257,865,000	257,865,000	-	8,443,366	Examination of Books
1392	27,959,085,760	-	-	-	24,039,201,192	-	-	-	-	Examination of Books
1393	82,929,946,953	29,734,427	7,433,607	-	109,783,606	109,783,606	109,783,606	-	-	Examination of Books
1394	20,931,127,367	-	-	-	-	-	-	-	-	Examination of Books
1395	13,958,215,494	33,777,065	-	-	8,445,000	-	-	-	-	Examination of Books
1396	2,220,628,391	-	-	-	-	-	-	-	-	Under investigation
1397	15,366,475,018	-	-	-	-	-	-	-	-	Under investigation
								-	23,352,869	

12-1- Performance tax has been finalized and settled till the end of year 1391.

12-2 –Tax discernment sheet for the performance year 1392 with an amount equal to Rials. 24,039 million has been issued, the Foundation has objected to it and after being investigated by primitive board, the board decided that a new investigation be carried out by experts. The said investigation has not been done till the date of this report and the Foundation is waiting for it.

12-3-With considering item "T "of Article 139 of Direct Taxation Act, having a tax supervisor and also official permit for its activities, the Foundation is completely exempt from performance tax and in this respect for the years 1394,1394 and 1395 there has not been recognized any tax reserve. Performance tax for year 1396 is under investigation but the result has not been determined till the date of this report.



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

13- Capital Reserve

	03/10/1397	03/10/1396
	Rls.	Rls.
Capital Reserve	95,824,000,000	95,824,000,000

13-1- In order to present wider services to school and university students who need help and considering the approvals of board of directors and board of trustees of Child Charity Foundation for expanding training, consultancy and administrative centers needed, the Foundation has supplied a capital reserve which consists of an amount equal to Rials 27 billion from the performance of fiscal year ended at 03/10/1393 and an amount equal to 17 billion from the performance of previous years. Also in connection with the received donations from Mr.Lahiji an amount equal to Rials 51,824 million for construction of treatment centers and other humanitarian affairs ,according to the agreement made with him at the time of receiving the said amount, there has been considered a capital reserve in that respect.

14- Income resulted from received amounts of domestic contributors

	03/10/1397	03/10/1396
	Rls.	Rls.
Received donations from domestic contributors (during the year of this report)	196,116,317,223	189,525,373,023

14-1- The Foundation has established relation with 13,000 domestic contributors and in this respect has collected an amount equal to Rials. 196,116,317,223 during the fiscal year of this report. Mainly, monthly payments to students (an amount similar to previous year Rials. 189,525,373,023) have been received from domestic contributors.

15- Other Donations Received

	03/10/1397	03/10/1396
	Rls.	Rls.
Donations for constructing the building	2,306,667,500	2,023,899,500
Special Donations Received	20,153,373,829	10,559,531,990
Urgent Donations	27,158,710,003	6,259,520,053
Non-cash Donations	5,263,861,753	2,566,247,000
	54,882,613,085	21,409,198,543

	03/10/1397	03/10/1396
	Rls.	Rls.
Directly transferred to the students' accounts	147,766,893,189	135,848,723,357
Spend by the Assistants of the institute	10,245,985,139	9,685,779,762
	158,012,878,328	145,534,503,119

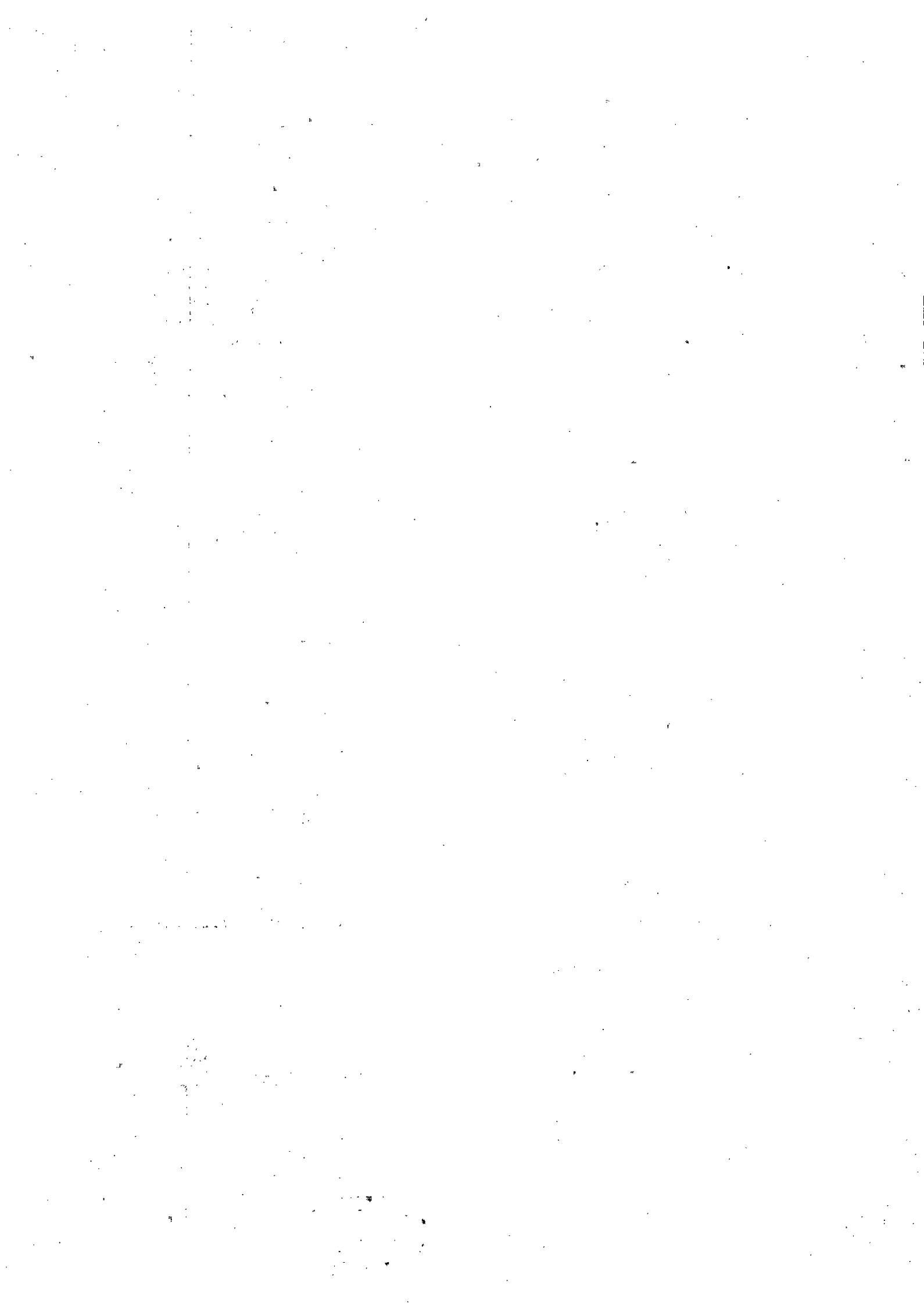
17- Non-cash Donations

	03/10/1397	03/10/1396
	Rls.	Rls.
Donations paid in form of goods	6,144,998,403	3,431,452,000

18- Administrative Expenses

	03/10/1397	03/10/1396
	Rls.	Rls.
Staff Salary	34,138,819,151	26,157,225,702
Years of service	2,124,779,230	3,844,616,476
Wages	-	117,780,000
Building Deprecciation	1,926,428,445	1,311,839,731
Transportation	1,209,903,970	1,156,295,078
Freight Expense	138,950,000	113,827,000
Media & Information	906,299,000	693,338,590
Publishing	182,396,150	448,416,570
Repair & Maintenance of fixed assets	693,099,076	1,173,521,749
Internet & Tel	762,142,622	640,072,725
Other expenses	714,659,825	27,263,673
Travel & Hotel expense	325,695,281	236,420,306
	43,123,172,750	35,920,617,600





Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

18- Administrative Expenses

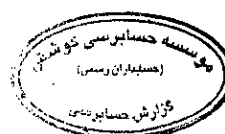
	<u>03/10/1397</u>	<u>03/10/1396</u>
	Rls.	Rls.
Equipment Depreciation	394,209,626	401,212,182
Courier expense	336,198,736	397,186,904
Stationery expense	343,569,993	270,363,221
Rent expense	482,800,000	342,220,000
Furniture Depreciation	533,417,932	566,959,722
Electricity, fuel & water	436,040,580	385,539,731
Pantry expense	318,324,957	306,926,192
Janitorial Expense	314,933,800	237,555,000
Auditing expense	735,750,000	10,484,661
Vehicle depreciation	87,197,184	192,097,296
Registration & legal expenses	191,942,897	181,499,475
Software depreciation	81,249,756	31,415,333
Photography, filming expenses	367,000	13,828,000
Education expense	900,000	27,712,247
Insurance	441,881,108	237,178,260
Doubtful Debts expense	87235223	198,696,319
Withholding & salary t	520,649,400	417,544,988
Bank Charge	38,559,466	13,618,384
	<u>5,345,227,658</u>	<u>4,232,037,915</u>
b/f	43,123,172,750	35,920,617,600
	<u>48,468,400,408</u>	<u>40,152,655,515</u>

19- Other Donations paid (Urgent)

	<u>03/10/1397</u>	<u>03/10/1396</u>
	Rls.	Rls.
Helping to needy people	170,657,411	1,052,975,153
Other Donations	24,687,264,760	8,620,764,955
	<u>24,857,922,171</u>	<u>9,673,740,108</u>

20- Non-operating income & expenses

	<u>03/10/1397</u>	<u>03/10/1396</u>
	Rls.	Rls.
Interests on bank deposits / bonds	10,721,755,530	10,027,889,107
Interests payable for facilities received	(8,035,329,363)	(12,125,002,424)
Loss from Investment valuation to market value	(3,513,009,298)	(14,469,861,137)
Profit (loss) on sale of shares	(1,704,292,385)	47,184,014
Dividend	2,449,842,400	3,225,385,372
Profit (loss) from foreign currency conversion	307,682,215	74,901,348
Bank Rewards	724,271	200,000,000
Assets Sale	1,624,370,650	3,363,559,893
Withholding & Salary tax (year 1395)	-	(265,648,606)
	<u>1,851,744,020</u>	<u>(9,921,592,433)</u>



Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

21- Operating Profit Reconciliation Statement

	<u>03/10/1397</u>	<u>03/10/1396</u>
	Rls.	Rls.
Operating Surplus	13,514,730,998	12,142,220,824
Depreciation Expenses	3,016,889,582	2,503,524,264
Increase in inventories	(110,348,850)	-
Increase in prepayments	(48,109,400)	-
Trade & Non-trade Receivables	(4,389,925,770)	6,726,563,135
Trade & Non-trade Payable	(35,760,211,919)	(6,288,835,335)
Other Non-cash expenses	885,681,286	47,184,014
	<u>(22,891,294,073)</u>	<u>15,130,656,902</u>

22- Non-cash Transactions

	<u>03/10/1397</u>	<u>03/10/1396</u>
	Rls.	Rls.
Unpaid Interests of facilities	-	8,636,877,964
Unearned Dividends	2,449,842,400	2,898,159,000
Obligations regarding the assignment of the endowed properties	15,443,400,000	15,443,400,000
Changes in current value of the short-term investments	-	(14,469,861,137)
	<u>17,893,242,400</u>	<u>12,508,575,827</u>

23- Events after the date of balance sheet

After the date of balance sheet and till the date of ratifying of the financial statements, there has not been any material event to be mentioned as a necessity for disclosure or carrying out adjustment on the items of the financial statements.

24- Trade with affiliated parties

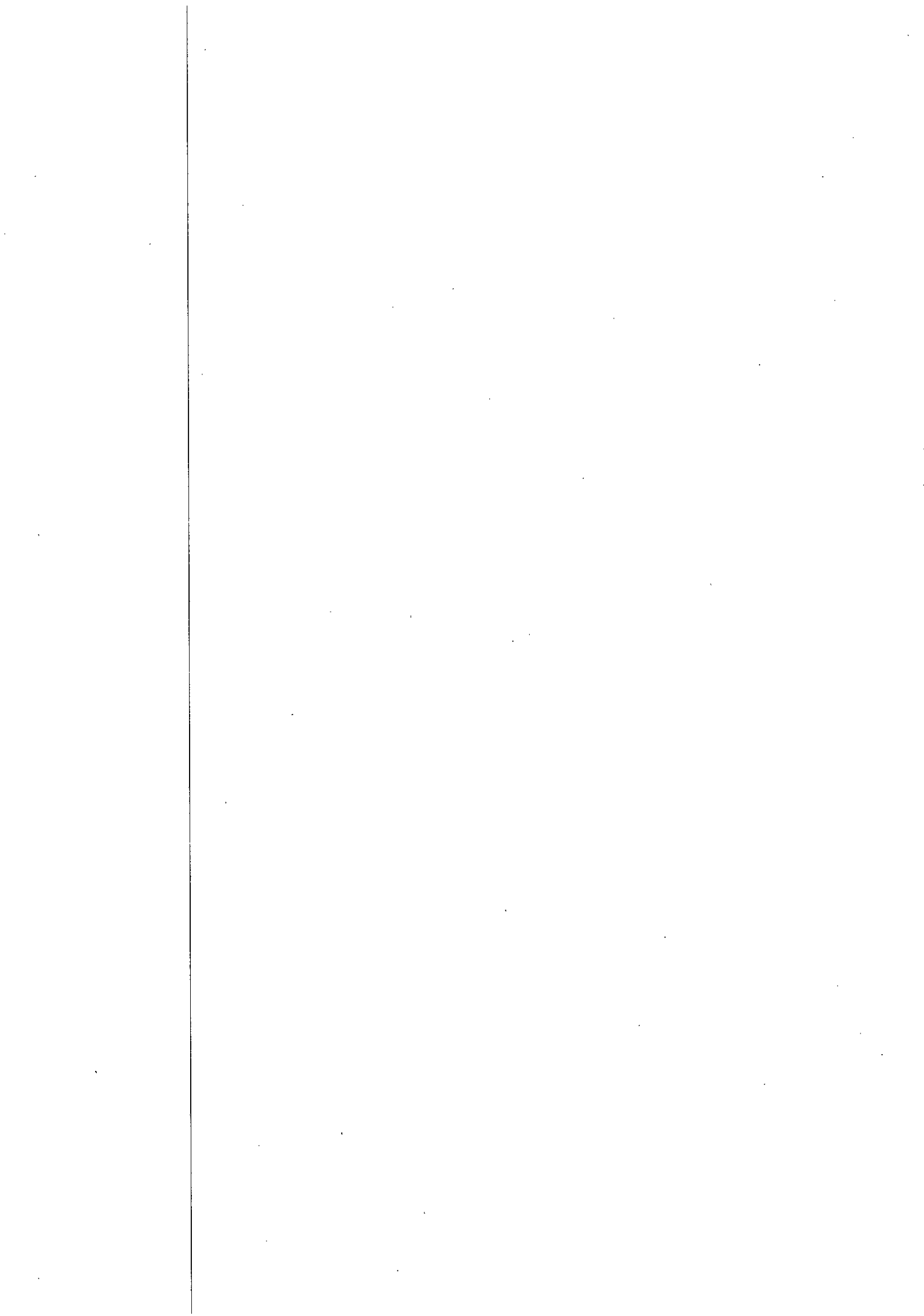
during the year of this report, there has not been any trade with affiliated parties.

25- Probable Obligations and Liabilities

25-1- Taxation liability for the year ended 03/10/1392 (as per note 12-2)

25-2- The foundation has not been investigated by the insurance authorities since the registration date.





Refah Child Charity Foundation
Explanatory Notes to Financial Statement
For the Year Ended May 31, 2018

26- Currency situation

	03/10/1397			03/10/1396		
	\$	F	€	\$	F	€
Foreign Exchange Assets :						
Cash at Bank		50	20.29	38.98	50	100.29
Foreign Exchange Deposits	159.42		23,759.74			23,579.74
	<u>159.42</u>	<u>50</u>	<u>23,780.03</u>	<u>38.98</u>	<u>50</u>	<u>23,680.03</u>



