

**INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES (CMC-  
GLOBAL)**

**FINANCIAL STATEMENTS**

**30 JUNE 2017**

**INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES (CMC-GLOBAL)**

**FINANCIAL STATEMENTS**

**30 JUNE 2017**

|   | <b><u>PAGE</u></b> |
|---|--------------------|
| <b>INDEPENDENT AUDITOR'S REPORT</b>       | <b>1 - 3</b>       |
| <b>STATEMENT OF FINANCIAL POSITION</b>    | <b>4</b>           |
| <b>STATEMENT OF FINANCIAL PERFORMANCE</b> | <b>5</b>           |
| <b>STATEMENT OF CHANGES IN EQUITY</b>     | <b>6</b>           |
| <b>NOTES TO THE FINANCIAL STATEMENTS</b>  | <b>7 – 10</b>      |

**INDEPENDENT AUDITOR'S REPORT  
TO THE DIRECTORS OF INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES  
(CMC-GLOBAL)**

**Our opinion**

In our opinion, except for the effect of the matters mentioned in the basis of qualification below, the special purpose financial statements (later "financial statements") of International Council of Management Consulting Institutes (CMC-Global) (later the "Organization") are prepared, in all material respects, in accordance with the accounting policies described in Note 2 to the financial statements.

**What we have audited**

The Organization's financial statements comprise:

- the statement of financial position as at 30 June 2017;
- the statement of financial performance for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

**Basis for qualified opinion**

As discussed in note 2, the accompanying financial statements do not include comparative figures for the prior year and cash flows statement for the year ended 30 June 2017 as required by IAS 1, 'Presentation of financial statements'.

We conducted our audit in accordance with International Standards on Auditing (ISAs). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

**Independence**

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

**Emphasis of Matter - Basis of accounting and restriction on distribution and use**

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the accounting policies described in Note 2 to the financial statements. As a result, the financial statements may not be suitable for another purpose.

Our report is intended solely for the directors and should not be distributed to or used by parties other than directors and any other previously agreed recipients. Our opinion is not modified in respect to this matter.

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies described in Note (2) to the financial statements, and for such internal control as management determines 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, management is 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 management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

For and behalf of PricewaterhouseCoopers "Jordan" L.L.C.

Osama Marouf  
License No. (718)

Amman - Jordan

**INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES (CMC-GLOBAL)**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**AT 30 JUNE 2017**

---

|                                     | Note | 30 June 2017<br>Euro |
|-------------------------------------|------|----------------------|
| <b>ASSETS</b>                       |      |                      |
| <b>Current assets</b>               |      |                      |
| Inventory                           |      | 557                  |
| Account receivables                 | 3    | 30,777               |
| Cash and cash equivalents           | 4    | 71,656               |
| <b>TOTAL ASSETS</b>                 |      | <u>102,990</u>       |
| <b>EQUITY AND LIABILITIES</b>       |      |                      |
| <b>EQUITY</b>                       |      |                      |
| Net assets                          |      | 94,469               |
| <b>Total Equity</b>                 |      | <u>94,469</u>        |
| <b>LIABILITIES</b>                  |      |                      |
| <b>Current liabilities</b>          |      |                      |
| Account payables                    | 5    | 8,521                |
|                                     |      | <u>8,521</u>         |
| <b>TOTAL ASSETS AND LIABILITIES</b> |      | <u>102,990</u>       |

---

**Executive Director**

---

**Treasurer**

**The attached notes from 1 to 7 are an integral part of these financial statements**

**INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES (CMC-GLOBAL)**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 30 JUNE 2017**

---

|  | <u>Note</u> | <u>30 June 2017</u><br>Euro |
|--|-------------|-----------------------------|
| Revenue  | 6           | 171,384                     |
| Administrative expenses                              | 7           | <u>(111,766)</u>            |
| <b>Total operating surplus revenues for the year</b> |             | 59,618                      |
| Other comprehensive income items                     |             | <u>-</u>                    |
| <b>Surplus revenues for the year</b>                 |             | <u><u>59,618</u></u>        |

**The attached notes from 1 to 7 are an integral part of these financial statements**

**INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES (CMC-GLOBAL)**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE ENDED 30 JUNE 2017**

---

|   | Net<br>Assets<br>Euro | Total Equity<br>Euro |
|---|-----------------------|----------------------|
| <b>Balance at 1 July 2016</b>           | 34,851                | 34,851               |
| Total comprehensive income for the year | 59,618                | 59,618               |
| <b>Balance at 30 June 2017</b>          | <u>94,469</u>         | <u>94,469</u>        |

The attached notes from 1 to 7 are an integral part of these financial statements



**(1) GENERAL INFORMATION**

CMC-Global is an international membership organization and a network of the management advisory and consultancy associations and institutes worldwide, who have a common purpose and shared values and goals registered in Zurich under the name International Council of Management Consulting Institute on 14 August 2008 as not for profit organization under registration number CHE-114.457.872

The registered address of the Organization is c/o Dr. Hans Maurer und Hans- Peter Stäger, Advokaturbüro, Maurer & Stäger, Fraumünsterstrasse 17, 8001 Zürich.

The financial statements were authorized for issue on XXX

**(2) 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.

**2.1 Basis of preparation**

The financial statements are presented in Euro.

The financial statements have been prepared under the historical cost convention.

**2.2 Foreign currency translation**

**(a) Functional and presentation currency**

Items included in the financial statements of the organization are measured and presented in 'Euro, being the currency of the primary economic environment in which the organization operates.

**(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured.

Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of financial performance.

Foreign exchange gains and losses are presented in the statement of financial performance.

**2.3 Comparative figures**

The Organization does not have any audited financial statement for prior years. As this year is the first year for the financial statement of the organization to be audited, no comparative figures are reported on the financial statement for the year ended 30 June 2017. We qualified our opinion because the accompanying financial statements do not include comparative figures for the prior year and cash flow statements as required by IAS 1, 'Presentation of financial statements'.

## **2.4 Account receivables**

Account receivables are amounts due from customers for services rendered in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets. If not, they are presented as non-current assets.

Account receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

## **2.5 Impairment of financial assets**

For receivables, the amount of any impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognized in the statement of financial performance. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognized in the statement of financial performance.

## **2.6 Cash and cash equivalents**

In the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

## **2.7 Account payables**

Account payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Account payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

## **2.8 Revenue recognition**

Revenue comprises the fair value of the consideration received or receivable for the rendering of services in the ordinary course of the Organization's activities.

Revenue from organization operations represents amounts charged to Institutes for renewal the membership during the year. Revenue in respect of services is recognized when these are accepted by the institutes and the amount of revenue can be measured reliably.

**(3) ACCOUNT RECEIVABLES**

|                     | <u>30 June 2017</u><br>Euro |
|---------------------|-----------------------------|
| Accounts receivable | 34,375                      |
| Provision           | <u>(3,598)</u>              |
|                     | <u>30,777</u>               |

**(4) CASH AND CASH EQUIVALENTS**

|               | <u>30 June 2017</u><br>Euro |
|---------------|-----------------------------|
| Cash on hand  | 521                         |
| Cash at banks | <u>71,135</u>               |
|               | <u>71,656</u>               |

**(5) ACCOUNT PAYABLES**

|                           | <u>30 June 2017</u><br>Euro |
|---------------------------|-----------------------------|
| Accounts payable (CMC-GI) | <u>8,521</u>                |
|                           | <u>8,521</u>                |

**(6) REVENUE**

|                                | <u>30 June 2017</u><br>Euro |
|--------------------------------|-----------------------------|
| Membership and assessment Fees | 128,211                     |
| Breakthrough Strategy          | 25,646                      |
| Events revenue                 | 7,940                       |
| Application Fees               | 3,950                       |
| Projects revenue               | 3,100                       |
| Others                         | <u>2,537</u>                |
|                                | <u>171,384</u>              |

**INTERNATIONAL COUNCIL OF MANAGEMENT CONSULTING INSTITUTES (CMC-GLOBAL)**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**30 JUNE 2017**

**(7) OPERATING EXPENSES**

|  | <u>30 June 2017</u> |
|--|---------------------|
|  | Euro                |
| Salaries   | 85,277              |
| Executive director Travel & Accommodation costs    | 5,615               |
| Breakthrough Strategy website construction expense | 5,564               |
| Treasury expenses                                  | 5,452               |
| Dues and subscriptions                             | 2,894               |
| Board and Governance expenses                      | 2,322               |
| Swiss VAT  | 2,262               |
| Website Development expenses                       | 1,500               |
| Other  | 880                 |
|  | <u>111,766</u>      |