

**Politics and Society Institute**  
**Limited liability company**  
**Non-profit organization**  
**Amman- Hashemite Kingdom of Jordan**  
**Independent auditor's report**

We have audited the financial statements of Politics and society institute which comprise the statement of financial position as at 31 december 2023, and the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements, on pages 3-6, present fairly, in all material respects, the financial position, and its financial performance and cash flows for the year then ended in accordance with ISAs.

**Basis for opinion:**

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 opinion.

**Trustees responsibilities for the financial statements**

The Trustees are responsible on behalf of the Trust for the preparation and fair presentation of the financial statements in accordance with ISAs, and for such internal control as the Trustees 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 Trustees are responsible for assessing the Trust'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 the Trustees either intend to liquidate the Trust or to cease operations, or have no realistic alternative but to do so.

**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.



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As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism 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 Fund'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 Fund's ability to continue as a going concern. If we conclude that a material uncertainty exist, 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 Fund to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation. 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.

Firas Allan

Certified public accountant

Statement of financial position for the year ended 31, December 2023



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Statement	Notes	2023 in Jordanian Dinar	2022 in Jordanian dinar
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalent	3	26,689	1,305
Other debit balances	4	240	10,800
<b>Total current assets</b>		<u>26,929</u>	<u>12,105</u>
<b>Non-current assets</b>			
Property and Equipment in net		13,795	10,953
<b>Total assets</b>	5	40,724	23,085
<b>Liabilities and ownership rights</b>			
<b>Current liabilities</b>			
Accounts payable		10,010	5,496
Other credit balances		14,895	1,836
Receivables from related parties		5,182	5,182
<b>Total current liabilities</b>		<u>30,087</u>	<u>12,514</u>
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Statement	Notes	2023 in Jordanian Dinar	2022 in Jordanian dinar
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<b>Current Assets</b>			
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Other debit balances	4	240	10,800
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<b>Non-current assets</b>			
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<b>Equity and Capital</b>			
Paid in capital		1,000	1,000
Paid profit/loss		9,637	9,544
<b>Total equity</b>		<u>10,637</u>	<u>10,544</u>
<b>Total equity</b>		<u>40,724</u>	<u>23,058</u>

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**Statement of comprehensive income for the year ended in 31, December 2023**

Statement	Notes	2023 in Jordanian Dinar	2022 in Jordanian Dinar
Project revenue		230,210	195,905
Project cost		(175,929)	(154,624)
<b>Total Profit of project</b>		<b>54,281</b>	<b>41,281</b>
Administrative expenses	6	(54,400)	(60,453)
<b>net unrealized gain or (loss)</b>		<b><u>119</u></b>	<b><u>-19,172</u></b>



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**Statement of changes in equity for the fiscal year ended in December 31, 2023**

Statement	Capital	Unrealized gain or (loss)	Net in Jordanian dinar
<b>Balance as in 1/1/2023</b>	<b>1,000</b>	<b>9,544</b>	<b>10,544</b>
Adjustments for:-		212	212
<u>net unrealized gain or (loss)</u>		<u>(119)</u>	<u>(119)</u>
<b>Balance as in 31/12/2023</b>	<b>1,000</b>	<b>9,637</b>	<b>10,637</b>
<b>Balance as in 1/1/2022</b>	<b>1,000</b>	<b>28,938</b>	<b>29,938</b>
Adjustments for:-		(222)	(222)
<u>net Unrealized gain or (loss)</u>	<u>000</u>	<u>(19,172)</u>	<u>(19,172)</u>
<b>Balance as in 31/12/2023</b>	<b>1,000</b>	<b>9,544</b>	<b>10,544</b>



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**Statement of cash flows for the year ended in 31, December 2023**

Statement	2023 in Jordanian dinar	2022 in Jordanian Dinar
<b>Cash flows from operating activities</b>		
Deficit	(119)	(19,172)
Adjustments for:		
Depreciation	212	(222)
Consumption	1,873	1,165
<b>Changing in operating assets and liabilities</b>		
Accounts payable	4,514	4,972
Other debit balances	10,560	(10,800)
Other credit balances	13,059	1,757
<b>Net cash from operating activities</b>	<b>30,099</b>	<b>(22,300)</b>
<b>Cash flows from investing activities</b>		
Purchase of property and equipment	4718	(5151)
Net cash flows from investing activities	4718	(5151)
<b>Cash flows from financing activities</b>		
Receivables from related parties	000	000
<b>Net cash flows from financing activities</b>	<b>000</b>	<b>000</b>
<b>Net change in cash and cash equivalents</b>	<b>25,384</b>	<b>(28,451)</b>
Cash and cash equivalents – beginning of year	1,305	28,756
<b>Cash and cash equivalents – end of year</b>	<b>26,689</b>	<b>1,305</b>



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**Statements about the financial data for the year ended 31, December 2023**

**1. General information**

Company name was established as a Jordanian limited liability company under registration No. ( 1291 ) dated 17 June 2020 in accordance with the Companies Law with a paid in capital of JD (1,000) Jordanian dinar distributed over 1 JD with a par value of JD 1 per share.

These interim condensed consolidated financial statements were approved by the company's Board of Directors on 30 April 2024.

**2. Some of the aims of the company:**

- To practice basic skills
- To practice with national and international academies institutions for preparing training programs that the company offers which fulfills the aims of the company.
- To prepare studies and research that serves the goals of the company
- Preparing the necessary studies to implement the company's objectives only and in accordance with applicable legislation.

**3. Significant accounting policies**

**Basis of preparation the interim condensed consolidated financial statements:**

- The company's financial statements have been prepared in accordance with International Financial Reporting Standards.
- The company's financial statements have been prepared according to the historical cost principle. Financial assets and financial liabilities are stated at fair value.
- The financial statements have been prepared in Jordanian Dinars, which is the functional currency of the Company.

**Cash and cash equivalents**

Cash and cash equivalents represent cash at banks and investments that can be liquidated into specific amounts with maturities not exceeding three months, so that they do not include the risk of change in value.

**Accounts receivable and other debit balances**

Accounts receivable are shown at cost after deducting the provision for doubtful accounts and the accounts are written off. If they cannot be collected, the provision taken for them is deducted and the proceeds from the accounts that were written off are added to the revenues.





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**Accounts payable and accruals**

Accounts payable and amounts due for payment are recognized upon receipt of goods and services by the company, whether or not they have been claimed by the supplier.

**Clearing**

Financial assets and financial liabilities are offset and the net amount is reported in the financial statements when there are legally enforceable rights to offset and when they are marketed on a net basis or when the assets are realised and the liabilities are settled simultaneously.

**Provisions**

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, the costs to settle the obligation are probable and the amount can be reliably measured. Provisions are reviewed at the date of the financial statements and their amounts are adjusted based on the latest information available to the Company.

**Revenue realization and recognition of details**

- Service revenue is recognized when the invoice is issued to the customer and when the revenue can be measured reliably.
- Other revenue is recognized according to the accrual basis.
- Expenses are recognized according to the accrual basis.

**Property and equipment**

- Property and equipment are stated at cost after deducting accumulated depreciation and accumulated impairment losses, if any. The cost of property and equipment includes the cost incurred to replace any component of property and equipment and financing costs for long-term construction projects if the recognition conditions are met.
- All other expenses are recognized in the statement of comprehensive income when incurred.
- The cost of property and equipment is depreciated in equal annual installments according to the estimated expected productive life, and depreciation rates range from 10 to 30%.
- If the recoverable amount of any property and equipment is less than its net book value, its value is reduced to its recoverable amount and the impairment amount is recorded in the statement of comprehensive income.

**Foreign currency**

- Transactions in foreign currencies during the period are recorded at the exchange rates prevailing on the date of the transactions. The balances of financial assets and financial liabilities





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are translated at the foreign and intermediate currency rates prevailing on the date of the statement of financial position and announced by the Central Bank of Jordan.

**Usage of estimates**

- The preparation of financial statements and the application of accounting policies require the company's management to make estimates and assumptions that affect the amounts of financial assets and liabilities and the disclosure of potential obligations.
- These estimates and assumptions also affect revenues, expenses and provisions and in particular require the Company's management to make significant judgments and assumptions to provide the amounts and timing of future cash flows and their timing resulting from the conditions and circumstances of those estimates in the future.
- The above mentioned estimates are necessarily based on assumptions and multiple factors that have varying degrees of judgment and uncertainty, and actual results may differ from the estimates as a result of future changes in the conditions and circumstances of those provisions.

**3. Cash and it's equivalents**

	<u>2023</u>	<u>2022</u>
Balance per the bank	26,343	1,007
Balance per the book	436	298
	<u>26,689</u>	<u>1,305</u>

**4. other debit balances**

	<u>2023</u>	<u>2022</u>
Income tax depositories	240	000
Accrued revenue	000	10,800
	<u>240</u>	<u>10,800</u>



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	Furniture and furnishings in Jordanian Dinar	Electrical equipment in Jordanian Dinar	Total in Dinar
Cost			
Balance as in 1/1/2023	10,687	2,356	13,043
Additions	1,267	3,448	4,715
Balance as in 31/12/2023	11,954	5,804	17,758
Accumulated consumption			
Balance as in 1/1/2023	1177	913	2090
General consumption	1125	748	1873
Balance as in 31/12/2023	2302	1661	3963
Net book value as in 31/12/2023	9652	4143	13795
Cost			
Balance as in 1/1/2022	4752	3140	4752
Transfers	784	(784)	
Additions	5151	000	5151
Balance as in 31/12/2022	10,687	2,356	13,043
Accumulated consumption			
Balance as in 1/1/2022	382	543	382
	101	(101)	
General consumption	694	471	1165
Balance as in 31/12/2022	1177	913	2090
Net book value as in 31 /12/2022	9510	1443	10953



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**5. Administrative expenses**

<b>Statement</b>	<b>2023</b> in Jordanian Dinar	<b>2022</b> in Jordanian Dinar
Salaries and wages	20,926	12,900
Social security	2,982	2,102
Rentals	2,099	2,2849
maintenance	280	882
Banking	297	336
Transportation	000	1,178
Professional fees	14,418	23,692
Subscription fees and licenses	2,613	558
hospitality	1,512	1,607
Electricity	1,015	929
Design expenses	659	600
Cleaning equipment	984	1,290
Consumption	1,873	1,165
Internet and phone	548	2,371
Advertising and publicity	331	2,460
Stationery	18	408
<u>Other</u>	<u>3,845</u>	<u>5,126</u>
<b>Total</b>	<b>54,400</b>	<b>60,453</b>

**6. Tax Status**

- The tax status has been settled until December 31, 2021.
- The 2022 statement has been submitted and has not yet been audited.
- No income tax provision has been calculated for the results of the year ending December 31, 2023, as the company's activity is exempt.

**7. Legal status**

There are no cases filed by or against the company until December 31, 2023.

**8. a - Financial instruments**



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- Financial assets consist of bank balances and some other debit balances. Financial liabilities consist of accounts payable and some other credit balances.
- The fair value of financial instruments does not differ materially from the carrying value of these instruments.

**B - Risks of price fluctuations.**

**1- Foreign currency fluctuations**

Most of the company's transactions are in Jordanian dinars and US dollars, and since the exchange rate of the dinar is pegged at a fixed rate to the US dollar, and the US dollar equals 0.71 Jordanian dinars, as determined by the Central Bank, there are no significant effects of foreign currency fluctuations.

**2- Interest rate risk**

Interest rate risk results from the possibility of changes in interest rates affecting the company's profit or the fair value of financial instruments. Since most financial instruments carry a fixed interest rate and are stated at amortized cost, the sensitivity of the company's profits and equity to changes in interest rates is considered immaterial.

**C- Credit, liquidity and cash flow risks.**

Credit risk represents the risk of the company being exposed to a financial loss due to the failure of the customer or the party dealing with the company to perform financially in accordance with its contractual obligations. These risks arise mainly from trade and other receivables.

**9- Comparative figures**

Some financial figures for 2022 have been reclassified to be consistent with the financial status for 2023. No reclassification has had any impact on the financial statements.

