

**Rasheed for Integrity and Transparency  
Non-Profit-Limited Liability Company  
Amman-The Hashemite Kingdom of Jordan**

**Financial Statements and  
Independent Auditor's Report  
For The Year Ended December 31, 2022**

Rasheed for Integrity and Transparency  
Non-Profit-Limited Liability Company  
Amman-The Hashemite Kingdom of Jordan

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### Independent Auditor's Report

To Messrs. Shareholders  
Rasheed for Integrity and Transparency  
Non-Profit-Limited Liability Company  
Amman-The Hashemite Kingdom of Jordan

#### Opinion

We have audited the financial statements of Rasheed for Integrity and Transparency (Non Profit Limited Liability Company), which comprise the statement of financial position as at December 31, 2022, and the statements of revenues and expenses, changes in equity and 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 present fairly, in all material respects, the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Other Matter

The opening balances were audited by another public accountant who issued unqualified report on them dated on October 3, 2022.

#### 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 International Financial Reporting Standards, 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 Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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





Independent Auditor's Report for the year ended December 31, 2022

### 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 auditors' 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 International Standards on Auditing 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 International Standards on Auditing, 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 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 auditors' 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 auditors' report. However, future events or conditions may cause the Company 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.



Talal Abu-Ghazaleh & Co. International

Mohammad Al-Azraq  
(License # 1000)

Amman August 2, 2023

Rasheed for Integrity and Transparency  
Non-Profit-Limited Liability Company  
Amman-The Hashemite Kingdom of Jordan

Statement of financial position as at December 31, 2022

	Note	2022	2021
ASSETS		JD	JD
<b>Current Assets</b>			
Current accounts at bank		40,652	7,982
Other debit balances	3	24,563	9,647
<b>Total Current Assets</b>		<b>65,215</b>	<b>17,629</b>
<b>Non-current Assets</b>			
Property and equipment	4	1,527	2,531
<b>Total non-current asset</b>		<b>1,527</b>	<b>2,531</b>
<b>Total Assets</b>		<b>66,742</b>	<b>20,160</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Current Liabilities</b>			
Other credit balances	5	47,169	13,838
Deferred revenue	6	25,686	6,877
<b>Total Current Liabilities</b>		<b>72,855</b>	<b>20,715</b>
<b>Equity</b>			
Capital	7	1,925	1,925
Statutory reserve		1,925	1,925
Accumulated losses		(9,963)	(4,405)
<b>Deficit in Equity</b>		<b>(6,113)</b>	<b>(555)</b>
<b>Total Liabilities and Equity</b>		<b>66,742</b>	<b>20,160</b>

The attached notes form part of these financial statements

**Rasheed for Integrity and Transparency  
Non-Profit-Limited Liability Company  
Amman-The Hashemite Kingdom of Jordan**

**Statement of revenues and expenses for the year ended December 31, 2022**

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	<u>Notes</u>	<u>2022</u>	<u>2021</u>
		JD	JD
<b>Revenues</b>			
Grants	8	301,755	275,169
Other		<u>507</u>	<u>518</u>
<b>Total Revenues</b>		<u><u>302,262</u></u>	<u><u>275,687</u></u>
<b>Expenses</b>			
Direct expenses - projects	9	206,939	168,231
Indirect expenses - administrative	10	<u>100,881</u>	<u>101,553</u>
<b>Total Expenses</b>		<u><u>307,820</u></u>	<u><u>269,784</u></u>
<b>(Deficit) Surplus</b>		<u><u>(5,558)</u></u>	<u><u>5,903</u></u>

The attached notes form part of these financial statements

Statement of changes in equity for the year ended December 31, 2022

	Capital		Statutory reserve		Accumulated deficit		Deficit	
	JD		JD		JD		JD	
Balance as at January 1, 2021	1,925		1,482		(9,865)		(6,458)	
Surplis	-		-		5,903		5,903	
Statutory reserve	-		443		(443)		-	
Balance as at December 31, 2021	1,925		1,925		(4,405)		(555)	
Deficit	-		-		(5,558)		(5,558)	
Balance as at December 31, 2022	1,925		1,925		(9,963)		(6,113)	

The attached notes form part of these financial statements



Rasheed for Integrity and Transparency  
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Statement of cash flows for the year ended December 31, 2022

	2022	2021
	JD	JD
Cash flows from operating activities		
(Deficit) Surplus	(5,558)	5,903
Adjustments for:		
Depreciation	1,004	1,651
Changes in operating assets and liabilities:		
Other debit balances	(14,916)	2,894
Other credit balances	33,331	994
Deferred revenue	18,809	(4,450)
Net cash from operating activities	<u>32,670</u>	<u>6,992</u>
Net change in cash and cash equivalents	32,670	6,992
Cash and cash equivalents- beginning of year	<u>7,982</u>	<u>990</u>
Cash and cash equivalents- end of year	<u><u>40,652</u></u>	<u><u>7,982</u></u>

The attached notes form part of these financial statements



**Notes to the financial statements**

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**1. General**

- The company was established and registered on September 22, 2013 as a Non-Profit-Limited Liability Company under number (449).
- The main activities of the Company are:
  - Provide training in the field of good governance and promoting the principles of integrity, transparency, justice and tolerance without certificate issuance.
  - Ownership of movable and immovable property to serve the interest of the company.
  - Accepting internal and external donations and grants within the applicable laws and regulations.
  - Conduct necessary studies to implement the Company's objectives according to the applicable legislations.

**2. Basis for preparation of financial statements and significant accountant policies**

**2-1 Basis for financial statement preparation**

- **Financial statements preparation framework**

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

- **Measurement bases used in preparing the financial statements**

The financial statements have been prepared on the historical cost.

- **Functional and presentation currency**

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

**2-2 Using of estimates**

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, useful lives of depreciable assets, provisions and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS (1) Subsidiary First-time Adoption of International Financial Reporting Standards	Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	January 1,2022
Amendments to IFRS (3) Business Combinations	Minor amendments were made to IFRS (3) to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS (37) Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	January 1,2022
IFRS (9) Financial Instruments	Annual Improvements to IFRS (9), for year 2018 - 2020	June 1,2022
Amendments to IFRS (16) Covid-19-related Rent Concessions.	<p>As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments.</p> <p>In May 2020, the IASB made an amendment to IFRS 16 Leases, which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted.</p> <p>The relief was originally limited to reduction in lease payments that were due on or before June 30, 2021. However, the IASB subsequently extended this date to June 30, 2022.</p>	January 1,2020 April 1,2021
Amendments to IAS (16) Property, Plant and Equipment	The amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1,2022
Amendments to IAS (37) Provisions Contingent Liabilities and contingent Assets	The amendment to clarifies that the direct costs of fulfilling a onerous contract include both the incremental costs of fulfilling the contract and an allocation of other costs directly related to fulfilling onerous contracts.	January 1,2024

**Standards and Interpretations issued but not yet effective**

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller – lessee subsequently measures sale and lease back transaction.	January 1,2024
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: <ul style="list-style-type: none"> <li>• discounted probability-weighted cash flows</li> <li>• an explicit risk adjustment, and</li> <li>• A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.</li> </ul>	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.  Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS (1) and IFRS Practice Statement 2	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies.  To support this amendment, the IASB also amended IFRS Practice Statement 2 Making Materiality Judgements to provide guidance on how to apply the concept of materiality to accounting policy disclosures.	January 1, 2024 (deferred from January 1, 2022)
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors  The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.

## 2-4 Summary of significant accounting policies

### – Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

#### – Financial assets

- A financial asset is any asset that is:
  - (a) Cash;
  - (b) An equity instrument of another entity;
  - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
  - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
  - Amortized cost.
  - Fair value through other comprehensive income.
  - Fair value through profit or loss.
- A financial asset is measured at amortized cost if both of the following conditions are met:
  - (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
  - (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
  - The financial assets is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
  - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.
- All other financial assets (excluding financial assets at amortized cost or at fair value through other comprehensive income) are subsequently measured at fair value in profit or losses.
- On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

#### Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

#### Financial liabilities

- A financial liability is any liability that is:
  - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  - (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the



effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.

- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.
- **Cash and cash equivalents**

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.
- **Trade receivables**
  - Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
  - Trade receivables are stated at invoices (claims) amount net of allowance expected credit losses which represents the collective impairment of receivables.
- **Impairment of financial assets**
  - At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
  - The entity recognizes loss allowance for expected credit loss (ECL) on:
    - Financial assets measured at amortized cost.
    - Debt investments measured at FVOCI.
    - Contract assets.
  - The entity measures loss allowances at an amount equal to lifetime ECLs.
  - Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
  - When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward looking information.
  - The entity considers a financial asset to be in default when:
    - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
    - The financial asset is more than 360 days past due.
  - Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
  - A financial assets is written off when there is no reasonable expectation of recovering the contractual cash flows. The entity write off the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

#### **Trade payables and accruals**

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

#### **Offsetting financial instruments**

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

#### **Property and equipment**

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition

necessary for them to be capable of operating in the manner intended by management.

- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

<u>Category</u>	<u>Depreciation rate</u>
	%
Furniture and decorations	15
Computers	25
Devices and equipment	20-25

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
  - The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
  - On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.
  - Amount paid to build up property and equipment are initially carried to projects under construction account. When the project becomes ready for use, it will be transferred to property and equipment caption.
- **Revenue recognition**
- The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer.
  - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.

Leases contract

- A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset to the lessee. As for other types of lease contract, they are classified as operating lease contracts. The contracts are classified upon the start of the lease contract.
- Lease income from operating lease is recognized in income on a straight-line basis over the term of the relevant lease. Initial direct costs incurred by the entity in negotiating and arranging an operating lease are added to the carrying value of the leased asset and recognized as an expense over the lease term on the same basis as the lease income. Assets leased under operating leases are depreciated based on the same depreciation policy adopted by the entity for similar assets.

- Income tax

Income tax is calculated in accordance with Jordanian laws and regulations.

- Foreign currencies

- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

3. Other debit balances

	2022	2021
	JD	JD
Accrued revenue	20,848	8,553
Petty cash	3,715	-
Employees receivable	-	1,094
<b>Total</b>	<b>24,563</b>	<b>9,647</b>



4. Property and equipment

	Furniture	Computers	Office equipment	Total
2022	JD	JD	JD	JD
<b>Cost</b>				
Beginning of year balance	12,269	14,531	9,120	35,920
End of year balance	12,269	14,531	9,120	35,920
<b>Accumulated depreciation</b>				
Beginning of year balance	11,691	13,751	7,947	33,389
Depreciation	143	454	407	1,004
End of year balance	11,834	14,205	8,354	34,393
Net	435	326	766	1,527
<b>2021</b>				
<b>Cost</b>				
Beginning of year balance	12,269	14,531	9,120	35,920
End of year balance	12,269	14,531	9,120	35,920
<b>Accumulated depreciation</b>				
Beginning of year balance	11,369	12,875	7,494	31,738
Depreciation	322	876	453	1,651
End of year balance	11,691	13,751	7,947	33,389
Net	578	780	1,173	2,531

5. Other credit balances

	2022	2021
	JD	JD
Accrued expenses	35,156	12,170
Social security deposits	6,559	-
Income tax deposits	5,454	1,668
<b>Total</b>	<b>47,169</b>	<b>13,838</b>

6. Deferred revenue

	2022	2021
	JD	JD
Strengthening Accountability Networks among Civil Society Project	14,699	-
The Coordination Committee for Civil Society Organizations	6,599	5,609
Decentralization, Accountability and Integrity at Local Level Programme (DAILL)	3,628	-
Granted property and equipment	760	1,268
<b>Total</b>	<b>25,686</b>	<b>6,877</b>

7. Capital

Shareholder Name	Percentage of ownership	Balance
	%	JD
Rania Sami Jadallah Bader	18	350
Samirah Izzat Abdelqader Qaddourah	18	350
Raja'a Mubarak Abdullah Alhiary	9	175
Adnan Khalaf Hamed Alsawaeer	9	175
Noor Ziad Ahmed Almoghrabi	9	175
Jamal Ibrahim Omar Alsalah	9	175
Kholoud Suliman Ali Ghnimat	9	175
Zaidoon Ibrahim Mohammed Alqasem	9	175
Bashar Michael Odeh Alsharaihah	9	175
	<b>100</b>	<b>1,925</b>

8. Grants

	2022	2021
	JD	JD
Integrity School and Academy 2022-2023	210,166	-
Decentralization, Accountability and Integrity at Local Level Programme (DAILL) in Jordan	37,862	-
Strengthening Accountability Networks among Civil Society	31,099	8,553
NAZAHA: Support to social accountability and empowering Civil Society for better governance	20,848	-
National Integrity System	1,575	-
The coordination committee for civil society organizations	205	-
Integrity School 2021	-	115,389
Governance and leadership skills for youth in the public sector	-	63,192
Monitoring land governance and land tenor security	-	45,304
Strengthening the civil society environment	-	23,938
Network Reserve Grant	-	12,256
Empowering Civil Society and citizen engagement for transparency and accountability	-	6,537
<b>Total</b>	<b>301,755</b>	<b>275,169</b>

9. Direct expenses – projects

	2022	2021
	JD	JD
Professional fees	80,223	68,942
Travelling and accommodation	58,492	44,154
Salaries and wages	29,111	19,109
Workshops	21,440	18,376
Stationery and printings	7,405	6,801
Scout activities	5,211	3,672
Company's contribution in social security	2,969	2,691
Rent	1,440	2,560
Miscellaneous	448	1,926
Insurance	200	-
<b>Total</b>	<b>206,939</b>	<b>168,231</b>

10. Indirect expenses – administrative

	2022	2021
	JD	JD
Salaries and wages	70,530	64,230
Rent	9,500	11,000
Company's contribution in social security	9,153	9,153
Professional fees	3,000	6,267
Insurance	2,737	4,523
Electricity and water	2,374	2,383
Miscellaneous	1,230	548
Depreciation	1,004	1,651
Governmental fees	594	438
Cleaning expenses	308	549
Bank commissions	198	166
Stationery and printing	162	495
Hospitality	91	150
<b>Total</b>	<b>100,881</b>	<b>101,553</b>

11. Tax status

The tax status was settled until year 2021 with Income Tax Department, and in the management's opinion there will not be any potential tax liabilities on the company.

12. Risk management

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- The entity is not exposed to currency risk.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.
- The entity is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- The brokerage clients receivables are guaranteed to be collected under the investment portfolios of those receivables, and the lower the market value of those portfolios, the higher the risk of collecting those receivables.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than a year	
	2022	2021
	JD	JD
<b>Financial assets:</b>		
Current accounts at bank	40,652	7,982
Other debit balances	24,563	9,647
<b>Total</b>	<b>65,215</b>	<b>17,629</b>
<b>Financial liabilities:</b>		
Other credit balances	47,169	13,838
Deferred revenue	25,686	6,877
<b>Total</b>	<b>72,855</b>	<b>20,715</b>

13. The potential effects of economic fluctuations

As a result of the current global conflict, where the entity has taken into account any possible impact of current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine expected credit losses.