Justice Center for Legal Aid

Private Society

Amman – The Hashemite Kingdom of Jordan

Financial Statements and Independent Auditor's Report

For the year ended December 31, 2020

Justice Center for Legal Aid

Private Society

Amman – The Hashemite Kingdom of Jordan

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Opinion

We have audited the financial statements of **Justice Center for Legal Aid** (Private Society), which comprise the statement of financial position as at December 31, 2020, the statement of Income and expenditures and change in retained surplus, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, and its financial performance and its cash flows for the year then ended in accordance with the basis of accounting described in Note (2).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and its amendments. 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 are independent of the Society in accordance with the International Ethics Standards Board for accountant's Code of Ethics for Professional Accountants in addition to the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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 basis described in note (2), 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

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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 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 Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

The Society maintains proper accounting records, and the audited financial statements and the disclosures in the financial statement are consistent with these records .We recommend the general assembly to approve these financial statements.

PKF – Jordan
Khattab & Co.

Mohammed Khattab
(License No.730)

PKF
Khattab & Co.

Amman – The Hashemite Kingdom of Jordan
20th June 2021

Justice Center for Legal Aid

Private Society

Amman – The Hashemite Kingdom of Jordan

Statement of Financial Position As of December 31, 2020

Exhibit – A

	Notes	2020	2019
		JD	JD
Assets			
Current Assets			
Cash and cash equivalents	6	126,240	314,453
Other debit balances	7	2,845	9,465
Total Current Assets		129,085	323,918
Non-Current Assets			
Property and equipment	8	47,871	49,663
Intangible assets	9	2	19,456
Total non - current assets		47,873	69,119
Total Assets		176,958	393,037
Liabilities and Retained Surplus			
Current Liabilities			
Other credit balances	10	22,449	18,593
Total Liabilities		22,449	18,593
Retained Surplus			
Retained surplus		154,509	374,444
Total Liabilities and Retained Surplus		176,958	393,037

The financial statements were approved on June, 20 2021 by the authorized signatory, Ms. Hadeel Abdel Aziz.

Authorized Signatory

The Accompanying Notes From 1 to 21 Constitute An Integral Part of These Financial Statements

Justice Center for Legal Aid

Private Society

Amman - The Hashemite Kingdom of Jordan

Statement of Income and Expenditures and Change in retained surplus for the year Ended December 31, 2020

Exhibit – B

	Notes	2020	2019
		JD	JD
Grants Income	11	856,580	1,751,796
Operating grants expenses	12	(882,056)	(1,267,832)
Operating (Deficit) surplus		(25,476)	483,964
Amortization of deferred grants Income		-	1,948
Other Income	14	49,338	17,315
Depreciation expense	8	(17,391)	(24,706)
Amortization expense	9	(19,454)	(19,598)
Administrative expenses	13	(224,503)	(232,369)
Gains from sale of assets	15	4,450	-
(Deficit) Surplus for the year before transfer of properties from Projects to property and equipment		(233,036)	226,554
The transfer of properties from Projects to property and equipment	8,12	13,101	13,907
(Deficit) Surplus for the year		(219,935)	240,461
Retained surplus at the beginning of the year		374,444	133,983
Retained surplus at the end of the year		154,509	374,444

The financial statements were approved on June, 20 2021 by the authorized signatory, Ms. Hadeel Abdel Aziz.

Authorized Signatory

Justice Center for Legal Aid
Private Society
Amman - The Hashemite Kingdom of Jordan

Statement of Cash Flows For the Year Ended December 31, 2020

Exhibit – C

	Notes	2020	2019
		JD	JD
Operating Activities			
(Deficit) Surplus for the year		(219,935)	240,461
Adjustments:			
Depreciation expense	8	17,391	24,706
Amortization expense	9	19,454	19,598
Gains from sale of assets	15	(4,450)	-
Changes in Working Capital			
Other debit balances		6,620	(1,142)
Deferred grants Income		-	(1,948)
Other credit balances		3,856	(58,128)
Net Cash Flows (used in) from Operating Activities		(177,064)	223,547
Investing activities			
Purchase of property and equipment	8	(15,600)	(13,907)
Proceeds from sale of property and equipment	15	4,451	-
Net Cash Flows used in Investing Activities		(11,149)	(13,907)
Change in cash and cash equivalents during the year		(188,213)	209,640
Cash and cash equivalents at the beginning of the year		314,453	104,813
Cash and Cash Equivalents at the end of the year	6	126,240	314,453

Notes To The Financial Statements

1 General

Justice Center Society for Legal Aid was established as a non-profit entity under the name of Diyala Hilal Othman Al-Khamra and partners on 21st July 2008 and registered as non for profit Partnership at the Companies General Controller at the Ministry of Industry and Trade under the number (218) and national No. (2008201100001).On July 23, 2008 the trade name was registered (Justice Center for Legal Aid) under the number (144019) in the record of trade names. With the entry into force of the Society's Law No. (51) for the year 2008, the non-profit Society became a private Society registered under the provisions of this Act and its amendments.

On May 3, 2013 the Society completed straighten conditions procedures under the provisions of the Society's Law No. (51) of the year 2008, and its amendments under the national number (200097278), the same establishment number mentioned above, the Society was included under the Jurisdiction of the Ministry of Justice according to its objectives, also the society name has been modified to become "Justice Center for Legal Aid Society"

As a result of the straighten conditions the Society General Assembly decided to close the capital of the Society and to recognize the paid part of the capital as a donation to the Society.

The main objectives of the society are as follows:

- Empowerment of the poor and vulnerable people of citizens and residents in Jordan, expats, refugees, and the like to access to their rights according to the law.
- Facilitate the access of the poor and vulnerable people of citizens and residents in Jordan, expats, refugees, and the like to legal assistance through lawyers, in accordance with the laws in force.
- Study and implementation of projects related to the reinforcement of the principle of access to justice and the right to sue.
- Study and implementation of projects related to reinforcement of the sovereignty of law.
- Spread the awareness of various Jordanian legislation, bilateral, regional and international agreements.
- Deepening the democratic culture and global culture of human rights and promote transparency, justice and tolerance.
- Promote the concepts of economic, social and cultural rights and the governance of good.
- Preparation of studies and research related to the objectives of the Society and in accordance with the provisions of the laws in force.

Society Branches:

The Society performs its work through the rented headquarter branch, in addition to the Nineteen branches called legal clinics are not considered branches of the Society, which is hosted by the institutions of civil society partners. The society headquarter includes the society management in addition to the legal clinics which provide services to the public.

The financial statements were approved on June, 20 2021 by the authorized signatory, Ms. Hadeel Abdel Aziz. And its subject to general assembly approval.

2 Basis of preparation of financial statement

(a) Statement of Compliance:

The Society follows the modified accrual basis in recording accounting transactions. Whereby grant revenues are recognized when they are received and spent on items of operational and administrative expenses included in grant budgets, and expenses are recognized when they are due, accordingly had preparation the financial statements for management purposes, Ministry of social development and Income and sale tax department only.

(b) Basis of Measurement:

The financial statements have been prepared on the historical cost basis except for the financial assets and financial liabilities that are measured at amortized cost

(c) Functional and Presentation Currency:

The financial statements are shown in Jordanian Dinar, which represent the Society's functional and presentation currency

(d) Use of Judgments and Estimates:

In preparing these financial statements requires the management to make judgments, estimates and assumptions that affect the application of the society's accounting policies and the reported amounts of assets, liabilities, revenue and expenses. And the actual results may differ from these estimates.
Estimates and assumptions applied are continually reviewed. And changes in accounting estimates are recognized in the year in which the estimates are changed and future years affected by that change.

The following is a summary of the significant matters in which uncertain estimates and judgments that are used in applying the accounting policies which materially affect the amounts in the financial statements:

• **Estimates:**

The following are the estimates that have significant risk to the financial statements:
- Impairment of the financial instruments: Inputs and measurement of the expected credit loss and what it includes of future objectives.
- The management reviews its estimates about the fair value of financial assets.
- The management continually reviews the cases brought against the society based on a legal study prepared by the society's legal advisor, which indicates the potential risks that the society may bear in the future as a result of these cases.
- The management assesses the recoverable value of other financial assets to determine whether there is any impairment in their value.
- Provision is made against expected credit losses on financial assets based on principles and assumptions approved by the society's management to estimate the provision to be calculated in accordance with the requirements of the International Financial Reporting Standard.
- Management estimates the income tax expense in accordance with the applicable laws and instructions.

- **Measurement of Fair Value:**

The fair value represents the amount that may be collected from the sale of an asset or a payment to transfer a liability in an orderly transaction between market participants at the measurement date. And the fair value measurement is based on the assumption that the transaction to sell the asset or liability transfer takes place in the main market of the asset or liability or the most beneficial market for the assets or liabilities.

The fair value of an asset or liability is measured using assumptions that market participants will use when pricing the asset or liability, assuming that market participants are acting in their economic interest.

When measuring the fair value of a non-financial asset, the market participant's ability to generate economic benefits by using the asset in its highest and best use, or by selling it to another market participant who uses the asset in its highest and best use is taken into account.

For assets traded in an active market, the fair value is determined using quoted market bid prices.

The fair value of interest-bearing items is calculated based on discounted cash flows, using interest rates for items with similar terms and risk characteristics.

For unlisted assets, fair value is determined by reference to the market value of a similar asset or on the basis of the expected discounted cash flows.

The management believes that its estimates and assumptions are reasonable and sufficient.

3 Changes in Accounting Policies

The accounting policies adopted in the preparation of the financial statements for the year ended 31 December 2020 are consistent with those used in the preparation of the financial statements for the year ended 31 December 2019, except for the adoption of the following new standards effective as of 1 January 2020:

Amendments to IFRS 3: Definition of a Business

The International Accounting Standards Board issued amendments to the definition of "Business" in IFRS 3 "Business Combination", to help entities determine whether the group of activities and assets acquired meet the definition of "Business" or not. These amendments clarify the minimum business requirements, remove the assessment of whether market participants are able to substitute any non-existent business elements, add guidance to help organizations assess whether the acquired operation is material, narrow business definitions and outputs, and introduce an optional fair value concentration test.

The amendments have been applied to transactions that are either a Business Combination or the acquisition of assets whose acquisition date is on or after the start of the first annual reporting period that began on or after January 1, 2020. Consequently, the society did not have to reconsider these transactions that occurred on earlier periods. Early application to these amendments is permitted and must be disclosed.

No impact resulted from applying these amendments to the financial statements.

Amendments to IFRS 7 and IFRS 9 Interest Rate Benchmark Reform

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument, during the period prior to replacing the current interest rate benchmark with a Risk Free Rate (RFR). This may lead to uncertainty as to whether the forecast transaction is highly probable and whether the hedging relationship is expected to be most effective.

The amendments provide temporary exemptions which enable hedge accounting to continue through the uncertainty period before replacing the current interest rate benchmark with a risk-free interest rate ("RF").

The amendments have been applied to financial periods beginning on or after January 1, 2020, with early application permitted. Retrospective application is done. However, any hedging relationships that were previously canceled cannot be reinstated upon application of the request, nor can any hedging relationships be designated based on past experience.

After completion of the first phase, the International Accounting Standards Board shifts its focus to matters that may affect financial reporting when replacing the current interest rate benchmark with a risk-free interest rate ("RF"). This is referred to as the second phase of the International Accounting Standards Board project.

No impact resulted from applying these amendments to the financial statements.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The International Accounting Standards Board issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

Amendments clarify that materiality will depend on the nature or importance of the information, or both. The society will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements. When applying the amendments early, the society must apply them with future effect and disclose them.

Amendments to the definition of "material" are not expected to have an impact on the financial statements.

4 Summary of Significant Accounting Policies

a) Financial Instruments

Financial assets at amortized cost

The objective of the society's management is to hold the financial assets in order to collect contractual cash flows, which are represented by payments of principal and interest on outstanding debt balance.

- The assets are recognized upon purchase at cost plus acquisition expenses, where premiums / discounts are amortized using the effective interest method, recorded on or to the interest account, and any provisions resulted from impairment leads to the inability to recover the asset or part of it. Such impairment is recorded in the statement of comprehensive income.
- The impairment amount in the value of these assets represents the difference between the value recorded at the books and the present value of the expected discounted cash flows at the original effective interest rate.
- It is not allowed to reclassify any financial assets from / to this item except in the cases specified in the International Financial Reporting Standards. In the event that any of these assets are sold before their maturity date, the result of the sale shall be recorded in the comprehensive income statement in a separate item and disclosed in accordance with the requirements of the International Financial Reporting Standards.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value, and are used by the Society in the management of its short-term commitments

Non-derivative financial liabilities

The debt instruments issued and their attachments are initially recognized on the date that they are originated. All other financial liabilities are initially recognized on the trade date, which is the date that the Society becomes a party to the contractual rules of the instrument .

The Society derecognizes a financial liability when its contractual obligations are discharged, cancelled or expire.

The Society classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are initially recognized at fair value less any directly related transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortized cost using the effective interest method .

Other financial liabilities include other credit balances.

b) Impairment on financial assets

Financial instruments

The society recognizes expected credit losses on:

- Financial assets measured at amortized cost;
- Finance lease accounts.
- Contractual guarantees.

Impairment losses are not accounted for on equity assets.

The Society measures losses provisions at an amount equal to the expected credit loss throughout the life of the account.

Expected Credit Loss (ECL) on the life of financial instruments is the portion of the expected credit loss that results from possible lagging on financial instruments over the life of the financial instrument.

Expected credit losses are the weighted estimate of credit losses which are measured as follows:

- Financial assets whose credit value does not decrease at the date of the financial statements.
- -Financial assets whose value decreased on the date of the financial statements.
- Contracts of guarantee.

Presentation of the provision for the Expected Credit Losses (ECL) in the statement of financial position

The provision for the Expected Credit Losses (ECL) is presented in the statement of financial position as follows:

- Subtracted from the total book value of the financial assets at amortized cost.
- Receivables obligations and financial guarantee contracts: In general, they are recognized as a provision.

With regard to debt securities that are measured at fair value through the statement of comprehensive income, no provision is recognized in the statement of financial position because the book value of these assets is measured at fair value, in any case, the loss provision is disclosed and recognized in the fair value reserve.

Non-financial assets:

The listed value of the non-financial assets of the society is reviewed at the end of each financial year to determine whether there is an indication of impairment, and if there is an indication of impairment, the recoverable amount of those assets is estimated.

If the listed value of the assets exceeds the recoverable amount of those assets, an impairment loss is recorded for those assets.

The recoverable amount is the fair value of the asset - minus the costs of selling - or the value of its use, whichever is greater.

All impairment losses are recognized in the statement of profit or loss.

Property and Equipment

Property, plant and equipment are initially recognized at cost less accumulated depreciation.

Depreciation is calculated (except lands) on a straight line basis method over the estimated useful lives of the assets as follows:

	Depreciation rate
	%
Furniture and fixtures	15
Computers	20
Vehicles	20

The carrying values of property and equipment are reviewed periodically for impairment when events or changes in circumstances indicate that the assets are recorded at values exceeding their recoverable amounts, consequently, the assets are written down to their recoverable amounts, and impairment is recognized in the statement of Income and Expenditures and Change in retained surplus.

The useful lives and depreciation methods are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Intangible assets

Intangible assets acquired through the merger are recorded at their fair value at the date of acquisition, but intangible assets acquired in other ways are recorded at cost.

Intangible assets are classified based upon their estimated useful lives for a limited or unlimited duration. The intangible assets which have a limited useful life are amortized within it. Amortization charge is recorded in the statement of Income and Expenditures and Change in retained surplus. Following are the annual average amortization in accordance with the estimated useful life of each asset:

	Useful lives in year
	%
Lawyer software	20
Computer software	20

As for any intangible asset with an indefinite useful life, they are reviewed for impairment on the date of the financial statements and any impairment shall be recorded in the statement of Income and Expenditures.

Any indications of impairment on intangible assets at the date of the financial statements are reviewed, as well as the useful life of those assets and any adjustments made to subsequent periods.

Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in statement of income except to the extent that it relates to a business combination, or items recognized directly in equity or in other consolidated statement of profit or loss and other comprehensive income.

Current tax is the expected income tax payable for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the financial position method, providing for temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.
Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities an assets, and they related to income taxes levied by the same tax authority on the same taxable entity, or on different taxable entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized
Deferred tax asset is reviewed at each reporting date and is reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Amended Income Tax Law No. 38 of 2018 was issued at the end of 2018 and is to be applied to start January 1, 2019. The amended law resulted in changing a number of corporate income tax rates in addition to subjecting companies to the national contribution rate in accordance with the law. The national contribution rates are determined in the amended law on the basis of the sector.

Income Recognition

Grants Income are recognized when receiving from the donors and being paid for the operating and administrative expenses which is listed within the grants budgets.

Deferred grants Income

Deferred grants Income are recognized as deferred income in the statement of financial position and will be recognized in the statement of Income and Expenditures. On a systematic basis over the useful life of the related asset.

Provisions

Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably.

Foreign Currencies

Transactions in foreign currencies is registered during the year, the exchange rates prevailing at the date of the transaction is also Monetary assets and liabilities denominated in foreign currency exchange rates prevailing on the financial position statement's date.

Gains and losses resulting from foreign currency exchange in the statement of revenue and expenditures is registered.

Subsequent events

Post-year-end events that provide additional information about the Society's position at the financial position date (adjusting events), are reflected in the financial statements. Post-year-end events that are not adjusting events are disclosed in the notes when material.

5 New standards and interpretations not implemented

The new and amended International Financial Reporting Standards mentioned below have been issued permanently, but they are not yet effective, as the society has not applied these new and amended standards, while noting that they are available for early application:

New standards

IFRS No. (17) Insurance Contracts (to be implemented on January 1, 2021, with early application permitted).

Amendments

- Amendments to IFRS No.(10) and IAS No. (28) Sale or contribution to assets between the investor and his partners in the joint venture (the date of application is not specified).
- Amendments to IAS No.(1) regarding classification of liabilities as current liabilities and non-current liabilities (to be applied on January 1, 2022).

The management does not expect that there will be a material impact on the financial statements when the above standards are followed upon application.

6 Cash and Cash Equivalents

	2020	2019
	JD	JD
Current accounts at banks - USD	100,534	255,542
Current accounts at banks - JOD	25,706	58,911
Total	126,240	314,453

7 Other Debit Balances

	2020	2019
	JD	JD
Prepaid expenses	1,465	1,396
Advance to suppliers	635	800
Bank deposit guarantees (Note No.17)	500	800
Visa Card	245	-
Accrued Income	-	6,469
Total	2,845	9,465

8 Property and Equipment

	Furniture and fixtures	Computers	Vehicles	Total
	JD	JD	JD	JD
2020				
Cost				
Balance as of January 1, 2020	52,093	117,459	26,196	195,748
Additions during the year (*)	-	3,100	12,500	15,600
Disposals during the year	-	(200)	(26,196)	(26,396)
Balance as of December 31, 2020	52,093	120,359	12,500	184,952
Accumulated Depreciation				
Balance as of January 1, 2020	33,851	86,039	26,195	146,085
Depreciation during the year	5,601	10,540	1,250	17,391
Disposals during the year	-	(200)	(26,195)	(26,395)
Balance as of December 31, 2020	39,452	96,379	1,250	137,081
Net	12,641	23,980	11,250	47,871
2019				
Cost				
Balance as of January 1, 2019	46,601	109,044	26,196	181,841
Additions during the year	5,492	8,415	-	13,907
Balance as of December 31, 2019	52,093	117,459	26,196	195,748
Accumulated Depreciation				
Balance as of January 1, 2019	27,361	70,879	23,139	121,379
Depreciation during the year	6,490	15,160	3,056	24,706
Balance as of December 31, 2019	33,851	86,039	26,195	146,085
Net	18,242	31,420	1	49,663

(*) The additions during the year include the amounts financed through grants revenue which amounts to JD 13,101 (Note No. 12) under the item of projects' properties.

9 Intangible assets

	Lawyer software	Computer software	Total
	JD	JD	JD
2020			
Cost			
Balance as of January 1, 2020	97,138	850	97,988
Balance as of December 31, 2020	97,138	850	97,988
Accumulated Depreciation			
Balance as of January 1, 2020	77,710	822	78,532
Amortization during the year	19,427	27	19,454
Balance as of December 31, 2020	97,137	849	97,986
Net	1	1	2
2019			
Cost			
Balance as of January 1, 2019	97,138	850	97,988
Balance as of December 31, 2019	97,138	850	97,988
Accumulated Depreciation			
Balance as of January 1, 2019	58,282	652	58,934
Amortization during the year	19,428	170	19,598
Balance as of December 31, 2019	77,710	822	78,532
Net	19,428	28	19,456

10 Other Credit Balances

	2020	2019
	JD	JD
Post-dated checks	16,479	-
Consultancies' payables	3,070	1,660
Accrued expenses	2,900	15,135
Other payables	-	1,798
Total	22,449	18,593

11 Grants Income

	2020	2019
	JD	JD
Open Society Foundation - (OSF)	230,125	836,325
OXFAM	181,455	42,871
Danish Refugee Council (DRC / SDC)	124,548	74,878
Norwegian Refugee Council ECHO IIIII	116,800	-
Norwegian Refugee Council ECHO IIII	55,200	128,800
Norwegian Refugee Council - DFID III	46,000	24,000
United Nations Democracy Fund UNDEF	41,763	-
Norwegian Refugee Council ARC III	35,000	180,000
Norwegian Refugee Council SEM	15,689	-
Norwegian Refugee Council NMFA	10,000	-
Netherlands Embassy	-	172,425
Foreign and Commonwealth Ministry (FCO- UPGII)	-	114,999
Norwegian Refugee Council - ECHO III	-	94,500
Norwegian Refugee Council - ARC II	-	58,998
Norwegian Refugee Council - DFID II	-	24,000
Total	856,580	1,751,796

12 Operating Grants Expenses

	2020	2019
	JD	JD
Salaries and benefits	222,753	276,529
Society's contribution in social security	20,901	38,779
Attorney's fees	391,543	466,064
Legal fees	71,259	130,297
Legal awareness and capacity building	30,088	108,399
Professional fees	23,992	37,479
Transportation	22,170	62,502
Rents (*)	16,204	15,300
Meetings and training	15,793	47,548
Subscriptions	14,344	5,678
Properties in projects	13,101	13,907
Communications	12,119	13,988
Office supplies	12,371	4,057
Water and electricity	9,966	5,812
Stationery and printing	3,246	10,703
Translation	1,200	744
Fuel	1,006	2,470
Research	-	27,576
Total	882,056	1,267,832

13 Administrative Expenses

	2020	2019
	JD	JD
Salaries and benefits	153,021	147,667
Society's contribution in social security	13,564	19,792
Professional fees	16,629	16,301
Office supplies	5,202	2,352
Communications	8,958	4,574
Rents (*)	8,687	4,335
Fuel	3,364	1,022
Maintenance	2,924	8,872
Audit fees	2,900	14,036
Water and Electricity	2,025	985
Internet and website	1,677	766
Bank commissions	1,048	1,678
Transportation	909	8,089
Stationery and printing	380	1,540
Miscellaneous	3,215	360
Total	224,503	232,369

(*) The Society's management has studied the impact of applying the IFRS 16 (leases) in terms of recognition, measurement, presentation and disclosure of rents, and the management has concluded that there is no impact on the society's financial statements as on December 31, 2020 if this standard is applied.

14 Other Income

	2020	2019
	JD	JD
Local donations	30,160	-
Ruwwad	8,520	-
Save the Children	5,872	-
Case fees Donations	4,346	9,867
GIZ DRC2	440	5,720
DRC Livelihood	-	1,688
Other	-	40
Total	49,338	17,315

15 Gains from sale of assets

This item represents the value of gains from the sale of the following property and equipment:

- Value of the gains from selling the car is JOD 4,250.
- Value of the gains from selling computer is JOD 200.

16 Litigations

According to lawyer's letter, there is a case raised by the society against others, and the case is still pending at the competent courts.

17 Contingent liabilities

There are contingent liabilities on the society represented by a bank guarantee of JOD 500, and a cash deposit of the same value.

18 Income Tax

The Society has submitted the income tax return for 2019 within the legal deadline and it wasn't yet audited by the tax department and the society has reached a settlement with the department for the year 2018. The opinion of the society's tax advisor, that is no need to make a provision because the surplus realized for the society are exempted from income tax, as it is a non-profit charitable society.

19 Financial risks management

The society is exposed to the following risks as a result of its use of financial instruments.

- Credit risk.
- Liquidity risk.
- Market risk.

This note presents information about the society's exposure to each of the above risks, the society's objectives, policies, methods of measuring and managing risks.

General framework for risks management

The entire responsibility for setting up and monitoring risk management rests with the society's management.

The society's risk management policies are designed to identify and analyze the risks that the society faces, and to set appropriate controls and limits for the extent of exposure to those risks, and then monitor them to ensure that the set limits are not exceeded.

Credit risk

Credit risk is the risk of financial loss to the society if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Society's trade receivables and other receivables and cash at banks cheques under collection, due from related parties and other debit balances.
The carrying amount of financial assets represents the maximum value that can be exposed to credit risk assets as at the date of the consolidated financial statements are as follows:

	2020	2019
	JD	JD
Cash and cash equivalents	126,240	314,453
Other debit balances	2,845	9,465
Total	129,085	323,918

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Society 's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Society 's reputation.

Notes To The Financial Statements

The following are the contractual maturities of the financial liabilities:

Non-derivative financial liabilities

	Book value	Contracted cash flow	Less than one year
	JOD	JOD	JOD
2020			
Other credit balances	22,449	(22,449)	(22,449)
Total	22,449	(22,449)	(22,449)
2019			
Other credit balances	18,593	(18,593)	(18,593)
Total	18,593	(18,593)	(18,593)

Market risk

Market risk is the risk that arises from changes in market prices, such as foreign exchange rates, interest rates, and equity prices, which affect the society's profits or the value of the society's financial instruments.

The objective of market risk management is to control the extent of the society's exposure to market risks within acceptable limits, in addition to maximizing the return.

Risks of currency fluctuation

Most of the society's assets and operations are in the Jordanian Dinar, and the transactions with the overseas are carried out in the Jordanian Dinar, and the Jordanian Dinar exchange rate is linked to the USD. Therefore, the society is not materially exposed to exchange rate fluctuations.

Interest rate risk

The society does not have any financial assets or liabilities bearing interest rates as at the date of these financial statements.

Fair value sensitivity analysis of fixed interest rate financial instruments:

The society does not treat any fixed-interest financial assets and liabilities at the fair value through profits and losses, nor does the society treat derivatives as hedging instruments using the fair value model. Therefore, the change in interest rates as at the date of the financial statements will not affect profits and losses.

20 Fair value structuring

Financial instruments treated at fair value using the valuation method define the different levels as follows:

Level 1: Listed (unadjusted) prices in an active market for a financial instrument.

Level 2: Valuation methods based on inputs that can be determined either directly as prices or indirectly by linking them with prices. This category includes instruments evaluated based on the prices declared in an active market for similar instruments, or by using valuation methods that have important inputs that can be determined directly or indirectly through Market Information.

Level 3: Valuation methods using inputs that do not depend on available market information.

There are no transfers between Level 1 and Level 2 during the year 2020.

21 Comparative figures

Some figures of the financial statements for the year 2019 have been reclassified to match the financial statements figures for the year 2020 and this reclassification does not result in any impact on the society's Revenues and Expenditures or the changes in retained surplus for the year 2019.