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, 2022

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

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PKF

Accountants & business advisers

Independent Auditor's Report
Messrs. Justice Center for Legal Aid
Private Society
Amman – The Hashemite Kingdom of Jordan

Opinion

We have audited the financial statements of **Justice Center for Legal Aid** (Private Society), which comprise the statement of financial position as of December 31, 2022, 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 of December 31, 2022, 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 (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

Justice Center for Legal Aid (Private Society) maintains proper accounting records. The audited financial statements and the disclosures in the financial statement are consistent with these records for the year 2022, we recommend the general assembly to approve them.

PKF – Jordan
Khattab & Co.

Mohammed Khattab
(License No.730)

Khattab & Co
PKF
Jordan & Iraq
خطاب وشركاه

Amman – The Hashemite Kingdom of Jordan
May 22, 2023

Justice Center for Legal Aid

Private Society

Amman – The Hashemite Kingdom of Jordan

Statement of Financial Position as of December 31, 2022

Exhibit – A

	Notes	2022	2021
		JD	JD
Assets			
Current Assets			
Cash and cash equivalents	5	45,809	43,703
Other debit balances	6	11,170	9,774
Total Current Assets		56,979	53,477
Non-Current Assets			
Property and equipment	8	33,439	41,823
Intangible assets	9	2	2
Total Non-Current Assets		33,441	41,825
Total Assets		90,420	95,302
Liabilities and Retained Surplus			
Current Liabilities			
Other credit balances	10	216,671	19,417
Due to related parties	7	10,000	-
Total Liabilities		226,671	19,417
(Accumulated Deficit) Retained Surplus			
(Accumulated Deficit) Retained surplus		(136,251)	75,885
Total Liabilities and Retained Surplus		90,420	95,302

The financial statements were approved on May 22, 2023 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 and are read with them

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, 2022

Exhibit – B

	Notes	2022	2021
		JD	JD
Grants revenues	11	585,549	951,817
Operating grants expenses	12	(713,849)	(825,583)
Operating Surplus (Deficit)		(128,300)	126,234
Local donations from individuals		13,453	-
Revenue from service contracts	13	48,812	8,250
Other revenues	15	304	17,582
Depreciations	8	(16,322)	(17,890)
Administrative expenses	14	(138,021)	(223,444)
Deficit for the Year Before the Transfer of Properties from Projects to Property and Equipment		(220,074)	(89,268)
The transfer of properties from projects to property and equipment	8,12	7,938	10,644
Deficit for the Year		(212,136)	(78,624)
Retained surplus at the beginning of the year		75,885	154,509
Retained (Deficit) / Surplus at the End of the Year		(136,251)	75,885

The financial statements were approved on May 22, 2023 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 and are read with them

Statement of Cash Flows for the Year Ended December 31, 2022

Exhibit – C

	Notes	2022	2021
		JD	JD
Operating Activities			
Deficit for the year		(212,136)	(78,624)
Adjustments:			
Depreciation expense	8	16,322	17,890
Changes in Working Capital			
Other debit balances		(1,396)	(6,929)
Other credit balances		197,254	(3,032)
Due to related parties		10,000	
Net Cash Flows from (used in) Operating Activities		10,044	(70,695)
Investing Activities			
Purchase of property and equipment	7	(7,938)	(11,842)
Net Cash Flows used in Investing Activities		(7,938)	(11,842)
Change in cash and cash equivalents during the year		2,106	(82,537)
Cash and cash equivalents at the beginning of the year		43,703	126,240
Cash and Cash Equivalents at the End of the Year	5	45,809	43,703

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 July 21, 2008 and registered as a non-profit Partnership with 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 straightening 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, and the society's name has been modified to become "Justice Center for Legal Aid Society"
As a result of straightening 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, including citizens and residents of Jordan, expats, refugees, and the like, to access their rights according to the law.
- Facilitate the access of the poor and vulnerable citizens and residents of 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 the reinforcement of the sovereignty of the law.
- Spread awareness of various Jordanian legislation and bilateral, regional, and international agreements.
- Deepening the democratic culture and global culture of human rights and promoting 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 headquarters branch, in addition to the nineteen branches called legal clinics, which are not considered branches of the Society, and are 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 May 22, 2023 by the authorized signatory, Ms. Hadeel Abdel Aziz. And it's subject to general assembly approval.

2 Basis of Preparation of the 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 used in preparing the financial statements for the year ending December 31, 2022 are identical to the accounting policies that were followed in preparing the financial statements for the year ended December 31, 2021. However, it has adopted a set of the following amendments and interpretations that are effective for the first time on January 1, 2022:

Amendments to IAS 1 – Classification of Liabilities as Current or Non-current

The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

Amendments to IFRS 3 – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labor or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 "Inventories".

The amendments also clarify the meaning of 'testing whether an asset is functioning properly. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

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.

Accounts Receivable

They are financial assets with fixed or determinable payments that are not traded in an active market. Such assets are initially recognized at fair value plus any directly related transaction costs. Subsequent to initial recognition, accounts receivables are measured at amortized cost less any impairment losses. Accounts receivable comprise of commercial accounts receivables and others.

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 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:

	%
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.

Revenues

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

Deferred grants Income

Deferred grants Income is 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 in Jordanian dinars, 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

The financial statements are affected by subsequent events that require adjustments to the financial statements, while subsequent events that do not require adjustments to the financial statements are disclosed in the notes when material.

5 Cash and Cash Equivalents

	2022	2021
	JD	JD
Cash in hand	23	-
Current accounts at banks - USD	200	2,338
Current accounts at banks - JOD	45,557	41,365
Visa Card	29	-
Total	45,809	43,703

6 Other Debit Balances

	2022	2021
	JD	JD
Prepaid expenses	5,439	7,516
Employee's receivables	5,201	1,443
Bank deposit guarantees (Note 17)	500	500
Prepaid Visa card	-	239
Manaseer fuel card	-	76
Aramex Jordan	30	-
Total	11,170	9,774

7 Due to Related Parties

	2022	2021
	JD	JD
Jawad Abbasi (*)	10,000	-
Total	10,000	-

(*) Mr. Jawad Abbasi provided interest-free loan of JD 10,000 to the Justice Center due on January 1, 2024

8 Property and Equipment

	Furniture and Fixtures	Computers	Vehicles	Total
	JD	JD	JD	JD
2022				
Cost				
Balance as of January 1, 2022	53,086	131,208	12,500	196,794
Additions during the year (*)	614	7,324	-	7,938
Balance as of December 31, 2022	53,700	138,532	12,500	204,732
Accumulated Depreciation				
Balance as of January 1, 2022	43,964	107,257	3,750	154,971
Depreciation during the year	2,977	10,845	2,500	16,322
Balance as of December 31, 2022	46,941	118,102	6,250	171,293
Net	6,759	20,430	6,250	33,439
2021				
Cost				
Balance as of January 1, 2021	52,093	120,359	12,500	184,952
Additions during the year	993	10,849	-	11,842
Balance as of December 31, 2021	53,086	131,208	12,500	196,794
Accumulated Depreciation				
Balance as of January 1, 2021	39,452	96,379	1,250	137,081
Depreciation during the year	4,512	10,878	2,500	17,890
Balance as of December 31, 2021	43,964	107,257	3,750	154,971
Net	9,122	23,951	8,750	41,823

(*) The additions during the year include the amounts financed through grants revenue which amounts to JD 7,938 (Note 12) under the item of projects' properties for the year 2022. (11,842 in 2021)

9 Intangible Assets

	Lawyer Software	Computer Software	Total
	JD	JD	JD
2022			
Cost			
Balance as of January 1, 2022	97,138	850	97,988
Balance as of December 31, 2022	97,138	850	97,988
Accumulated Amortization			
Balance as of January 1, 2022	97,137	849	97,986
Balance as of December 31, 2022	97,137	849	97,986
Net	1	1	2
2021			
Cost			
Balance as of January 1, 2021	97,138	850	97,988
Balance as of December 31, 2021	97,138	850	97,988
Accumulated Amortization			
Balance as of January 1, 2021	97,137	849	97,986
Balance as of December 31, 2021	97,137	849	97,986
Net	1	1	2

10 Other Credit Balances

	2022	2021
	JD	JD
Post-paid cheques (*)	81,712	-
Employee payables	58,657	870
Social Security deposits	50,321	13,405
Income tax deposits 5%	15,155	37
Accrued professional consulting fees	4,930	1,450
Staff income tax deposits	3,526	-
Other	2,370	3,655
Total	216,671	19,417

(*) Consist of cheques that have been issued but not collected by beneficiaries.

11 Grants income

	2022	2021
	JD	JD
Norwegian Refugee Council 6 - ECHO	150,000	-
Open Society Foundation - Direct support to the Justice Center (OSF)	102,660	-
Danish Refugee Council – SDC	68,373	71,842
Norwegian Refugee Council (SEM) 2	60,180	-
Save the Children– EIDHR	36,825	-
British Embassy Jordan -British Foreign Office	33,684	-
Open Society Foundation - Obstacles to Access to Justice Project (OSF)	31,860	-
OXFAM - 2	25,836	-
United Nations Democracy Fund - UNDEF	23,000	113,997
Open Society Foundation - (OSF)	17,725	619,500
French Embassy	13,912	17,197
The Swedish Embassy	12,623	
Norwegian Refugee Council 5 – ECHO	-	29,200
Norwegian Refugee Council – SEM	-	36,607
Norwegian Refugee Council - DFID III	-	11,452
Norwegian Refugee Council – NMFA	-	10,000
Netherlands Embassy	-	9,075
OXFAM- LAP	-	5,813
Canadian Embassy	8,871	27,134
Total	585,549	951,817

During the year 2022, the Society began to proceed with the procedures of obtaining the necessary approvals from the competent authorities to obtain a grant provided by the Norwegian Refugee Council (NRC) estimated at JD 219,960 and will be recognized in the books after obtaining the necessary approvals.

12 Operating Grants Expenses

	2022	2021
	JD	JD
Salaries and benefits	187,493	222,469
Society's contribution to Social Security	29,579	30,413
Attorney's fees	224,767	321,303
Legal awareness and capacity building for partners	64,592	25,699
Professional fees	42,254	76,415
Legal fees	30,428	62,177
Transportation	25,774	18,658
Rehabilitation of the Community Justice Center – Zarqa (*)	24,681	-
Leases	17,686	5,814
Internet subscriptions	16,213	7,718
Meetings and training	15,145	6,743
Communications	14,411	14,672
Properties from projects (**)	7,938	10,644
Stationery and printed materials	3,146	4,467
Water and electricity	2,446	555
Society's contribution to health insurance	2,244	9,237
Office supplies	2,015	4,776
Audit fee	1,416	2,832
Fuel	1,411	231
Translation	210	760
Total	713,849	825,583

(*) The right to use the building of the Community Justice Center was donated by the family of the late Jalal Abbasi for a period of 20 years in exchange for an annual rent of one Jordanian Dinar.

(**) Additions during the year include those funded through grant revenues amounting to JD 7,938 (Note 12) under the property of the projects.

13 Revenue from Service Contracts

	2022	2021
	JD	JD
Care	18,487	-
Help Age	9,217	7,000
Friedrich-Ebert	7,090	-
Ruwwad	4,875	-
Tamkeen	4,200	-
OXFAM-VCP	2,593	-
Training services revenues	2,350	1,250
Total	48,812	8,250

14 Administrative Expenses

	2022	2021
	JD	JD
Salaries and benefits	89,186	137,835
Professional consulting fees	17,886	23,208
Society's contribution to Social Security	13,137	19,700
Audit Fees	3,480	2,900
Leases (*)	3,121	8,600
Communications	2,543	4,255
Internet and website subscriptions	2,065	4,325
Maintenance	2,052	5,328
Society's contribution to health insurance	996	1,892
Fines	918	-
Bank commissions	820	1,356
Transportation	548	1,727
Water and electricity	431	1,293
Office supplies	356	5,769
Fuel	249	801
Stationery and printed materials	167	2,838
Governmental fees	45	1,410
Miscellaneous	21	307
Total	138,021	223,444

(*) The Society's management has studied the impact of applying 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 of December 31, 2022 if this standard is applied.

15 Other Revenues

	2022	2021
	JD	JD
United Nations Office for Crime and Drugs Fund - (UNODC)	-	14,706
Membership	160	300
Contributions to cases	107	382
Local donations	-	858
Other	37	1,336
Total	304	17,582

16 Litigations

According to the lawyer's letter:

- There is a case filed by the Society against others with a value of JD 10,000 and this case is still pending before the competent courts.

17 Contingent Liabilities

There are contingent liabilities on the Society represented by a bank guarantee of JD 500 and a cash insurance of the same value.

18 Tax Status

According to the opinion of the Society's tax advisor:

Income Tax

- The Society is committed to submit income tax returns until the year 2021 in accordance with the regulations.
- The Society has been audited by the Income and Sales Tax Department until 2021, and the tax returns have been accepted without amendment.
- The surplus achieved by the Society is exempted from income tax, as it is a non-profit charitable Society.

Sales Tax

The Society is not registered within the general sales tax network as its revenues are exempt from sales tax, and the Society does not operate in any activity that is subject to general sales tax.

19 Financial Risks Management

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

- Credit risks.
- Liquidity risks.
- Market risks.

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

The policies and risk management systems are reviewed periodically to reflect the changes happening in the market and the activities of the Society.

The Society management aims through its set trainings, standards and procedures to improve a developing and organized control environment in which each employee understands his assigned role and responsibilities.

Credit Risks

Credit risk is the risk of financial loss to the group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's cash at banks 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 financial statements are as follows:

	2022	2021
	JD	JD
Cash at banks	45,786	43,703
Other debit balances	11,170	9,774
Total	56,956	53,477

Liquidity Risks

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.
The Society is keen to have enough cash to cover the expected operating expenses, including covering financial obligations but without any potential impact of harsh and unpredictable conditions such as natural disasters. In addition, the Society maintains a source of credit from the banks it usually deals with to face any sudden financial needs.

The following are the contractual maturities of the financial liabilities:

Non-Derivative Financial Liabilities

	Book Value	Contracted Cash Flow	Less than One Year	More than One Year
	JD	JD	JD	JD
2022	216,671	(216,671)	(216,671)	-
Other credit balances	10,000	(10,000)	-	(10,000)
Due to related parties	226,671	(226,671)	(216,671)	(10,000)
2021				
Other credit balances	19,417	(19,417)	(19,417)	-
Total	19,417	(19,417)	(19,417)	-

Market Risks

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 Risks

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 2022.

21 Comparative figures

Some of the comparative figures for the year 2021 were reclassified to align with the classification for the year 2022, and this reclassification did not result in any impact on the revenues, expenses and changes in the retained surplus for the Society in the year 2021.