**INSTITUTE OF BANKING STUDIES**

**(INDEPENDENT ENTITY FINANCIALLY AND ADMINISTRATIVELY)**

**(NOT-FOR-PROFIT - ORGANISATION)**

**FINANCIAL STATEMENTS**

**31 DECEMBER 2024**

Building a better
working world

**ERNST & YOUNG JORDAN**
P.O. Box 1140
Building No. 300
King Abdullah Street
Amman 11118
Hashemite Kingdom of Jordan

Tel: +962 6 552 6111
+962 6 552 7666
Fax: +962 6 553 8300
amman@jo.ey.com
ey.com
C.C.R. No. 101

**INDEPENDENT AUDITOR'S REPORT**
**To the Chairman and Board Members of Institute of Banking Studies**
**Amman - Jordan**

## Report on the Audit of the Financial Statements

### Opinion

We have audited the financial statements of Institute of Banking Studies (the "Institute"), which comprise the statement of financial position as at 31 December 2024, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Institute as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Institute in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with 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 and the IESBA Code. 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), 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 Institute'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 Institute or to cease operations, or has no realistic alternative but to do so.

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

**Auditor's Responsibilities for the Audit of the Financial Statements**

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

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional 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 Institute'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 Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Institute 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 Institute maintains proper books of accounts which are in agreement with the financial statements.

Amman - Jordan
5 May 2025

ERNST & YOUNG
Amman - Jordan

**INSTITUTE OF BANKING STUDIES**
**STATEMENT OF FINANCIAL POSITION**
**AS AT 31 DECEMBER 2024**

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | JD | JD |
| **Assets** | | | |
| **Non-current assets -** | | | |
| Property and equipment | 6 | 443,006 | 475,473 |
| Intangible assets | 7 | 23,383 | 37,933 |
| Financial assets at amortized cost | 8 | 2,000,000 | 2,000,000 |
| Employees' receivables – long-term | 9 | 327,012 | 295,712 |
| | | 2,793,401 | 2,809,118 |
| **Current assets -** | | | |
| Accounts receivable | 10 | 59,556 | 26,015 |
| Other debit balances | 11 | 73,143 | 81,946 |
| Employees' receivables – short-term | 9 | 14,112 | 12,324 |
| Cash on hand and at banks | 12 | 1,715,392 | 854,688 |
| | | 1,862,203 | 974,973 |
| **Total Assets** | | 4,655,604 | 3,784,091 |
| | | | |
| **Accumulated Surplus and Liabilities** | | | |
| **Accumulated Surplus -** | | | |
| Accumulated surplus | | 2,750,840 | 2,563,857 |
| **Total Accumulated Surplus** | | 2,750,840 | 2,563,857 |
| | | | |
| **Liabilities** | | | |
| **Non-current liabilities -** | | | |
| End of service provision | 13 | 1,235,422 | 1,102,866 |
| Deferred revenues – long-term | 14 | 522,649 | 29,447 |
| | | 1,758,071 | 1,132,313 |
| | | | |
| **Current liabilities -** | | | |
| Accounts payable | 15 | 41,264 | 49,672 |
| Deferred revenues – short-term | 14 | 6,796 | 6,796 |
| Other credit balances | 16 | 98,633 | 31,453 |
| | | 146,693 | 87,921 |
| **Total Liabilities** | | 1,904,764 | 1,220,234 |
| **Total Liabilities and Accumulated Surplus** | | 4,655,604 | 3,784,091 |

**The attached notes from 1 to 22 form part of these financial statements**

**INSTITUTE OF BANKING STUDIES**
**STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | JD | JD |
| Revenues | 17 | 1,928,469 | 1,504,586 |
| Interest income from financial assets at amortized cost | | 146,490 | 146,490 |
| Bank interest income | | 72,395 | 52,094 |
| Amortization of deferred revenues | 14 | 6,796 | 6,796 |
| Gain on sale of property and equipment | | - | 2,333 |
| Other income | | 47,169 | 20,456 |
| **Total revenues** | | 2,201,319 | 1,732,755 |
| General and administrative expenses | 18 | (1,787,721) | (1,469,280) |
| Depreciation of property and equipment | 6 | (79,002) | (64,034) |
| Amortization of intangible assets | 7 | (14,550) | (13,165) |
| End of service provision | 13 | (133,555) | (116,015) |
| Reversal of (provision for) expected credit losses | 10 | 492 | (1,200) |
| **Total expenses** | | (2,014,336) | (1,663,694) |
| **Profit for the year** | | 186,983 | 69,061 |
| Add: other comprehensive income items | | - | - |
| **Total comprehensive income for the year** | | 186,983 | 69,061 |

**The attached notes from 1 to 22 form part of these financial statements**

INSTITUTE OF BANKING STUDIES
STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
FOR THE YEAR ENDED 31 DECEMBER 2024

| | Accumulated surplus | Total |
|---|---|---|
| | JD | JD |
| **For the year ended 31 December 2024** | | |
| Balance as at 1 January | 2,563,857 | 2,563,857 |
| Total comprehensive income for the year | 186,983 | 186,983 |
| **Balance as at 31 December** | 2,750,840 | 2,750,840 |
| | | |
| **For the year ended 31 December 2023** | | |
| Balance as at 1 January | 2,494,796 | 2,494,796 |
| Total comprehensive income for the year | 69,061 | 69,061 |
| **Balance as at 31 December** | 2,563,857 | 2,563,857 |

**The attached notes from 1 to 22 form part of these financial statements**

**INSTITUTE OF BANKING STUDIES**
**STATEMENT OF CASH FLOWS**
**FOR THE YEAR ENDED 31 DECEMBER 2024**

| | Notes | 2024 | 2023 |
|---|---|---|---|
| | | JD | JD |
| **Operating activities** | | | |
| Profit for the year | | 186,983 | 69,061 |
| | | | |
| **Adjustments -** | | | |
| Depreciation of property and equipment | 6 | 79,002 | 64,034 |
| Amortization of intangible assets | 7 | 14,550 | 13,165 |
| End of service provision | 13 | 133,555 | 116,015 |
| Gain on sale of property and equipment | | - | (2,333) |
| Bank interest income | | (72,395) | (52,094) |
| Interest income from financial assets at amortized cost | | (146,490) | (146,490) |
| (Reversal of) provision for expected credit losses | 10 | (492) | 1,200 |
| Amortization of deferred revenues | 14 | (6,796) | (6,796) |
| | | | |
| **Working capital changes:** | | | |
| Accounts receivable | | (33,049) | 3,527 |
| Other debit balances | | 8,803 | (19,441) |
| Employees' receivables | | (33,088) | (33,693) |
| Accounts payable | | (8,408) | (24,273) |
| Other credit balances | | 67,180 | 3,178 |
| Paid from end of service provision | 13 | (999) | (53,164) |
| **Net cash flows from (used in) operating activities** | | 188,356 | (68,104) |
| | | | |
| **Investing activities** | | | |
| Deposit at bank matures in six months | | (921,481) | 22,703 |
| Deferred revenues | | 499,998 | - |
| Purchase of property and equipment | 6 | (46,535) | (92,939) |
| Purchase of intangible assets | 7 | - | (9,500) |
| Bank interest income collected | | 72,395 | 52,094 |
| Proceeds from interest income from financial assets at amortized cost | | 146,490 | 146,490 |
| Proceeds from sale of property and equipment | | - | 2,333 |
| **Net cash flows (used in) from investing activities** | | (249,133) | 121,181 |
| | | | |
| Net (decrease) increase in cash and cash equivalents | | (60,777) | 53,077 |
| Cash and cash equivalents at the beginning of the year | | 132,253 | 79,176 |
| **Cash and cash equivalents at the end of the year** | 12 | 71,476 | 132,253 |

## (1) GENERAL

The Institute of Banking Studies was established by the Central Bank of Jordan together with licensed banks and specialized credit institutions in accorandce with Article (37) D of the Central Bank of Jordan Law No. (23) of 1971 and its amendments, and under Regulation No. (2) of 2015 issued by the Prime Ministry which replaced the Institute's previous Law No. (69) of 1970 and its amendments.

The address of the Institute is Amman - The Hashemite Kingdom of Jordan. P.O. Box 1378 Amman 11953.

The Institute aims to increase the knowledge of workers in the banking and financial sectors and raise their efficiency through holding training courses and scientific seminars and implementing scientific and training programs in cooperation with higher education institutions along with Arab and international banking and financial institutes.

The financial statements were approved by the Board of Directors on 29 April 2025.

## (2) BASIS OF PREPARATION

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).

The financial statements are prepared on a historical cost convention.

The financial statements are presented in Jordanian Dinars (“JD”) which is the functional currency of the Institute.

## (3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

**Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback**
The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no material impact on the Institute’s financial statements.

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no material impact on the Institute's financial statements.

**Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no material impact on the Institute's financial statements.

## (4) MATERIAL ACCOUNTING POLICY INFORMATION

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and impairment allowance, if any. Property and equipment (excluding land) are depreciated when they are ready for use by straight-line method over their expected useful life and at annual rates as follows:

| | % |
|---|---|
| Buildings and improvements | 4-10 |
| Furniture and equipment | 20 |
| Vehicles | 20 |
| Machinery and computers | 10-40 |

When the recoverable amount of any property and equipment is less than its net book value, its value is reduced to recoverable value and the impairment value is recorded in the statement of comprehensive income.

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

Gains or losses on asset disposal (calculated on the basis of the difference between cash receipts and the book value of the excluded asset) are recognized in the statement of comprehensive income upon disposal of the asset.

**Intangible assets**

Intangible assets acquired separately are measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.
Intangible assets with finite lives are amortized over the expected useful life and it is subjected to impairment whenever there is an indication that the intangible asset is value decreased. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each reporting period. The amortization expense is recognised for the intangible assets with finite lives in the statement of profit or loss as part of the expenses. The intangible assets with finite lives are amortized over a useful life of 5 years.

**Accounts Receivable**

Accounts receivable are shown at the value that the Institute expects to achieve for the provision of services provided after deducting provisions for estimated amounts not collected and provisions for expected credit losses. The Institute applies the simplified method for calculating expected credit losses of receivables. In this method, the Institute does not track changes in customers' credit risk but calculates the provision for expected credit losses over the life of the receivables on the financial statements.

**Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand and bank balances that have original maturities of three months or less so that it does not include the risk of change in value. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of bank deposits with maturity of more than 3 months.

**Financial assets at amortized cost**

They are the financial assets that the Institute's management aims to maintain according to its business model to collect contractual cash flows, which are represented by payments of principal and interest on the outstanding debt balance.

Financial assets are recorded at cost upon purchase plus acquisition expenses, the premium/ discount (if any) is amortized by using the effective interest rate method records on the interest or for its account. Any provisions resulted from impairment in its value is deducted and any impairment in its value is recorded in the statement of comprehensive income.

The amount of impairment in the value of financial assets at amortized cost represents the expected credit loss of financial assets at amortized cost.

.

No financial assets may be reclassified from/to this item except in the cases specified in IFRS (in the event that any such asset is sold before its maturity date, the result of the sale shall be recorded in the statement of profit or loss in a separate item and disclosed in accordance with the requirements of IFRS in particular).

**Trade payables and other credit balances**

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

**Provisions**

Provisions are recognized when the Institute has an obligation (legal or actual) as a result of past events, and the cost to settle the obligation are both probable and measured reliably.

**End of service provision**

By virtue of the decision of the Board of Directors held on 27 April 2011, the balance of the end-of-service indemnity fund for the users and employees of the Institute, which was established in the year 2000 as a separate fund to the balances of the Institute to appear in the financial statements as at 31 December 2010, and the provision for end of service indemnity for employees is recognized within the financial statements of the Institute in accordance with International Financial Reporting Standards so that this provision appears as a liability as at the date of the financial statements, taking into account that the accumulated profits from interest are recorded on the deposit for the end of service indemnity fund before 31 January 2010 within the amount calculated as an end of service indemnity allowance for members included in the provision.

**Revenue and expense recognition**

Revenue is recorded in accordance with the 5-step method of the International Financial Reporting Standard No. (15) which includes determining the contract and price, determining the performance obligation in the contract and recognizing revenues based on the performance of the performance obligation.

Income from banks and financial institutions contributions

The amount of the contribution of the Central Bank of Jordan, licensed banks, financial institutions and companies to the expenses of the Institute is represented in accordance with Article 9 of the Institute's statute as follows:

a) The Central Bank, licensed banks, financial institutions and companies contribute to the expenses of the Institute specified in its annual budget after calculating its internal revenues, and the percentage of this contribution shall be as follows:

| | % |
|---|---|
| Central Bank of Jordan | 40 |
| Licensed banks | 55 |
| Financial institutions and companies determined by the Board | 5 |

b) The percentage of the licensed banks' contribution to the Institute's expenses stipulated in paragraph (a) above shall be distributed equally among the licensed banks.

c) The Board shall determine the amount of the contribution of financial institutions and companies in the percentage stipulated in paragraph (a).

d) The Board may decide what it deems appropriate regarding financial surpluses in the percentage exceeding the percentage of the contribution of banks, institutions and financial companies in the expenses of the Institute.

Revenues from training courses
This revenue is recognized when the service is provided and invoiced to customers, which is usually done at a certain point in time.

Master's program revenues
The Institute recognizes the amount expected to be due from the provision of services over time and according to the input method.

Donations
The income of donations and grants is recognized when collected through the comprehensive income statement or recorded as deferred income through the statement of financial position at the desire of the donor.

Interest income is recognized when accrued using the effective interest method.

Expenses are recognized on an accrual basis.

**Foreign currencies**
Transactions in foreign currencies are recorded at the spot rate at the date of the transaction. Financial assets and liabilities denominated in foreign currencies are transferred at the spot rate of exchange at the date of statement of financial positions. Profits and losses resulted from foreign currency translation are recorded in the statement of comprehensive income.

**Offsetting**
Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Institute intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Fair value measurement**
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability in the principal market for the asset or liability. In the absence of a principal market, in the most advantageous market for the asset or liability is used. The principal or the most advantageous market must be accessible to the Institute.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a 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 that would use the asset in its highest and best use.

The Institute uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Institute determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Institute has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy.

**Impairment of financial assets**
The Institute recognizes an allowance for ECLs for all debt instruments not held at fair value through the statement of comprehensive income. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Institute expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if present).

The Institute has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with the simplified approach to calculating credit losses in accordance with International Financial Reporting Standard (9).

**Impairment of non- financial assets**
The Institute assesses at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Institute estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are considered, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are fixed by valuation multiples of traded subsidiaries' share prices or other available fair value indices.

**Classification of current versus non-current**

The Institute presents assets and liabilities in the financial statements based on current / non-current classification. An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle.
- Held primarily for the purpose of trading.
- Expected to be realized within twelve months after the reporting period. or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A current liability is when:

- It is expected to be settled in the normal operating cycle.
- It is held primarily for the purpose of trading.
- It is due to be settled within twelve months after the reporting period. or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current liabilities.

## (5) USE OF ESTIMATES

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and, in particular, require management of the Institute to make important judgments to estimate the amounts and timing of future cash flows resulting from the future conditions and circumstances of such estimates. These estimates are based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

- The provision for expected credit losses on receivables is reviewed according to the simplified method and within the principles and assumptions approved by the Institute's management to estimate the provision to be formed in accordance with the requirements of International Financial Reporting Standards.

- Management estimates the useful lives of tangible and intangible assets in order to calculate the depreciation and amortization depending on the expected useful life of such assets. Moreover, Management annually re-assesses the useful lives of tangible and intangible assets. Future depreciation charges would be adjusted if management assesses that the remaining useful life of these assets differs from previous estimates.

## (6) Property and Equipment

| | Land | Buildings and improvements | Furniture and equipment | Vehicles | Machinery and computers | Total |
|---|---|---|---|---|---|---|
| **2024 -** | JD | JD | JD | JD | JD | JD |
| **Cost:** | | | | | | |
| As at 1 January | 217,593 | 2,125,637 | 163,837 | 70,986 | 631,641 | 3,209,694 |
| Additions | - | 14,427 | 11,263 | - | 20,845 | 46,535 |
| Disposals | - | - | (19,001) | - | (94,045) | (113,046) |
| As at 31 December | 217,593 | 2,140,064 | 156,099 | 70,986 | 558,441 | 3,143,183 |
| | | | | | | |
| **Accumulated depreciation:** | | | | | | |
| As at 1 January | - | 2,049,256 | 111,379 | 29,060 | 544,526 | 2,734,221 |
| Depreciation | - | 8,287 | 13,269 | 11,700 | 45,746 | 79,002 |
| Disposals | - | - | (19,001) | - | (94,045) | (113,046) |
| As at 31 December | - | 2,057,543 | 105,647 | 40,760 | 496,227 | 2,700,177 |
| **Net book value as at 31 December 2024** | 217,593 | 82,521 | 50,452 | 30,226 | 62,214 | 443,006 |

- The cost of fully depreciated property and equipment as at 31 December 2024 amounted to JD 2,494,451 (2023: JD 2,588,951).

| | Land | Buildings and improvements | Furniture and equipment | Vehicles | Machinery and computers | Total |
|---|---|---|---|---|---|---|
| **2023 -** | JD | JD | JD | JD | JD | JD |
| **Cost:** | | | | | | |
| As at 1 January | 217,593 | 2,094,512 | 167,140 | 70,986 | 591,213 | 3,141,444 |
| Additions | - | 31,125 | 21,386 | - | 40,428 | 92,939 |
| Disposals | - | - | (24,689) | - | - | (24,689) |
| As at 31 December | 217,593 | 2,125,637 | 163,837 | 70,986 | 631,641 | 3,209,694 |
| | | | | | | |
| **Accumulated depreciation:** | | | | | | |
| As at 1 January | - | 2,043,390 | 125,876 | 17,360 | 508,250 | 2,694,876 |
| Depreciation | - | 5,866 | 10,192 | 11,700 | 36,276 | 64,034 |
| Disposals | - | - | (24,689) | - | - | (24,689) |
| As at 31 December | - | 2,049,256 | 111,379 | 29,060 | 544,526 | 2,734,221 |
| **Net book value as at 31 December 2023** | 217,593 | 76,381 | 52,458 | 41,926 | 87,115 | 475,473 |

## (7) Intangible Assets

| | Electronic platform | Total |
|---|---|---|
| **2024 -** | JD | JD |
| **Cost:** | | |
| As at 1 January | 88,360 | 88,360 |
| As at 31 December | 88,360 | 88,360 |
| | | |
| **Accumulated amortization:** | | |
| As at 1 January | 50,427 | 50,427 |
| Amortization for the year | 14,550 | 14,550 |
| As at 31 December | 64,977 | 64,977 |
| **Net book value as at 31 December 2024** | 23,383 | 23,383 |
| | | |
| **2023 -** | | |
| **Cost:** | | |
| As at 1 January | 78,860 | 78,860 |
| Additions | 9,500 | 9,500 |
| As at 31 December | 88,360 | 88,360 |
| | | |
| **Accumulated amortization:** | | |
| As at 1 January | 37,262 | 37,262 |
| Amortization for the year | 13,165 | 13,165 |
| As at 31 December | 50,427 | 50,427 |
| **Net book value as at 31 December 2023** | 37,933 | 37,933 |

## (8) Financial Assets at Amortized Cost

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Financial assets for which market prices are not readily available: | | |
| Treasury Bonds – Government of the Hashemite Kingdom of Jordan | 2,000,000 | 2,000,000 |
| | 2,000,000 | 2,000,000 |

- The annual interest rate on the bonds amounted to 7.3% during the years 2024 and 2023 and these bonds mature during 2032.

## (9) Employees' Receivables

This item represents advances granted to staff under the principles of granting advances from the end of service provision to the Institute's staff. The details of employees' receivables are as follows:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Employees' receivables – short-term | 14,112 | 12,324 |
| Employees' receivables – long-term | 327,012 | 295,712 |
| | 341,124 | 308,036 |

## (10) Accounts Receivable

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Trade receivables | 60,264 | 27,215 |
| Provision for expected credit losses* | (708) | (1,200) |
| | 59,556 | 26,015 |

* Movements on the provision for expected credit losses during the year were as follows:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Balance at 1 January | 1,200 | - |
| (Reversal of) provision for expected credit losses | (492) | 1,200 |
| Balance at 31 December | 708 | 1,200 |

As at 31 December, the aging analysis of trade receivables was as follows:

| | 1 – 30 days | 31 – 90 days | 91 – 180 days | 181 – 364 days | More than 365 days | Total |
|---|---|---|---|---|---|---|
| | JD | JD | JD | JD | JD | JD |
| **2024** | 44,553 | 12,137 | 1,906 | 960 | - | 59,556 |
| **2023** | 10,631 | 7,149 | 7,435 | 800 | - | 26,015 |

## (11) Other Debit Balances

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Accrued revenues | 44,007 | 53,509 |
| Prepaid expenses | 21,444 | 18,070 |
| Refundable cash deposits | 300 | 300 |
| Other debit balances | 7,392 | 10,067 |
| | 73,143 | 81,946 |

## (12) Cash on Hand and at Banks

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Cash on hand | 385 | 231 |
| Cash at banks* | 1,715,007 | 854,457 |
| | 1,715,392 | 854,688 |

* This item includes a six-month deposit at an annual interest rate of 5,75% as at 31 December 2024 (31 December 2023: 6.5%).

Cash and cash equivalents in the statement of cash flows consist of the following:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Cash on hand and at banks | 1,715,392 | 854,688 |
| Short-term deposit matures within six months | (1,643,916) | (722,435) |
| | 71,476 | 132,253 |

## (13) End of Service Provision

The movement on the end of service provision during the year is as follows:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Beginning balance | 1,102,866 | 1,040,015 |
| Provision for the year | 133,555 | 116,015 |
| Paid from the provision | (999) | (53,164) |
| Ending balance | 1,235,422 | 1,102,866 |

## (14) Deferred Revenues

The movement on the deferred revenues during the year is as follows:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Beginning balance | 36,243 | 43,039 |
| Additions during the year | 499,998 | - |
| Amortization of revenues for the year | (6,796) | (6,796) |
| Ending balance | 529,445 | 36,243 |

The details of the deferred revenues is as follows:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Deferred revenues – short-term | 6,796 | 6,796 |
| Deferred revenues – long-term | 522,649 | 29,447 |
| | 529,445 | 36,243 |

## (15) Accounts Payable

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Suppliers’ payables | 34,696 | 43,712 |
| Lecturers’ payables | 6,568 | 5,960 |
| | 41,264 | 49,672 |

## (16) Other Credit Balances

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Accrued expenses | 46,239 | 11,886 |
| Unearned revenues | 36,327 | 6,433 |
| Social Security Corporation payables | 8,059 | 7,607 |
| Master's program payables to the University of Jordan | 7,201 | 4,578 |
| Ministry of Finance payables | 424 | 445 |
| Other credit balances | 383 | 504 |
| | 98,633 | 31,453 |

## (17) Revenues

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Training courses revenues | 1,001,024 | 692,232 |
| Banks and financial institutions' contribution | 862,246 | 754,478 |
| Master's program revenue | 65,199 | 57,876 |
| | 1,928,469 | 1,504,586 |

## (18) General and administrative expenses

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Training courses' expenses | 667,139 | 481,958 |
| Salaries and wages | 629,459 | 547,363 |
| Medical treatments | 80,656 | 87,141 |
| Institute contribution in social security | 63,671 | 61,534 |
| Master's program expenses | 56,771 | 51,848 |
| Building maintenance and cleaning | 53,683 | 28,853 |
| Institute contribution in saving fund | 44,462 | 38,889 |
| Board of directors members' transportation allowance | 29,400 | 29,560 |
| Supplies and stationery | 24,964 | 17,362 |
| Machinery and software maintenance | 23,742 | 21,222 |
| Modernization committee expenses | 23,600 | 17,911 |
| Professional fees | 20,035 | 20,035 |
| Official visits and missions | 14,786 | 13,060 |
| Post, telephone, fax and internet | 12,053 | 10,316 |
| Water, electricity and fuel | 8,559 | 9,182 |
| Life and job accident insurance expenses | 7,621 | 10,337 |
| Vehicle expenses | 6,553 | 5,403 |
| Hospitality expenses | 4,541 | 4,778 |
| Building garden expenses | 3,674 | 2,292 |
| Building insurance fees | 1,020 | 1,019 |
| Newspapers and magazines subscriptions | 425 | 425 |
| Books and publications | 191 | 1,837 |
| Others | 10,716 | 6,955 |
| | 1,787,721 | 1,469,280 |

## (19) Related Parties Transactions

Related parties represent the Central Bank, top management and members of the board of directors. Prices and conditions related to these transactions are approved by the Institute's management.

The following is a summary of related parties balances in the statement of financial position:

| | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Financial assets at amortized cost | 2,000,000 | 2,000,000 |
| Bank accounts with the Central Bank | 57,471 | 125,794 |
| End of service provision for top management | 171,532 | 157,358 |

The following is a summary of related parties' transactions in the statement of comprehensive income.

| **Statement of comprehensive income items** | 2024 | 2023 |
|---|---|---|
| | JD | JD |
| Central Bank's contribution in revenues | 328,375 | 278,199 |
| Salaries and benefits of top management | 85,586 | 77,925 |
| Board of Directors transportation allowance | 29,400 | 29,560 |
| End of service provision for top management | 14,174 | 16,903 |

## (20) Income and Sales Tax

The institute is exempt from income tax as it is a non-profit organization in accordance to Article (4) of Income Tax Law No (34) for the year 2014 and its amendments, and the institute is exempt from general sales tax since its education and training services are exempted from sales tax under schedule (3) attached to General Sales Tax Law No (6) for the year 1994 and its amendments.

## (21) Risk Management

### 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 Institute is exposed to interest rate risk on its assets and liabilities that carry a variable interest rate such as deposits.

The statement of comprehensive income sensitivity is represented by the impact of the potential assumed changes in interest rates on the Institute's profit for one year, which is calculated on the financial assets and liabilities that have a variable interest rate as at 31 December.

The following table summarizes the sensitivity analysis for the changes in the interest rates as of 31 December with all other variables held constant:

| **2024 -** | Increase in interest rate | Effect on profit for the year |
|---|---|---|
| Currency | % | JD |
| JD | 1 | 16,439 |

| **2023 -** | Increase in interest rate | Effect on profit for the year |
|---|---|---|
| Currency | % | JD |
| JD | 1 | 7,224 |

### Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The institute believes that it is not highly exposed to credit risks. The Institute seeks to limit its credit risk with respect to customers by setting credit limits for customers and monitoring outstanding receivables and with respect to banks by only dealing with reputable banks.

**Liquidity risk**
Liquidity risk is represented by the possibility that the Institute may not be able to meet its liabilities when due.

The Institute limits its liquidity risk by ensuring sufficient liquidity is available.

Management of the Institute believes that it maintains the liquidity required to meet its obligations when they fall due for at least one year from the date of the financial statements.

The table below summarizes the maturities of the Institute's financial liabilities (undiscounted) as at 31 December 2024 and 2023, based on contractual payment dates and current market interest rates.

| | Less than one year | More than one year | Total |
|---|---|---|---|
| **31 December 2024 -** | JD | JD | JD |
| End of service provision | - | 1,235,422 | 1,235,422 |
| Accounts payable | 41,264 | - | 41,264 |
| Other credit balances | 62,306 | - | 62,306 |
| | 103,570 | 1,235,422 | 1,338,992 |

| | Less than one year | More than one year | Total |
|---|---|---|---|
| **31 December 2023 -** | JD | JD | JD |
| End of service provision | - | 1,102,866 | 1,102,866 |
| Accounts payable | 49,672 | - | 49,672 |
| Other credit balances | 25,020 | - | 25,020 |
| | 74,692 | 1,102,866 | 1,177,558 |

**Currency risk**

Foreign currency risk is the risk arising from the change in the foreign currency prices.

The majority of the Institute's transactions are in Jordanian Dinars. Accordingly, there is no significant currency risk on the financial statements.

## (22) Standards Issued But Not Yet Effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Institute's financial statements are disclosed below. The Institute intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Amendments to the Classification and Measurement of Financial Instruments—Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The Institute is currently not intending to early adopt the amendments.

**Lack of exchangeability – Amendments to IAS 21**

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Institute's financial statements.

**IFRS 18 Presentation and Disclosure in Financial Statements**
In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.
It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the comprehensive income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

**IFRS 19 Subsidiaries without Public Accountability: Disclosures**
In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

The amendments are not expected to have a material impact on the Institute's financial statements.