

PARTNERS - JORDAN  
LIMITED LIABILITY COMPANY  
AMMAN - JORDAN  
BALANCE SHEET AS OF DECEMBER 31,

	<u>Note</u>	<u>2006</u>	<u>2005</u>
		JD	JD
<b>Assets</b>			
<b>Current Assets:</b>			
Cash and cash equivalent		17,353	323
Accounts Receivable		1,667	-
Other debit balances	3	3,705	4,251
Total Current Assets		<u>22,725</u>	<u>4,574</u>
<b>Fixed Assets:</b>			
Property , plant and equipment - Net	4	18,613	20,573
Total Assets		<u>41,338</u>	<u>25,147</u>
<b>Liabilities and Owners' Equity</b>			
<b>Current Liabilities:</b>			
Accounts payable		1,197	-
Other credit balances		988	1,138
Accrued expenses	5	-	2,677
Total Current Liabilities		<u>2,185</u>	<u>3,815</u>
<b>Owners' Equity</b>			
Paid In- Capital	6	30,000	15,925
Accumulated surplus		9,153	5,407
Total Owners' Equity		<u>39,153</u>	<u>21,332</u>
Total Liabilities and Owners' Equity		<u>41,338</u>	<u>25,147</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS

PARTNERS - JORDAN  
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STATEMENT OF INCOME FOR THE PERIOD

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	<u>Note</u>	<u>For the year ended December 31, 2006</u>	<u>From October 24 to December 31, 2005</u>
		JD	JD
<b>Revenues:</b>			
Donations revenue	7	130,516	63,380
Projects revenue		11,765	-
Training courses revenue		6,159	-
Total revenue		<u>148,440</u>	<u>63,380</u>
Less: Projects expenses	8	<u>(24,347)</u>	<u>13,204</u>
Total surplus		124,093	50,176
Less: General and administrative expenses	9	<u>(120,347)</u>	<u>(44,769)</u>
Net Surplus		<u>3,746</u>	<u>5,407</u>

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PARTNERS - JORDAN  
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STATEMENT OF CASH FLOWS FOR THE PERIOD

	For the year ended December 31, 2006	From October 24 to December 31, 2005
	JD	JD
Cash Flows from Operating Activities:		
Net Surplus	3,746	5,407
Adjustments:		
Depreciation expenses	4,790	2,202
Adjusted surplus	8,536	7,609
(Increase) in Accounts receivable	(1,667)	-
Decrease (Increase) in other debit balances	546	(4,251)
Increase in accounts payable	1,197	-
(Decrease) Increase in other credit balances	(150)	1,138
(Decrease) Increase in accrued expenses	(2,677)	2,677
Net Cash Flows from Operating Activities	5,785	7,173
Cash Flows From Investing Activities:		
Acquisition of fixed assets	(2,830)	(22,775)
Net Cash Flows used in Investment Activities	(2,830)	(22,775)
Cash Flows From Financing Activities:		
Paid In - Capital	14,075	15,925
Net Cash Flows From Financing Activities	14,075	15,925
Increase in cash and cash equivalent	17,030	323
Cash and cash equivalent – beginning of the period	323	-
Cash and cash equivalent – end of the period	17,353	323

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PARTNERS - JORDAN  
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STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

	<u>Paid In- Capital</u>	<u>Accumulated Surplus</u>	<u>Total</u>
	JD	JD	JD
<u>For the Period From October 24 to December 31, 2005</u>			
Beginning balance	-	-	-
Changes during the period	15,925	5,407	21,332
Ending Balance	<u>15,925</u>	<u>5,407</u>	<u>21,332</u>
 <u>For the Period From October 24 to December 31, 2006</u>			
Beginning balance	15,925	5,407	21,332
Changes during the period	14,075	3,746	17,821
Ending Balance	<u>30,000</u>	<u>9,153</u>	<u>39,153</u>

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NOTES TO FINANCIAL STATEMENTS

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1. General

Partners – Jordan Company for training was established in Jordan in October 24,2005 in accordance with the Companies Law number (22) of 1997, and registered as a Limited Liability Company (Non-Profit Organization) under registration number (105) on October 24, 2005.

Company's objectives include :

- Acquisition of movable and non movable assets.
- Management Consulting Services.
- Obtaining bank loans if needed.
- Conducting training courses without issuing certificates.

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2. Significant Accounting Policies :

The financial statements are prepared in accordance with International Financial Reporting Standards and related interpretations. The more Significant accounting policies followed by the Company are as follows:

***Property, Plant and Equipment:***

Property, plant and Equipment are presented in the balance sheet at cost net of accumulated depreciation and impairment losses,(if any). Depreciation of property, plant and equipment is calculated based on their estimated useful lives using the straight-line method, with annual depreciation rates of % 15- 20.

***Donations Revenues:***

Donations are recognized as revenues when received.

***Foreign Currency Translation:***

Transactions in foreign currencies are translated into Jordanian Dinar at the rates of exchange prevailing at the date of the transaction.

Financial assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar at the exchange rates prevailing at year end. Exchange gains and losses resulting there from are taken to the statement of income.

***Cash and Cash Equivalent:***

Cash and cash equivalents include cash at banks.

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3. Other Debit Balances:

This item consists of the following:

	<u>2006</u>	<u>2005</u>
	JD	JD
Prepaid rent expenses	2,541	2,492
Prepaid subscriptions fees	348	348
Other debit balances	816	1,411
	<u>3,705</u>	<u>4,251</u>

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4. Property ,Plant and Equipment:

The details of this item as December 31,2006 as Follows:

	<u>Furniture</u>	<u>Decorations</u>	<u>Air conditions and heater</u>	<u>Office Equipment and Telecommunication</u>	<u>Computers</u>	<u>Total</u>
	JD	JD	JD	JD	JD	JD
Cost :						
Beginning Balance	3,645	1,740	2,205	3,499	11,686	22,775
Additions	133	-	-	1,479	1,218	2,830
Disposals	-	-	-	-	-	-
Ending Balance	<u>3778</u>	<u>1,740</u>	<u>2,205</u>	<u>4,978</u>	<u>12,904</u>	<u>25,605</u>
Accumulated Depreciation :						
Beginning Balance	182	131	165	263	1,461	2,202
Additions	378	261	331	746	3,074	4,790
Disposals	-	-	-	-	-	-
Ending Balance	<u>560</u>	<u>392</u>	<u>496</u>	<u>1,009</u>	<u>4,535</u>	<u>6,992</u>
Net book value	<u><u>3,218</u></u>	<u><u>1,348</u></u>	<u><u>1,709</u></u>	<u><u>3,969</u></u>	<u><u>8,369</u></u>	<u><u>18,613</u></u>

5. Accrued Expenses:

This item represents the accrued salaries as of December 31, 2006.



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6. Capital :

▪ Registered Capital

The registered capital consists of 30,000 shares of 1 JD per share allocated as follows:

	<u>Number of shares</u>
Dina Abd Allah Dukhqan	15,000
Sa'ed Darweesh Yousef Karajah	15,000
	<u>30,000</u>

▪ Paid In – Capital

All partners shares in the amount of 30,000 JD has been paid from donations granted to the company from Partners of Democratic Changes. Also Sa`ed karajeh has transferred in 5/3/2006 JD 7,500 of his shares to other parties ( Laith Marwan).

▪ Subsequent Events

In 5/3/2006, Dina Abdullah Dukhqan transferred all of her shares in the capital to other parties (Reymon Shnohalten, Reem Mamdoh ) Accordingly, the shares are reallocated among the following partners as follows:

	<u>Number of shares</u>
Sa'ed Darweesh Yousef Karajah	7,500
Laith Marwan Sedqe AL Qasem	7,500
Reymon Shnohalten	7,500
Reem Mamdoh Abu Hassan	7,500
	<u>30,000</u>

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7. Donations' Revenues:

This item represents donations granted to the Company by the Partners of Democratic Changes during 2006 in the amount of JD 144,591 Out of the donations received, an amount of JD 14,075 was accounted for as capital Donations are for predefined objectives.

8. Projects Expenses - Training Courses:

This item represents the cost incurred in conjunction with the training courses conducted in 2006 (Coordination Planning Project and Network of Democrats in the World).

	<u>2006</u>	<u>2005</u>
	JD	JD
Coordination planning project	5,709	13,204
Masaq project	10,635	-
Network Democrats in the World project	1,165	-
Training courses	2,484	-
Trainer`s wages	4,354	-
	<u>24,347</u>	<u>13,204</u>

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9. General and Administrative Expenses :

	<u>2006</u>	<u>From October 24 to December 31,2005</u>
	JD	JD
Wages and salaries	59,583	23,969
Organization`s share in social scanty	5,956	-
Travel	15,066	3,104
Hospitality and Cleaning	8,078	1,255
Advertising	5,023	-
Depreciation	4,790	2,201
Rent	6,169	3,488
Transportation	1,963	576
Professional and legal fees	1,892	2,464
Softwares	1,637	-
Communication	1,838	1,239
Stationery	1,600	2,037
Subscriptions fees	1,148	547
Miscellaneous	1,435	686
Licenses and fees	432	1,018
Maintenance	382	605
Insurance	953	588
Utilities	575	537
Bank charges	368	455
Translation	1,459	-
	<u>120,347</u>	<u>44,769</u>

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