

Aman Union
Special purpose financial statements
For the year ended December 31, 2024
And Independent auditors' report

Aman Union

Special purpose financial statements for the year ended December 31, 2024

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Independent auditors' report

To: The General Assembly of Aman Union ("The Union")

Opinion

We have audited the special purpose financial statements of Aman Union managed by The Islamic Corporation for the insurance of Investment and Export Credit ("The Union"), which comprise the special purpose statement of financial position as of December 31, 2024, and special purpose statement of income and retained funds, and special purpose statement of cash flows for the financial year then ended, and notes to the special purpose financial statements Including a summary of significant accounting policies.

In our opinion, the accompanying special purpose financial statements present fairly, in all material respects, the financial position of Aman Union ("The Union") as of December 31, 2024, and its financial performance and its cash flows for the financial year then ended in accordance with accounting policies set out in Note (2) to the special purpose financial statements.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") which are in Saudia Arabia. Our responsibilities under those standards are further described in the Auditors' responsibilities for the Audit of the Special purpose Financial Statements section of our report. We are independent of Aman Union ("The Union") in accordance with the ethical requirements that are relevant to our audit of the special purpose financial statements in Saudia Arabia, 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.

Emphasis of Matter "Basis of Accounting and Restriction on Distribution and Use"

- We draw attention to Note (2) to the special purpose financial statements which describes the basis of accounting.
- The special purpose financial statements are prepared to provide information to the Administrator and Members. As a result, the special purpose financial statements may not be suitable for another purpose. Our audit report is intended solely for the Administrator and Members and should not be used by parties other than them. Our opinion is not modified in respect of this matter.

Responsibilities of the Administrator for the Special Purpose Financial Statements

The Administrator is responsible for the preparation and fair presentation of the special purpose financial statements in accordance with the accounting policies set out in the note (2) to the special purpose financial statements and the establishment Agreement, and for such internal control as Administrator determines is necessary to enable the preparation of special purpose financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the special purpose financial statements, Administrator is responsible for assessing **Aman Union ("The Union")**'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 Administrator either intends to liquidate the Aman Union ("The Union") or to cease operations, or has no realistic alternative but to do so.

The Administrator is responsible for overseeing the Aman Union ("The Union") financial reporting process.

Auditors' Responsibilities for the Audit of the Special Purpose Financial Statements.

Our objectives are to obtain reasonable assurance about whether the special purpose financial statements as a whole are free from material misstatement whether due to fraud or error and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs which are endorsed in Saudia Arabia 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 be expected to influence the economic decisions of users taken on the basis of these special purpose financial statements.

As part of the audit in accordance with ISAs which are endorsed in Saudia Arabia, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the special purpose 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 Aman Union ("The Union")'s internal control.

- 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 Aman Union ("The Union")'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 special purpose 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 Aman Union ("The Union") to cease to continue as a going concern.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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.

Walid Abdullah Temairik

License No. 338

Jeddah

Date: 00/00/2025

Aman Union (The "Union")

Special purpose statement of financial position as of :

In USD

	Note No.	31/12/2024	31/12/2023
Assets			
Current assets			
Cash and cash equivalents	3	847,271	753,470
Due from related parties	4	2,250	2,250
Total assets		849,521	755,720
Liabilities			
Accrued expenses	5	96,323	55,301
Due to related parties	4	3,494	3,725
Total liabilities		99,817	59,026
Retained funds and equity			
Unrestricted funds		749,704	696,694
Total retained funds and equity		749,704	696,694
Total liabilities and retained funds and equity		849,521	755,720

The accompanying notes from No. (1) to No. (9) form an integral part of these special purpose financial statements

Aman Union (The "Union")

Special purpose statement of income and retained funds

For the year ended December 31, :

In USD

	<u>Note No.</u>	<u>2024</u>	<u>2023</u>
Revenue			
Membership fees	6	119,042	84,272
Other income		230	75
Total revenue		<u>119,272</u>	<u>84,347</u>
Expenses			
General and administrative expenses	7	(66,262)	(31,533)
Total expenses		<u>(66,262)</u>	<u>(31,533)</u>
Net movement in funds		<u>53,010</u>	<u>52,814</u>
Retained funds at the beginning of the year		696,694	643,880
Net movement in funds during the year		<u>53,010</u>	<u>52,814</u>
Retained funds at the end of the year		<u>749,704</u>	<u>696,694</u>

The accompanying notes from No. (1) to No. (9) form an integral part of these special purpose financial statements

Aman Union (The "Union")

Special purpose statement of cash flows

For the year ended December 31, :

In USD

	2024	2023
<u>Cash flows from operating activities</u>		
Increase in net assets during the year	53,010	52,814
Adjustments for :		
Accrued expenses	41,022	25,001
Due to related parties	(231)	(75)
Net cash provided by operating activities	93,801	77,740
Net increase in cash and cash equivalents	93,801	77,740
Cash and cash equivalents at 1 January	753,470	675,730
Cash and cash equivalents at 31 December	847,271	753,470

The accompanying notes from No. (1) to No. (9) form an integral part of these special purpose financial statements

1. Incorporation of the Union

Aman Union (The "Union") was established on 28 October 2009. The objective of the Union is to develop the commercial and non-commercial risk insurance industry in Member Countries through the following:

- Encouraging the development of the existing and established new national export agencies across the member countries.
- The development of prudent and transparent commercial and non-commercial risks insurance and re-insurance industry by introducing, adopting, and adhering to the international standards of industry.
- Encouraging the cooperation between the member countries, and providing any technical support or service required by member countries.
- Encouragement of exchanging information, technical assistance, expertise, and consultation in relation to commercial and non-commercial risks insurance and reinsurance across the member countries.
- Providing training service to member countries to improve theoretical knowledge.
- Carrying out studies and research, issuance of bulletins and publications and organizing forums and conferences pertaining to commercial and non-commercial risks insurance industry.
- Cooperation with other non-member national entities and institutional operation in commercial and non-commercial risks insurance industry to support the objective of the Union.
- In accordance with the Union's establishment agreement, the administration of the Union is rotated between the members of the Union every two years. On 22 February 2022 "The Islamic Corporation for the insurance of Investment and Export Credit" became the Union's Administrator. As of 31 December 2024, there are 39 members of the Union.

2. Significant accounting policies

2.1. Basis of preparation

The special purpose financial statements of AMAN UNION have been prepared under the historical cost convention.

These special purpose financial statements have been prepared in accordance with the accounting policies of AMAN UNION and for the information of members and Administrator only and it should not be used by the Administrator and members for any other purpose and should not be distributed to any other parties.

2.2. Functional and presentation currency

The special purpose financial statements have been presented in ("USD"), which is the Union's functional and presentation currency.

2.3. Use of estimates

The preparation of special purpose financial statements in conformity with accounting policies of the Union requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of membership fee and expenses during that period. Although these estimates are based on the Administrator's best knowledge of current events and actions, actual results ultimately may differ from those estimates.

2.4. Cash at bank

Cash at bank comprise entirely of cash at bank.

2.5. Provisions

Provisions are recognized when the Union has a present obligation (legal or constructive) because of a past event, it is probable that the Union will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

2.6. Accrued expenses

Accrued expenses are stated at cost in the statement of special purpose financial position for service rendered to the Union.

2.7. Contributions

The Union reports contribution of cash as unrestricted contributions if these are received by any stipulation by the contributors.

2.8. Membership fees

Membership fees are recognized on a cash basis.

2.9. Expenses

Expenses are recognized on an accrual basis.

2.10. Foreign currency translation

Foreign currency transactions are translated into USD at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the financial position date are translated into USD at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the statement of revenue and expenses.

Aman Union (The "Union")**Notes to the special purpose financial statements for the year ended December 31, 2024****In USD****3. Cash and cash equivalents**

In USD	2024	2023
Cash at the bank	847,271	753,470
	847,271	753,470

4. Related parties' balances and transactions

Related parties represent principal incorporators of the Union. The transactions carried out with the related parties are in the ordinary course of business. Balances and transactions are as follows:

In USD	2024	2023
Due from related parties:		
Aman Union Database Center	2,250	2,250
	2,250	2,250
Due to related party:		
Aman Union Database Center	3,494	3,725
	3,494	3,725

5. Accrued expenses

In USD	2024	2023
Meetings expenses	88,003	50,465
Advances from Members	2,200	-
Audit fees	6,120	4,600
Website hosting fees	-	236
	96,323	55,301

6. Membership fees

Membership fees represent membership fees collected from subscribers based on the status of membership.

In USD	2024	2023
Collected membership fees	119,042	84,272
	119,042	84,272

7. General and administration expenses

In USD	2024	2023
Annual meeting expenses *	60,000	26,363
Website hosting	-	235
Audit fees	6,120	4,600
Bank Charges	142	335
	66,262	31,533

* Annual meeting expenses have been approved by the executive council meeting held on 27 April 2024. general

8. Financial risk management

8-1 Foreign currency risk

Foreign currency risk is the risk that the value of financial instruments will fluctuate due to changes in foreign exchange rates. The Union is subject to fluctuations in foreign exchange rates in the normal course of its business. The Union did not undertake significant transactions in foreign currencies during the year.

8-2 Credit risk

Credit risk is the risk that one party will fail to discharge an obligation and will cause the other party to incur a financial loss. The Union seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivable. At the financial position date, no significant concentrations of credit risk were identified by the Administrator.

8-3 Liquidity risk

Liquidity risk is the risk that the Union will not be able to meet its commitments associated with financial instruments as they become due. The Union monitors its liquidity needs on a monthly basis and limits its liquidity risk by ensuring adequate cash is available.

8-4 Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future profitability or the fair values of financial instruments. The Union is not subject to interest rate risk as there are no assets or liabilities subject to interest rate risk.

8-5 Fair value of financial instrument

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable willing parties in an arm's length transaction. The Union's financial assets consist of due from related parties and cash at bank, its financial liabilities consist of accrued expenses and a due to related party.

The fair values of financial instruments are not materially different from their carrying values.

9. Approving the financial statements

These financial statements were authorised for issue by the administrator on 00/00/2025.