

**Al-Quds Ready Mix Supplies  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan**

**Consolidated financial statements  
and independent auditor's report  
for the year ended December 31, 2023**

**Al-Quds Ready Mix Supplies**  
**Public Shareholding Company**  
**Amman – The Hashemite Kingdom of Jordan**

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## Independent Auditor's Report

To Messrs. Shareholders  
Al-Quds Ready Mix Supplies  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan

### Report on the Audit of the consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of Al-Quds Ready Mix Supplies (Public Shareholding Company), which comprise the consolidated statement of financial position as at December 31, 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

#### Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated financial statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, 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.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.







Notes to the consolidated financial statements for the year ended December 31, 2023

**Expected credit losses allowance**

The company has adopted the requirement of expected credit losses for International Financial Reporting Standard No. (9). The allowance for expected credit losses amounting to JD 1,476,473 as at December 31, 2023.

**Scope of audit**

We conducted comprehensive assessment to identify the key controls used to determine expected credit losses, data collection and completeness, and related estimates and assumptions used by management, and we have tested key control systems on the modeling process.

**Investment property impairment**

According to the requirements of the International Financial Reporting Standards, investment property is initially recorded at the cost that includes transaction costs, an impairment test is made for the value at which the investment property appears in the consolidated statement of financial position, when any events or changes in circumstances indicate that this value is not recoverable, impairment losses are recognized according to the asset's impairment policy.

**Scope of audit**

Our audit procedures included, among other things, obtaining an evaluation of certified real estate experts, to help us determine the market value, of these investment property at the date of the consolidated financial statements report.

**Other Information**

Management is responsible for the other information. The other information comprises the [information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.]

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

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





### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 International Standards on Auditing (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 consolidated financial statements.

As part of an audit in accordance with International Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated 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 Company'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 Company'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 consolidated 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 Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate and its evidence regarding, the consolidated financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Notes to the consolidated financial statements for the year ended December 31, 2023

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

**Report on Other Legal and Regulatory Requirements**

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International



Aziz Abdelkader  
(License # 867)

Amman, January 28, 2024

Al-Quds Ready Mix Supplies  
Public Shareholding Company  
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2023

	Note	2023	2022
		JD	JD
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, plant and equipment	3	4,210,292	3,879,971
Investment property - lands	4	2,439,549	2,439,549
Investment in an associate	5	1	1
Investment in financial asset at fair value through other comprehensive income	6	3,381,302	3,161,967
Due from related parties - non-current	9	110,593	115,258
<b>Total Non-current Assets</b>		<b>10,141,737</b>	<b>9,596,746</b>
<b>Current Assets</b>			
Inventory	7	222,981	347,666
Other debit balances	8	71,905	115,435
Checks under collection and on hand		3,147,678	3,114,203
Checks under collection - related parties	9	301,203	-
Due from related parties	9	446,554	127,908
Trade receivables	10	2,054,201	1,917,058
Cash and cash equivalents	11	118,018	86,102
<b>Total Current Assets</b>		<b>6,362,540</b>	<b>5,708,372</b>
<b>TOTAL ASSETS</b>		<b>16,504,277</b>	<b>15,305,118</b>

The attached notes form part of these financial statements



Al-Quds Ready Mix Supplies  
Public Shareholding Company  
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2023

	Note	2023	2022
		JD	JD
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital		7,460,026	7,460,026
Statutory reserve	12	375,714	257,861
Change in fair value of investments in financial assets at fair value through other comprehensive income		(95,059)	(314,394)
Retained earnings	13	1,200,029	148,786
<b>Net Equity</b>		<b>8,940,710</b>	<b>7,552,279</b>
<b>Liabilities</b>			
<b>Noncurrent liabilities</b>			
Loan-non-current	14	223,467	578,104
<b>Current Liabilities</b>			
Deferred checks		-	81,999
Deferred checks - related parties	9	1,332,649	1,555,062
Other credit balances	15	427,464	295,706
Banks overdraft	16	2,308,021	2,286,798
Loan-current	14	420,768	420,768
Trade payables	17	1,812,354	1,284,767
Due to related parties	9	1,038,844	1,249,635
<b>Total Current Liabilities</b>		<b>7,340,100</b>	<b>7,174,735</b>
<b>Total Liabilities</b>		<b>7,563,567</b>	<b>7,752,839</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>16,504,277</b>	<b>15,305,118</b>

The attached notes form part of these financial statements

**Al-Quds Ready Mix Supplies**  
**Public Shareholding Company**  
**Amman – The Hashemite Kingdom of Jordan**

**Consolidated statement of comprehensive income for the year ended December 31, 2023**

	Notes	2023	2022
		JD	JD
Net sales		12,726,385	8,494,509
Cost of sales	18	(10,500,471)	(7,626,485)
<b>Gross profit</b>		<b>2,225,914</b>	<b>868,024</b>
Other revenues	19	85,798	55,472
Provision for slow moving spare parts		(50,000)	-
Share of profit of an associate	5	(5,032)	(2,915)
Selling and distribution expenses	20	(67,289)	(69,208)
Administrative expenses	21	(492,882)	(386,665)
Bank interest and commission expenses		(341,181)	(312,835)
Expected credit losses		(160,000)	(30,000)
<b>Profit before tax</b>		<b>1,195,328</b>	<b>121,873</b>
Income tax for previous years		(26,232)	-
<b>Profit</b>		<b>1,169,096</b>	<b>121,873</b>
<b>Other comprehensive income</b>			
Change in fair value of investment in financial asset at fair value through other comprehensive income		219,335	(42,186)
<b>Total comprehensive income</b>		<b>1,388,431</b>	<b>79,687</b>
Earnings per share	22	JD 0/157	JD 0/016

The attached notes form part of these financial statements

Al-Quds Ready Mix Supplies  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of changes in equity for the year ended December 31, 2023

	Capital	Statutory reserve	Change in fair value of investments in financial assets at fair value through other comprehensive income	Retained earnings	Total equity
	JD	JD	JD	JD	JD
Balance as at January 1, 2022	7,460,026	245,113	(276,765)	45,141	7,473,515
Comprehensive income	-	-	(42,186)	121,873	79,687
Statutory reserve	-	12,748	-	(12,748)	-
Selling of financial assets at fair value through other comprehensive income			4,557	(5,480)	(923)
Balance as at December 31, 2022	7,460,026	257,861	(314,394)	148,786	7,552,279
Comprehensive income	-	-	219,335	1,169,096	1,388,431
Statutory reserve	-	117,853	-	(117,853)	-
Balance as at December 31, 2023	7,460,026	375,714	(95,059)	1,200,029	8,940,710

The attached notes form part of these financial statements



Al-Quds Ready Mix Supplies  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of cash flows for the year ended December 31, 2023

	2023	2022
	JD	JD
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Profit before tax	1,195,328	121,873
<b>Adjustments for :</b>		
Depreciation	286,081	247,438
Gains from sale of property, plant and equipment	(7,250)	(12,110)
Share of profit of an associate	5,032	2915
Expected credit losses	160,000	30,000
Provision for slow moving spare parts	50,000	-
Recovery of provision	-	(40,962)
<b>Change in operating assets and liabilities:</b>		
Inventory	74,685	(25,244)
Other debit balances	43,530	(30,593)
Checks under collection and on hand	(33,475)	(1,210,594)
Checks under collection - related parties	(301,203)	-
Due from related parties	(319,013)	41,996
Trade receivables	(297,143)	(363,090)
Deferred checks	(304,412)	863,454
Other credit balances	131,758	46,453
Trade payables	527,587	287,310
Due to related parties	(210,791)	76,776
	<b>1,000,714</b>	<b>35,622</b>
Tax paid for previous years	(26,232)	-
<b>Net cash from operating activities</b>	<b>974,482</b>	<b>35,622</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment	(620,175)	(514,606)
Proceeds from sale of property, plant and equipment	11,023	12,112
Investment in financial asset at fair value through other comprehensive income	-	6,743
<b>Net cash from investing activities</b>	<b>(609,152)</b>	<b>(495,751)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Banks overdraft	21,223	(544,261)
Loans	(354,637)	998,872
<b>Net cash from financing activities</b>	<b>(333,414)</b>	<b>454,611</b>
<b>Net change in cash and cash equivalents</b>	<b>31,916</b>	<b>(5,518)</b>
Cash and cash equivalents - beginning of year	86,102	91,620
<b>Cash and cash equivalents - end of year</b>	<b>118,018</b>	<b>86,102</b>

The attached notes form part of these financial statements

**Al- Al-Quds Ready Mix Supplies**  
**Public Shareholding Company**  
**Amman – The Hashemite Kingdom of Jordan**

Notes to the consolidated financial statements for the year ended December 31, 2023

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**1. General information**

- The company registered as limited liability Company under number (4321) on February 27, 1996 under the name Al-Ramz for Concrete Manufacturing (RMC – Jordan). The General Assembly decided in its extraordinary meeting that was held on March 10, 2003 to change the name of the company to become Al-Quds Ready Mix for Concrete. The Legal status of the company changed to Public Shareholding Company on January 1, 2005 and registered under number (362) on April 28, 2005, the main objective of the company is manufacturing ready mix concrete and real estate investment.
- The financial statement was approved by board of directors, 25 January 2024 and it requires the approval of the General Assembly.

**2. Basis for preparation of financial statements and significant accountant policies**

**2-1 Basis for financial statement preparation**

– **Financial statements preparation framework**

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

– **Measurement bases used in preparing the financial statements**

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

– **Functional and presentation currency**

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

**2-2 Using of estimates**

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, inventory obsolescence, useful lives of depreciable assets, provisions, and any legal cases against the entity.

### 2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
IFRS (17) Insurance Contracts	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: <ul style="list-style-type: none"> <li>• discounted probability-weighted cash flows</li> <li>• an explicit risk adjustment, and</li> <li>• A contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period.</li> </ul>	January 1,2023 (deferred from January 1,2021)
Amendments to IAS (1) and IFRS Practice Statement 2	The amendments to IAS (1) require entities to disclose their material rather than their significant accounting policies.	January 1, 2023.
Amendments to IAS (8)	The amendment to IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors The distinction between accounting policies and changes in accounting estimates is important, because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as the current period.	January 1, 2023.
Amendments to IAS (12)	The amendments introduce an exception to the requirements in the standard that an entity does not recognize and does not disclose information about deferred tax assets and liabilities, an entity applies the exception and the requirement to disclose that it has applied the exception immediately upon issuance of the amendments	January 1,2023



**Standards and Interpretations issued but not yet effective**

Standard number or interpretation	Description	Effective date
IFRS (16) Leases	The amendment clarifies how a seller – lessee subsequently measures sale and lease back transaction.	January 1,2024
Amendments to IAS (1)	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period.  Classification is unaffected by the expectations of the entity or events after the reporting date.	January 1, 2024 (Deferred from January 1, 2022).
Amendments to IAS 1 and IFRS7 regarding supplier finance arrangements	Amendments require entities to provide qualitative and quantitative information about supplier finance arrangements.	January 1,2023

**2-4 Summary of significant accounting policies**

– **Basis of consolidation**

–The financial statement for parent company consists (Al-Quds Ready mix supplies) and its subsidiary it controls:

Company name	Activity	Paid-in capital	Percentage of ownership
		JD	%
Al-Twaheen Real Estate LLC	Real estate investments	30,000	100

–Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.

–Intergroup balances, transactions, income and expenses shall be eliminated between the group (Parent and subsidiary entities) in full.

– **Business combinations**

–As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non – controlling interest in the acquiree. The acquirer shall measure the identifiable assets acquired and liabilities assumed of their acquisition – date fair values, except certain limitations to recognition and measured principles according to IFRS (3). Acquisition – related costs are generally recognized as loss when incurred.

–Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

–(If, after reassessment, the entity's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss).

–The acquirer shall measure any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

– **Property plant and equipment**

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight-line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

<u>Category</u>	<u>Depreciation rate</u>
	%
Building	2
Pumps	7-15
Machinery and equipment	3-10
Vehicles	10-15
Other	10-20

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property, plant and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– **Investment property**

- Investment property is property (land or building- or part of a building- or both):
  - Held by the entity to earn rentals,
  - For capital appreciation, or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
- Investment property is measured initially at its cost, including transaction costs.
- After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- Buildings depreciation charge for each period is recognized in the statement of comprehensive income. Depreciation is calculated on a straight-line basis, which reflects the pattern in which the buildings' future economic benefits are expected to be consumed by the entity over their estimated useful life of 25 years.
- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– **Investments in associates**

- An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies, if the entity holds 20 - 50 percent of the voting power of the investee, it is presumed that the entity has significant influence.
- The entity's investment in its associate is accounted for under the equity method of accounting. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor's share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. The investor's share of those changes is recognized in other comprehensive income of the investor.
- Company's share of any changes in other comprehensive of the investee are presented as a component of other comprehensive income of the entity.
- Intra-entity profit and loss transactions are eliminated to the extent of the investor's interest in the relevant associate.

– **Impairment of non-financial assets**

- At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
- An impairment loss is recognized immediately as loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

– **Financial instruments**

Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.



– Financial assets

- A financial asset is any asset that is:
  - (a) Cash;
  - (b) An equity instrument of another entity;
  - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
  - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
  - Amortized cost.
  - Fair value through other comprehensive income.
  - Fair value through profit or loss.
- A financial asset is measured at amortized cost if both of the following conditions are met:
  - (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
  - (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
  - The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
  - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.
- All other financial assets (excluding financial assets at amortized cost or at fair value through other comprehensive income) are subsequently measured at fair value in profit or loss.
- On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

### Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests' revenues or dividends, are recognized in profit or loss
Financial assets at amortized cost	Are subsequently measured at amortized cost using effective interest's method. – Amortized cost is reduced by impairment losses. – Interests income, gain and loss of foreign exchange and impairment loss are recognized in profit or loss. – Gain and loss from disposal are recognized in profit or loss.
Debts instruments at their value through other comprehensive income	Are subsequently measured at fair value – Interests income is calculated using effective interests' method, gains and losses from foreign exchange, impairment losses are recognized in profit or loss. – Other net gains or losses are recognized in other comprehensive income. – On derecognition, accumulated gains and losses in other comprehensive income are reclassified into profit or loss.
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value with recognition the valuation differences through other comprehensive income (OCI). – Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. – Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.

### Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

### Cash and cash equivalents

Cash comprises cash on hand, current accounts and short-term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

### Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices amount net of allowance for expected credit losses, which represents the collective impairment of receivables.

#### **Impairment of financial assets**

- At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit – impaired. A financial asset is “credit impaired” when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
  - The entity recognizes loss allowance for expected credit loss (ECL) on:
    - Financial assets measured at amortized cost.
    - Debt investments measured at FVOCI.
    - Contract assets.
  - The entity measures loss allowances at an amount equal to lifetime ECLs.
  - Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
  - When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward-looking information.
  - The entity considers a financial asset to be in default when:
    - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
    - The financial asset is more than 360 days past due.
  - Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
  - A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows. The entity writes off the gross carrying amount of the financial asset in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.
- **Financial liabilities**
- A financial liability is any liability that is:
    - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
    - (b) A contract that will or may be settled in the entity's own equity instruments.
  - Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
  - After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
  - Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

#### **Trade payables and accruals**

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

#### **Offsetting financial instruments**

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

– Inventory

- Inventories are measured at the lower of cost and net realizable value.
- Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
- The cost of inventory is assigned by using the weighted-average cost formula.

– Related parties

- Transactions with related parties represent transfer of resources, services, or obligations between related parties.
- Terms and conditions relating to related party transactions are approved by management.

– 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. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
- If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
- In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for reimbursement.
- Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.

– Revenue recognition

- The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer
- Revenue is recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
- Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.

Sale of ready mix concrete

The company sells ready mix concrete to customers through its own sales outlets. And revenue is recognized when the control is transferred and represents the point at which the ready concrete is delivered to the customers at the locations specified for them, and obtained approved receipt vouchers from them and issue the invoice.

Dividend and interest revenue

- Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
- Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

**Lease contracts**

The entity assesses at the commencement date of the lease agreement whether the contract is a lease or includes a lease agreement. And if the contract is in whole or in part transfer the right to control the use of a specific asset from one party to another for a specified period of time in exchange for a consideration, the entity recognizes the right-of- use assets and lease liability with the exception of low value and for short term leases (i.e. those with a lease term of 12 months or less) in which the entity recognizes the lease payments as operating expenses on either a straight-line basis over the lease term or another systematic basis is more representative of the time period to depreciate the economic benefits of the leased assets

– **Borrowing costs**

- Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
- Borrowing costs are expensed in the period in which they are incurred.

– **Income tax**

Income tax is calculated in accordance with Jordanian laws and regulations.

– **Basic earnings per share is profit / loss**

Basic earnings per share is calculated by dividing profit or loss by the weighted average number of ordinary share outstanding during the year.

– **Foreign currencies**

- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.
- At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

– **Contingent liabilities**

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.



Notes to the consolidated financial statements for the year ended December 31, 2020

### 3. Property, plant and equipment

2023	Lands(*)	Buildings	Pumps	Machinery & equipment	Vehicles (**)	Other	Payment on purchasing pumps	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost								
Balance - beginning of year	1,161,533	720,297	3,301,493	1,703,849	271,122	863,485	-	8,021,779
Additions	-	-	76,520	11,200	66,578	10,583	455,294	620,175
Disposals	-	-	-	-	(50,488)	(6,747)	-	(57,235)
Balance - end of year	1,161,533	720,297	3,378,013	1,715,049	287,212	867,321	455,294	8,584,719
Accumulated depreciation and impairment								
Balance - beginning of year	-	222,434	1,838,059	1,188,836	157,240	735,239	-	4,141,808
Depreciation (***)	-	14,406	171,725	42,065	23,302	34,583	-	286,081
Disposals	-	-	-	-	(46,715)	(6,747)	-	(53,462)
Balance - end of year	-	236,840	2,009,784	1,230,901	133,827	763,075	-	4,374,427
Net	1,161,533	483,457	1,368,229	484,148	153,385	104,246	455,294	4,210,292
2022								
Cost								
Balance - beginning of year	1,161,533	650,962	2,787,344	1,702,192	298,815	863,485	90,135	7,554,466
Additions	-	69,335	424,014	1,657	19,600	-	-	514,606
Disposals	-	-	-	-	(47,293)	-	-	(47,293)
Transfers	-	-	90,135	-	-	-	(90,135)	0
Balance - end of year	1,161,533	720,297	3,301,493	1,703,849	271,122	863,485	90,135	8,021,779
Accumulated depreciation and impairment								
Balance - beginning of year	-	209,299	1,679,066	1,134,930	183,127	735,239	-	3,941,661
Depreciation (***)	-	13,135	158,993	53,906	21,404	-	-	247,438
Disposals	-	-	-	-	(47,291)	-	-	(47,291)
Balance - end of year	-	222,434	1,838,059	1,188,836	157,240	735,239	-	4,141,808
Net	1,161,533	497,863	1,463,434	515,013	113,882	128,246	90,135	3,879,971

Notes to the consolidated financial statements for the year ended December 31, 2023

- (\*) Within the lands item, lands amounting to JD 969,822 are pledged against bank overdraft as stated in note (16).
- (\*\*) Within the vehicles item, a forklift amounting to JD 91,338 registered in the name of a related party.
- (\*\*\*) Depreciation expense was allocated in the statement of comprehensive income as follows:

	2023	2022
	JD	JD
Manufacturing expenses	258,454	221,387
Administrative expenses	24,644	22,905
Selling and distribution expenses	2,983	3,146
<b>Total</b>	<b>286,081</b>	<b>247,438</b>

4. Investment property - Land

- Within investment property an amount of JD 1,839,921 represent cost of land that was obtained from a customer in exchange for settlement of his accrued receivable, the land was recorded in company books with an average value that was obtained according to three real state valutors based on board of directors' decision.
- The estimated fair value of investment property (Lands) was JD 2,517,810 at 10 January of year 2024, based on the evaluation price that was obtained from the valuation expert.

5. Investments in an associate

- Movement of investment through the year was as the follows:

	2023	2022
	JD	JD
Balance - beginning of year	1	1
Share of profit of an associate	(5,032)	(2,915)
Closing the amount of the increase of the investment valuation in the company's receivable	5,032	2,915
<b>Balance - end of year</b>	<b>1</b>	<b>1</b>

- Following are summary of information related to the associate for the year ended December 31, 2023:

Company name	Active	Ownership percentage	Total assets	Total liabilities	Revenue	Loss of the year
		%	JD	JD	JD	JD
Jerusalem Crushers and Quarrying LLC	Industrial	50	194,602	389,249	95,619	(10,064)

6. Investments in financial assets at fair value through other comprehensive income

	2023	2022
	JD	JD
Balance - beginning of year	3,161,967	3,211,819
Sales during the year	-	(7,666)
Changes in fair value	219,335	(42,186)
<b>Balance - end of year</b>	<b>3,381,302</b>	<b>3,161,967</b>

## 7. Inventory

	2023	2022
	JD	JD
Spare parts	347,217	309,080
Raw materials	81,961	142,994
goods in transit	-	51,789
Slow moving spare parts provision (*)	(206,197)	(156,197)
<b>Total</b>	<b>222,981</b>	<b>347,666</b>

(\*) The following is the movement of slow moving spare parts provision during the year:

	2023	2022
	JD	JD
Balance - beginning of year	156,197	156,197
provided during the year	50,000	-
<b>Balance - end of year</b>	<b>206,197</b>	<b>156,197</b>

## 8. Other debit balances

	2023	2022
	JD	JD
Prepaid expenses	22,002	73,334
Refundable deposits	24,310	24,345
Insurance claims	16,728	-
Income tax deposits	1,671	9,377
Employees receivable	7,194	8,379
<b>Total</b>	<b>71,905</b>	<b>115,435</b>

9. Due to related parties

- Related parties transaction consist of transaction with major shareholders and companies, which the shareholders have, control over them. Transaction with related parties are trading in nature.
- Checks under collection- related parties comprise of checks to Ready Mix Constructions Supplies Company.
- Due from related parties – noncurrent consist of:

	2023	2022
	JD	JD
Jerusalem Crushers and Quarrying - associate	178,924	183,589
Less: Allowance of expected credit losses	(68,331)	(68,331)
Net	110,593	115,258

- Due from related party – current consist of the following:

	2023	2022
	JD	JD
Ready Mix Concrete and Construction Supplies	446,554	127,908
Total	446,554	127,908

- Related parties payables consist of the following:

	2023	2022
	JD	JD
Masafat for Specialized Transport Co	749,114	874,634
Qatrana Cement Company	128,708	211,484
Concrete Technology Company	161,022	163,517
Total	1,038,844	1,249,635

- Deferred checks – related parties consist of the following:

	2023	2022
	JD	JD
Qatrana Cement Company	1,272,649	1,385,062
Masafat for Specialized Transport Co.	60,000	120,000
Concrete technology	-	50,000
Total	1,332,649	1,555,062

- Major transaction with associates stated in the statement of comprehensive income were as follows:

	2023	2022
	JD	JD
Purchasing	3,844,400	3,312,581
Sale of ready mix concrete	2,504,476	1,376,142

#### 10. Trade receivable

	2023	2022
	JD	JD
Trade receivables (*)	3,630,674	3,333,531
Less: Allowance for expected credit losses (**)	(1,576,473)	(1,416,473)
Net	2,054,201	1,917,058

(\*) Receivables aging were as the following:

	2023	2021
	JD	JD
From 1 to 60 days	1,485,222	1,353,487
From 61 to 90 days	158,627	73,638
From 91 to 180 days	115,771	33,618
From 181 to 365 days	27,003	7,489
More than 365 days	1,844,051	1,865,299
Total	3,630,674	3,333,531

(\*\*) Allowance for expected credit losses movement during the year:

	2023	2022
	JD	JD
Balance - beginning of year	1,416,473	1,427,435
Provided during the year	160,000	30,000
Recovery of provision	-	(40,962)
Balance - end of year	1,576,473	1,416,473

#### 11. Cash and cash equivalent

	2023	2022
	JD	JD
Current accounts at banks	116,495	73,673
Cash on hand	1,523	12,429
Total	118,018	86,102



## 12. Statutory reserve

### – Public Shareholding Company (Parent Company)

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

### – Limited liabilities Company (Subsidiary Company)

- Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.
- For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

## 13. Retained earning

The company's general assembly decided, at its meeting held January 25, 2024, to distribute dividends to its shareholders in the amount of JOD 373,001.

## 14. Loan

	Credit Limite	Interest rate	2023			2022
			Current portion	Non-current portion	Total	
	JD	%	JD	JD	JD	JD
Jordan comercial bank (*)	1,000,000	4	420,768	223,468	644,236	998,872

(\*) The loan mentioned above is provided to the company by a first degree of a real state pledge on the plot No. (474) Al-Hamraniyah basin No. (45) with an amount of JD 1,300,000.

## 15. Other credit balances

	2023	2022
	JD	JD
Accrued expenses	119,167	88,215
Sales tax deposit	115,723	59,320
Shareholders deposit	70,945	74,955
Stamps	65,096	47,614
Lawsuit provision and others	44,764	14,920
Social security deposit	9,855	8,797
Employees vacation provision	1,914	1,885
<b>Total</b>	<b>427,464</b>	<b>295,706</b>

#### 16. Banks overdraft

Bank	Credit limit	Interest rate	2023	2022
	JD	%	JD	JD
Commercial Bank of Jordan (*)	2,750,000	10	1,294,732	1,267,303
Jordan Ahli Bank (**)	1,250,000	10	726,181	-
Jordan Kuwait Bank (***)	700,000	12.25	287,108	575,755
Cairo Amman Bank	500,000	11.5	-	33,293
Safwa Islamic bank	750,000	10.5	-	410,447
Total			<u>2,308,021</u>	<u>2,286,798</u>

(\*) The banking facilities granted to the company is guaranteed by a first degree of real estate pledge on the plot No. (474) Al-Hamraniyah basin No. (45) as stated in note No. (3) accompanied by endorsement of an insurance policy on the company's assets for the bank's benefit, with a value of 1,700,000 JD.

(\*\*) The banking facilities granted to the company is guaranteed by a first degree of real estate pledge on the plot of land No.(474) Al-Hamraniyah basin No.(45) as stated in note No.(3) and plot of land No. (62) Al-Kastal basin No. (2) and owned by Al-Twaheen Real Estate LLC-subsidiary company.

(\*\*\*\*) The banking facilities granted to the company is guaranteed by a first degree of real estate pledge on the plot No. (690 & 691) Al-Hamraniyah basin No. (45) as stated in note No. (3).

#### 17. Trade payables

Trade payables are concentrated in three payables, which constitute 72% of the total payables.

#### 18. Cost of sale

	2023	2022
	JD	JD
Raw material used in production	8,827,998	6,344,250
Manufacturing expenses (*)	<u>1,672,473</u>	<u>1,282,235</u>
Total	<u>10,500,471</u>	<u>7,626,485</u>

(\*) Manufacturing expenses are as following:

	2023	2022
	JD	JD
Salaries, wages and related benefits	614,969	506,201
Depreciation	258,454	221,387
Fuel	366,927	265,144
Maintenance	307,167	174,143
Security expenses	26,500	31,375
Deposits	31,815	29,325
Electricity and water	31,004	25,030
Vehicles	22,470	22,188
Tests	3,656	3,529
Communications	2,070	2,265
Miscellaneous	7,441	1,648
<b>Total</b>	<b>1,672,473</b>	<b>1,282,235</b>

#### 19. Other revenues

	2023	2022
	JD	JD
Gain from sale of property, plant and equipment	7,250	12,110
Compensation revenue for damages and others	78,548	2,400
Recovery of provision	-	40,962
	<b>85,798</b>	<b>55,472</b>

#### 20. Selling and distribution

	2023	2022
	JD	JD
Salaries, wages and related benefits	32,976	29,906
Sales commission	28,266	32,985
Vehicles	3,064	3,171
Depreciation	2,983	3,146
<b>Total</b>	<b>67,289</b>	<b>69,208</b>

## 21. Administrative expenses

	2023	2022
	JD	JD
Salaries, wages and related benefits (*)	221,367	222,828
Board of directors and audit committee rewards	85,000	-
Professional fees	46,432	44,151
Board of directors and audit committee transportation	47,412	26,400
Depreciation	24,644	22,905
Fees, license and subscriptions	20,648	24,425
Vehicles	7,912	7,232
Insurance	11,879	12,703
Tools and computer maintenance	10,342	10,519
Communications	6,281	6,498
Hospitality and staff meal	5,160	4,596
Stationery and printings	2,782	2,243
Miscellaneous	3,023	2,165
<b>Total</b>	<b>492,882</b>	<b>386,665</b>

(\*) Within salaries, wages and related benefits an amount of JD 97,615 represents salaries and benefits for the higher management of company.

## 22. Earnings per share

	2023	2022
	JD	JD
Profit of the year	1,169,096	121,873
Weighted average number of shares	7,460,026	7,460,026
<b>Profit per share</b>	<b>JD 0/157</b>	<b>JD 0/016</b>

## 23. Legal cases

According to the lawyer, letters there are legal cases raised by the company against others, amounting to 1,820,800JD and there are no cases raised by the others against the company these cases are still pending before the competent courts and in the opinion of the company's consultant the provided provision are sufficient.

## 24. Contingent liabilities

On date of financial position statement there are contingent liabilities related to guarantees amounting to JD 832,876 and cash margin amounting to JD 33,400.

## 25. Contra accounts

- There are guarantees margin checks amounting to JD 20,000 as at December 31, 2023 (JD 20,350 as at December 31, 2022).

## 26. Tax status

### Parent company

The company's income and sales tax were completed until the end of 2021 and the tax returns were submitted for the years 2022 within the legal period, and the tax status for these years has not been settled yet, which may result in potential tax liabilities and in the opinion of the tax consultant no need for taking provisions.

### Subsidiary

The company's income and sales tax was completed until the end of 2022

## 27. Risk management

### a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

### b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.

### c) Interest rate risk:

- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- Interest rate risk arises from financial instruments as a result of changes in market interest rates resulting from borrowing or depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates received by the entity on its deposits with banks and on interest rates paid by the entity on borrowing from the banks:

<u>As of December 31, 2022</u>	<u>Change in interest</u>	<u>Effect on profit (loss)</u>
	%	JD
		±
Banks overdraft	0.5	(11,450)
		±
Loan	0.5	(3,221)

### d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- Other price risks arising from financial instruments arise from investments in equity instruments.



**e) Credit risk:**

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

**f) Liquidity risk:**

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than 1 year		More than 1 year	
	2023	2022	2023	2022
	JD	JD	JD	JD
<b>Financial assets:</b>				
Investment in financial assets at fair value through other comprehensive income	-	-	3,381,302	3,161,967
Investments in an associate	-	-	1	1
Other debit balances	49,903	27,310	-	-
Checks under collection and on hand	3,147,678	3,114,203	-	-
Checks under collection - related parties	301,203	-	-	-
Due from related parties	446,554	127,908	110,593	115,258
Trade receivables	2,054,201	1,928,020	-	-
Cash and cash equivalents	118,018	86,102	-	-
<b>Total</b>	<b>6,117,557</b>	<b>5,283,543</b>	<b>3,491,896</b>	<b>3,277,226</b>
<b>Financial liabilities:</b>				
Deferred checks	-	81,999	-	-
Deferred checks - related parties	1,332,649	1,555,062	-	-
Other credit balances	427,464	295,706	-	-
Trade payables	1,812,354	1,284,767	-	-
Banks overdraft	2,308,021	2,286,798	-	-
Loan	420,768	420,768	223,467	578,104
Due to related parties	1,038,844	1,249,635	-	-
<b>Total</b>	<b>7,340,100</b>	<b>7,174,735</b>	<b>223,467</b>	<b>578,104</b>

## 28. Fair value of financial instruments

- The table below represents the fair value of the financial instruments using valuation method. there are different levels as follows:
  - Level 1: listed prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs rather than prices listed in level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
  - Level 3: inputs for the asset or liability is not based on comparable market data that can be observed (non-observable inputs).

As at December 31, 2023	Levels		
	1	2	Total
Financial assets	JD	JD	JD
Investment in financial assets at fair value through other comprehensive income	208,991	3,172,311	3,381,302

  

As at December 31, 2022	Levels		
	1	2	Total
Financial assets	JD	JD	JD
Investment in financial assets at fair value through other comprehensive income	215,971	2,945,996	3,161,967

## 29. Financial statement for the subsidiary

The consolidated financial statement include financial statement of subsidiary at December 31, 2022 as follows:

Company name	Legal entity	Number of shares	Ownership percentage	Total Assets	Total Liabilities	Accumulated losses
			%	JD	JD	JD
Al-Twaheen Real Estate	LLC	30,000	100	5,592,134	5,617,875	(23,074)

## 30. Possible effects of economic fluctuations

As a result of the current global conflict, where the entity took into account any possible impact of the current economic fluctuations in the inputs of future macroeconomic factors when determining the severity and probability of economic scenarios to determine the expected credit losses.

As a result of the potential effects of the Corona virus, the management of the facility has taken future information for at least the twelve months following the reporting period, whether related to the negative effects of the virus on the course of business or the ability to pay its debts. The management of the facility carried out a study of the possible effects of the current economic fluctuations in determining the declared amounts of the financial and non-financial assets of the facility, which represent the management's best estimates based on the information that can be observed. Markets remain volatile and the amounts recorded remain sensitive to fluctuations in the market.

## 31. Reclassification

2022 balances have been reclassified to conform to the adopted classification in 2023.