

# جوردانفست

شركة الثقة للاستثمارات الأردنية

To: Jordan Securities Commission  
Amman Stock Exchange

السادة هيئة الأوراق المالية المحترمين  
السادة بورصة عمان المحترمين

Date: 15/4/2024

التاريخ: 2024/4/15

Subject: Audited financial statements for the  
fiscal year ended 31<sup>st</sup> Dec 2023

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في  
31 كانون الاول 2023

Please find attached the audited financial statements  
of Jordan Investment Trust for the fiscal year ended  
31st Dec 2023 in English.

مرفق طيه نسخة من البيانات المالية المدققة لشركة الثقة للاستثمارات  
الأردنية عن السنة المالية المنتهية في 31 كانون الاول 2023 باللغة  
الانجليزية.

Regards

وتفضلوا بقبول فائق الاحترام،،،

Compliance Officer  
Bushra I'laiweh

شركة الثقة للاستثمارات الأردنية  
ضابط الامتثال  
بشرى اعليوه



جوردانفست  
شركة الثقة للاستثمارات الأردنية م.ع.م  
عمان - الأردن



JORDAN INVESTMENT TRUST COMPANY

(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

## **INDEPENDENT AUDITOR'S REPORT**

**To the Shareholders of Jordan Investment Trust Public Shareholding Company**  
**Amman – Jordan**

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the Consolidated financial statements of Jordan Investment Trust Public Shareholding Company (the Company), and its subsidiaries (the Group) which comprise the Consolidated statement of financial position as at 31 December 2023, and the Consolidated statement of income, 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 Consolidated financial statements, including a summary of material accounting policies.

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

#### **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 consolidated Financial Statements section of our report. We are independent of the Group 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 Consolidated 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.

## Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying Consolidated financial statements.

<p><b>1. Revenue recognition: Share of loss from associate</b></p> <p>At 31 December 2023, the Group has associate investments amounting to JD 10,071,691 with share of loss recorded during the year 2023 amounting to JD 122,484. Importance was given to this matter given the fact its relative importance in the financial statements.</p> <p>Refer to notes (2) and (6) in the consolidated financial statements.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>Our audit procedures included, amongst others, obtaining the financial statements from associate as of 31 December 2023 and audit the implementation of the equity method of accounting related to the investment in associate including the recalculation of the Group's share of income or loss and net assets from the associate based on their financial statements.</p>
<p><b>2. Impairment of investment properties</b></p> <p>Impairment of investment properties is considered a key audit matter as it represents a significant judgment area. Also, investment properties are a significant part of the total assets of the Group.</p> <p>Refer to notes (2) and (9) in the consolidated financial statements.</p>	<p><b>How the key audit matter was addressed in the audit</b></p> <p>The Group performs impairment property test annually by obtaining valuations from external independent valuers. Our audit procedures included obtaining the valuations performed by independent valuers to ensure that management properly recorded any impairment in value.</p>

### **Other information included in the Group's 2023 annual report**

Other information consists of the information included in the Group's 2023 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

### **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 IFRSs, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

### **Auditor's 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 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 consolidated 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 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 Group'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 Group'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 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 auditor's report. However future events or conditions may cause the Group 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 audit evidence regarding the 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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's 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 reasonable be expected to outweigh the public interest benefits of such communication.

#### **Report on Other Legal and Regulatory Requirements**

The Company maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Osama Fayez Shakhatreh; license number 1079.

Amman – Jordan  
29 February 2024

**ERNST & YOUNG**  
Amman - Jordan



JORDAN INVESTMENT TRUST COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
CONSOLIDATED STATEMENT OF FINANCIAL POSITION  
AS OF 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
<b><u>ASSETS</u></b>			
Cash on hand and at banks	3	131,958	201,136
Financial assets at fair value through profit or loss	4	2,615,225	2,557,897
Financial assets at fair value through other comprehensive income	4	5,730,074	5,883,176
Accounts receivable - net	5	126,258	88,459
Investment in associate	6	10,071,691	9,949,207
Other current assets	7	365,973	481,664
Property and equipment	8	2,041,387	2,092,044
Investment properties	9	10,285,989	10,313,203
<b>Total Assets</b>		<b>31,368,555</b>	<b>31,566,786</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Liabilities -</b>			
Loans	10	153,000	235,354
Brokerage customers payables		70,525	59,743
Other current liabilities	11	891,155	726,378
Income tax provision	17	9,772	636
<b>Total Liabilities</b>		<b>1,124,452</b>	<b>1,022,111</b>
<b>Equity -</b>			
<b>Shareholders' equity</b>			
Paid in capital	1	27,270,078	27,270,078
Statutory reserve	12	1,452,237	1,452,237
Fair value reserve	4	502,720	654,166
Other reserves		(19,447)	(19,447)
Accumulated losses		(483,473)	(343,586)
<b>Shareholders' equity</b>		<b>28,722,115</b>	<b>29,013,448</b>
Non-controlling interests	13	1,521,988	1,531,227
<b>Total Equity</b>		<b>30,244,103</b>	<b>30,544,675</b>
<b>Total Liabilities and Equity</b>		<b>31,368,555</b>	<b>31,566,786</b>

The accompanying notes from 1 to 28 form part of these consolidated financial statements



JORDAN INVESTMENT TRUST COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
CONSOLIDATED INCOME STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
<b>Revenues -</b>			
Share of gain (loss) from associate	6	122,484	(178,079)
Profit from financial assets	14	608,052	191,540
Other income	15	4,348	63,594
Rent income		227,144	226,715
Interest income		-	3,700
Brokerage commissions		19,105	16,706
<b>Net revenue</b>		<u>981,133</u>	<u>324,176</u>
<b>Expenses -</b>			
Administrative expenses	16	1,082,053	950,132
Recovery from provision for expected credit losses	5	(11,978)	(260)
Interests and commissions		<u>50,026</u>	<u>51,472</u>
<b>Total expenses</b>		<u>1,120,101</u>	<u>1,001,344</u>
<b>Loss for the year before income tax</b>		(138,968)	(677,167)
Income tax expense	17	<u>(9,625)</u>	<u>(490)</u>
<b>Loss for the year</b>		<u>(148,593)</u>	<u>(677,657)</u>
<b>Attributable to:</b>			
Shareholders of the company		(139,354)	(669,116)
Non-controlling interests		<u>(9,239)</u>	<u>(8,541)</u>
		<u>(148,593)</u>	<u>(677,657)</u>
		<u>Fils /JD</u>	<u>Fils /JD</u>
<b>Basic and diluted earnings per share from loss of the year</b>	18	<u>(0/005)</u>	<u>(0/025)</u>

The accompanying notes from 1 to 28 form part of these consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 31 DECEMBER 2023

	2023	2022
	JD	JD
<b>Loss for the year</b>	(148,593)	(677,657)
<b>Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>		
Change in fair value of financial assets at fair value through other comprehensive income	(151,979)	147,079
<b>Total comprehensive income for the year</b>	(300,572)	(530,578)
<b>Attributable to:</b>		
Shareholders of the company	(291,333)	(522,037)
Non-controlling interests	(9,239)	(8,541)
	(300,572)	(530,578)

The accompanying notes from 1 to 28 form part of these consolidated financial statements

**JORDAN INVESTMENT TRUST COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**  
**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2023**

	Paid in capital	Statutory reserve	Fair value reserve	Other reserve	(Accumulated losses) retained earnings	Total	Non-controlling interests	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD
<b>For the year ended 31 December 2023</b>								
Balance as at 1 January 2023	27,270,078	1,452,237	654,166	(19,447)	(343,586)	29,013,448	1,531,227	30,544,675
Total comprehensive income for the year	-	-	(151,979)	-	(139,354)	(291,333)	(9,239)	(300,572)
Loss on sale of financial assets through other comprehensive income	-	-	533	-	(533)	-	-	-
<b>Balance as of 31 December 2023</b>	<b>27,270,078</b>	<b>1,452,237</b>	<b>502,720</b>	<b>(19,447)</b>	<b>(483,473)</b>	<b>28,722,115</b>	<b>1,521,988</b>	<b>30,244,103</b>
<b>For the year ended 31 December 2022</b>								
Balance as at 1 January 2022	27,270,078	1,452,237	507,087	-	325,530	29,554,932	1,713,950	31,268,882
Total comprehensive income for the year	-	-	147,079	-	(669,116)	(522,037)	(8,541)	(530,578)
Acquisition of non-controlling interest	-	-	-	(19,447)	-	(19,447)	(174,182)	(193,629)
<b>Balance as of 31 December 2022</b>	<b>27,270,078</b>	<b>1,452,237</b>	<b>654,166</b>	<b>(19,447)</b>	<b>(343,586)</b>	<b>29,013,448</b>	<b>1,531,227</b>	<b>30,544,675</b>

The accompanying notes from 1 to 28 form part of these consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023 JD	2022 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Loss for the year before tax		(138,968)	(677,167)
<b>Adjustments -</b>			
Interest Income		-	(3,700)
Recovered from provision for expected credit losses	5	(11,978)	(260)
Dividends from financial assets	14	(403,481)	(217,810)
Depreciation	8,9	145,384	154,344
Bank interest expense		50,026	51,472
Share of (gain) loss from associate	6	(122,484)	178,079
(Gain) loss on revaluation of financial assets at fair value through profit and loss	14	(209,280)	25,244
Provision for impairment of investment properties		-	2,544
Gain on sale of property and equipment		-	(47,905)
Loss from sale of financial assets through other comprehensive income		533	-
Loss from sale of financial assets through profit or loss	14	4,709	1,026
<b>Changes in working capital -</b>			
Financial assets at fair value through profit or loss		147,243	(57,934)
Accounts receivable and other current assets		89,870	(2,720)
Accounts payable and other current liabilities		175,559	15,327
Income tax paid	17	(489)	-
<b>Net cash flows used in operating activities</b>		<b>(273,356)</b>	<b>(579,460)</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property and equipment	8	(12,273)	(43,769)
Proceeds from sale of property and equipment		-	57,000
Purchase of investment property	9	(55,240)	(4,521)
Dividends received on financial assets	14	403,481	217,810
Sale of financial assets at fair value through other comprehensive income		590	-
Purchase of financial assets at fair value through other comprehensive income		-	(242,660)
Interest income received		-	3,700
<b>Net cash flows from (used in) investing activities</b>		<b>336,558</b>	<b>(12,440)</b>
<b><u>FINANCING ACTIVITIES</u></b>			
Interest paid		(50,026)	(51,472)
Acquisition of non-controlling interest		-	(193,629)
Loans repayments		(82,354)	(20,066)
<b>Net cash flows used in financing activities</b>		<b>(132,380)</b>	<b>(265,167)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(69,178)</b>	<b>(857,067)</b>
Cash and cash equivalents at beginning of the year		201,136	1,058,203
<b>Cash and cash equivalents at end of the year</b>	3	<b>131,958</b>	<b>201,136</b>

The accompanying notes from 1 to 28 form part of these consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
31 DECEMBER 2023

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**(1) GENERAL**

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on 23 April 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares at a par value of 1JD each. The authorized, issued, and paid-up capital was increased several times over the years to reach JD 27,270,078.

The main objectives of the Group are to invest in all available fields of investment in industrial, agricultural, financial, real estate, tourism, and services sectors, and in particular to purchase and hold shares, allotments, real estate, bonds and manage investment portfolios. Other activities include, providing consulting services and capital market operations services which support and foster investment, acting as a broker in organizing the capital financing operations required for establishment, expansion and development of the companies including the undertakings of issuance of shares and bond or participate with the gatherings that aim to such undertakings.

The Company's registered office is located at Jabal Amman, Amman – The Hashemite Kingdom of Jordan.

The main objectives of the subsidiaries are to invest in all available fields of investment.

The consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 14 February 2024. These consolidated financial statements require the General Assembly's approval.

The Company's shares are listed in Amman stock Exchange.

**(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES**

**Basis of preparation**

The accompanying consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations (IFRICs).

The consolidated financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value in the consolidated financial statements date.

The consolidated financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Group.

### **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Jordan Investment Trust company and its subsidiaries and Companies under its control. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Group controls an investee only if the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income, and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses, profits, and losses relating to transactions between members of the Group are eliminated.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- Derecognizes the translation reserve of the foreign currencies
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained in the subsidiary
- Recognizes profit or loss resulting from controlling loss; and
- Reclassifies the Group's share of components previously recognized in other comprehensive income to profit or loss.

### **Use of Estimates**

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount 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, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily 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.

### **Useful lives of property and equipment and investment properties**

The Group's management determines the estimated useful lives of its property and equipment and investment properties for calculating depreciation. Based on expected use of those assets management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

### **CHANGES IN ACCOUNTING POLICIES**

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:



### **IFRS 17 Insurance Contracts**

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group.

### **Definition of Accounting Estimates - Amendments to IAS 8**

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

#### **Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2**

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

#### **Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12**

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

#### **International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12**

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the consolidated financial statements of the Group as the Group is not in scope of the Pillar Two model rules as its revenue is less than EUR 750 million/year.

#### **MATERIAL ACCOUNTING POLICIES**

##### **Financial assets at fair value through profit or loss**

Financial assets, which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial assets at fair value through profit or loss are recorded at fair value (acquisition costs are recorded on the consolidated income statements at the date of acquisition) and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of comprehensive income at including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies.

In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of comprehensive income.

Dividend and interest income are recorded in the consolidated statement of comprehensive income.

##### **Financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value. Changes in fair value are reported as a separate component in the consolidated statement of other comprehensive income and in the consolidated statement of changes in equity, including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the consolidated statement of other comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets will be transferred directly to retained earnings.

These assets are not subject to impairment testing and dividends received are recognised in the consolidated statement of comprehensive income when declared.

#### **Investments in associates**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate initially recognized at cost, the carrying amount of the investment is adjusted to recognize changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is not amortized and is not subject to a separate impairment test.

The consolidated income statement reflects the Group's share of the results of operations of the associates. When there has been a change recognized directly in the equity of the associates, the Group recognizes its share of any changes, when applicable, in the statement of changes in equity. Unrealized gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The Group's share of profit or loss of an associate is shown on the face of the consolidated income statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associates.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates in the consolidated income statement.

Upon loss of significant influence over the associate, the Group measures and recognizes any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognized in profit or loss.

#### **Accounts receivable**

Accounts receivables are stated at original invoice amount less any allowance for any uncollectible amounts, the Group applies the standard's simplified approach and calculates ECL based on lifetime expected credit losses. The Group establishes a study that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS 9.

#### **Investment property**

Investment properties are measured at cost less any accumulated depreciation.

Investment properties (except lands) are depreciated in accordance with their useful lives on a straight-line basis using annual depreciation rate of 2-4%.

When the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The impairment loss is recorded in the consolidated income statement.

#### **Property and equipment**

Property and equipment are stated at cost less accumulated depreciation and any impairment in value if any.

Depreciation of property and equipment (except lands) is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2
Equipment	5-25
Furnitures, fixtures and decorations	10-20
Vehicles	10

If the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The impairment loss is recorded in the consolidated income statement.

The useful life of the properties and equipment is reviewed at the end of the year. If such expectations differ from the previously estimates, the change shall be accounted for in the subsequent years as changes in such estimates.

Property and equipment are excluded when disposed or when its use has no expected future benefits.

#### **Operating lease**

*Group as a lessor:* Operating lease revenues are recognized as rental income in the statement of income using the straight-line basis over the lease term.

#### **Income tax**

The income tax provision is calculated in accordance with the applicable Income Tax Law in Jordan and IAS 12 which requires the recognition of deferred taxes resulting from the temporary differences between the carrying amount of an asset or liability and its tax base.

#### **Loans**

All loans and borrowings are recognized at fair value plus direct attributable costs. Interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

#### **Provisions**

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

#### **Cash and cash equivalents**

For the purposes of the consolidated statement of cash flows, cash and cash equivalents include cash on hand and bank balances.

#### **Revenue and expenses recognition**

Revenue is recognized in accordance with International Accounting Standard No. (15), whereby the standard defines a five-step model for recognizing revenue from contracts with customers, and revenue is recognized at a value that represents the amount that the Company expects to receive in return for providing services to the customer at a particular point in time when a process is fulfilled for trading securities to the customer at a time when the customer receives and uses the features and services provided by the Company.

Dividends are recognized when they are approved by the general assemblies of the investees.

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

#### **Loans Interest**

Interest on loans is accounted for on effective interest method basis.

#### **Foreign currency transactions**

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at rates of exchange prevailing at the reporting date as issued by Central Bank of Jordan.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at fair value at the respective date.

Gains and losses resulting from foreign currencies translation shall be recorded in the consolidated income statement.

Translation differences on non-monetary items carried at fair value (such as stocks) are included as part of the changes in fair value.

#### **Offsetting**

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

#### **Segment reporting**

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

#### **Accounts operated for customers**

Assets held in a fiduciary capacity are not recognized as assets of the Group. Fees and commissions received for managing such assets are recognized in the consolidated income statement. Impairment loss is recognized in the consolidated income statement for the decline in fair value of guaranteed fiduciary assets below their original principal amount.



### **Fair value**

The Group measures financial instruments such as financial assets at fair value at the consolidated financial statements date as illustrated in disclosure (23).

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 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.

In case of unavailable main market, the principal or the most advantageous market for assets or liabilities must be accessible to by the Group.

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 Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
- Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group 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.

The Group's management, in coordination with the Group's external evaluators, compares changes and relevant external information to the fair value of assets and liabilities to determine the reasonableness of the changes.

For the purpose of the fair value disclosure, the Group classifies the assets and liabilities according to its nature and the risks of the assets and liabilities, and the value of the fair value.

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

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group 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 any). The Group has established a provision matrix that is based on its historical credit loss experience, market available specific credit default ratios of counterparties, adjusted for forward-looking factors specific to the debtors and the economic environment. These ratios are applied to trade receivables, refundable deposits, restricted cash, and bank balances.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

### **Impairment of non-financial assets**

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset 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, the current transactions in the market are to be considered if any, otherwise an appropriate valuation model has to be used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

### **Contingent Assets and liabilities**

Contingent liabilities are not recognized in the consolidated financial statements of the Group but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

Contingent Assets are not recognized in the financial statements but are disclosed when the possibility of an outflow of resources embodying economic benefits is remote.

### **(3) CASH ON HAND AND AT BANKS**

This item represents the following:

	<u>2023</u>	<u>2022</u>
	JD	JD
Cash on hand	-	159
Time deposits	-	6,538
Current accounts	<u>131,958</u>	<u>194,439</u>
	<u>131,958</u>	<u>201,136</u>

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**(4) FINANCIAL ASSETS AT FAIR VALUE**

**A. Financial assets at fair value through profit or loss**

	<u>2023</u>	<u>2022</u>
	JD	JD
Investments in shares of listed companies	<u>2,615,225</u>	<u>2,557,897</u>

**B. Financial assets at fair value through other comprehensive income**

	<u>2023</u>	<u>2022</u>
	JD	JD
Investments in shares of listed companies	4,345,301	4,472,631
Investments in shares of unlisted companies	<u>1,384,773</u>	<u>1,410,545</u>
	<u>5,730,074</u>	<u>5,883,176</u>

Financial assets at fair value through other comprehensive income include investments with an amount of JD 300,768 registered for others on behalf of Jordan investment trust company (Nominee account).

Movement on fair value reserve is as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance as of January 1	654,166	507,087
Change in fair value during the year	(151,979)	147,079
Gain on sale of financial assets through other comprehensive income	<u>533</u>	<u>-</u>
Balance as of December 31	<u>502,720</u>	<u>654,166</u>

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**(5) ACCOUNTS RECEIVABLE - NET**

This item represents the following:

	2023	2022
	JD	JD
Brokerage receivables	327,237	300,818
Employees' receivables	9,844	10,442
Less: provision for expected credit loss	(210,823)	(222,801)
	<u>126,258</u>	<u>88,459</u>

Movement on the allowance for expected credit loss is as follows:

	2023	2022
	JD	JD
Balance as of January 1	222,801	492,759
Recovery from provision for expected credit loss	(11,978)	(260)
Written off during the year	-	(269,698)
Balance as of December 31	<u>210,823</u>	<u>222,801</u>

As at 31 December, the aging of unimpaired receivables is as follows:

	Past due not impaired		
	181-360	Over 360	
	days	days	Total
	JD	JD	JD
2023	-	126,258	126,258
2022	-	88,459	88,459

Unimpaired receivables are expected to be fully recoverable based on the Group's management opinion, knowing that the vast majority of the brokerage receivables are guaranteed by the customer's portfolios.

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**(6) INVESTMENT IN ASSOCIATE**

This item represents the following:

	Ownership percentage %	Country of incorporation	Nature of activity	2023 JD	2022 JD
First Education Holding	31.582	Bahrain	Education	10,071,691	9,949,207

The following illustrates the movement on the investments in associate:

	2023 JD	2022 JD
Balance as of 1 January	9,949,207	10,127,286
Group net share from associates' results	122,484	(178,079)
Balance as of December 31	10,071,691	9,949,207

Summary of financial position Statement:

	2023 JD'000	2022 JD'000
Current assets	26,063	24,662
Non-current assets	17,524	18,443
Current liabilities	(10,339)	(9,234)
Non-current liabilities	(1,357)	(2,368)
Net assets	31,891	31,503
Group's Share from net assets	10,072	9,949
Book value of Investment	10,072	9,949

Summary of Income statement:

	2023 JD'000	2022 JD'000
Revenues	6,110	4,813
Expenses	(5,724)	(5,377)
Profit (loss) for the year	386	(564)
Group's share of operation's result	122	(178)

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**(7) OTHER CURRENT ASSETS**

This item consists of the following:

	2023	2022
	JD	JD
Income tax deposits	67,306	67,101
Prepaid expenses	27,448	43,781
Refundable deposits	20,274	77,274
Deferred tax assets	10,000	10,000
Securities Depository Center reconciliation	-	12,319
Accrued revenue	20,424	27,727
Others	220,521	243,462
	<u>365,973</u>	<u>481,664</u>

**(8) PROPERTY AND EQUIPMENT**

This item consists of the following:

	Land *	Buildings	Equipment	Furniture, fixtures and decorations	Vehicles	Total
	JD	JD	JD	JD	JD	JD
<b>2023</b>						
<b>Cost -</b>						
Balance as of 1 January 2023	895,953	1,660,985	1,342,752	1,219,903	81,004	5,200,597
Additions	-	-	7,680	4,593	-	12,273
Balance as of 31 December 2023	<u>895,953</u>	<u>1,660,985</u>	<u>1,350,432</u>	<u>1,224,496</u>	<u>81,004</u>	<u>5,212,870</u>
<b>Accumulated Depreciation -</b>						
Balance as of 1 January 2023	-	636,705	1,325,871	1,101,140	44,837	3,108,553
Deprecation for the year	-	28,970	16,897	7,827	9,236	62,930
Balance as of 31 December 2023	<u>-</u>	<u>665,675</u>	<u>1,342,768</u>	<u>1,108,967</u>	<u>54,073</u>	<u>3,171,483</u>
<b>Net Book Value</b>						
<b>as at 31 December 2023</b>	<u>895,953</u>	<u>995,310</u>	<u>7,664</u>	<u>115,529</u>	<u>26,931</u>	<u>2,041,387</u>



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	Land *	Buildings	Equipment	Furniture, fixtures and decorations	Vehicles	Total
	JD	JD	JD	JD	JD	JD
<b>2022</b>						
<b>Cost -</b>						
Balance as of 1 January 2022	895,953	1,660,985	1,330,983	1,219,903	146,004	5,253,828
Additions	-	-	11,769	-	32,000	43,769
Disposals	-	-	-	-	(97,000)	(97,000)
Balance as of 31 December 2022	<u>895,953</u>	<u>1,660,985</u>	<u>1,342,752</u>	<u>1,219,903</u>	<u>81,004</u>	<u>5,200,597</u>
<b>Accumulated Depreciation -</b>						
Balance as of 1 January 2022	-	607,745	1,309,043	1,093,359	114,432	3,124,579
Deprecation for the year	-	28,960	16,828	7,781	18,310	71,879
Disposals	-	-	-	-	(87,905)	(87,905)
Balance as of 31 December 2022	<u>-</u>	<u>636,705</u>	<u>1,325,871</u>	<u>1,101,140</u>	<u>44,837</u>	<u>3,108,553</u>
<b>Net Book Value</b>						
<b>as at 31 December 2022</b>	<u>895,953</u>	<u>1,024,280</u>	<u>16,881</u>	<u>118,763</u>	<u>36,167</u>	<u>2,092,044</u>

\* This item includes mortgaged land in an amount of JD 900,000 against the bank loan obtained from the Bank of Jordan (Note 10) as at 31 December 2023 (2022: 900,000).

**(9) INVESTMENT PROPERTIES**

This item consists of the following:

	Land	Buildings	Projects under construction	Total
	JD	JD	JD	JD
<b>2023</b>				
<b>Cost -</b>				
Balance as of 1 January 2023	3,718,236	5,745,932	1,944,013	11,408,181
Additions	-	55,240	-	55,240
Balance as of 31 December 2023	<u>3,718,236</u>	<u>5,801,172</u>	<u>1,944,013</u>	<u>11,463,421</u>
<b>Accumulated Depreciation -</b>				
Balance as of 1 January 2023	-	1,094,978	-	1,094,978
Deprecation for the year	-	82,454	-	82,454
Balance as of 31 December 2023	<u>-</u>	<u>1,177,432</u>	<u>-</u>	<u>1,177,432</u>
<b>Net Book Value</b>				
<b>as at 31 December 2023</b>	<u>3,718,236</u>	<u>4,623,740</u>	<u>1,944,013</u>	<u>10,285,989</u>

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	Land	Buildings	Projects under construction	Total
	JD	JD	JD	JD
<b>2022</b>				
<b>Cost -</b>				
Balance as of 1 January 2022	3,718,236	5,741,411	1,944,013	11,403,660
Additions	-	4,521	-	4,521
Balance as of 31 December 2022	3,718,236	5,745,932	1,944,013	11,408,181
<b>Accumulated Depreciation -</b>				
Balance as of 1 January 2022	-	1,009,979	-	1,009,979
Deprecation for the year	-	82,455	-	82,455
Impairment on investment	-	2,544	-	2,544
Balance as of 31 December 2022	-	1,094,978	-	1,094,978
<b>Net Book Value</b>				
<b>as at 31 December 2022</b>	3,718,236	4,650,954	1,944,013	10,313,203

- The fair value of the investment properties as assessed by the real estate evaluators equals an amount of JD 12,495,140 as of 31 December 2023 (31 December 2022: JD 13,768,804).

**(10) LOANS**

This item consists of the following:

	Loan installments			
	Short term	Long term	2023	2022
	JD	JD	JD	JD
The Bank of Jordan (1)	-	-	-	10,354
The Bank of Jordan (2)	108,000	45,000	153,000	225,000
	108,000	45,000	153,000	235,354

**The Bank of Jordan Loan (1)**

On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 10%. The loan is payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017 until the last payment. The loan was used to finance the purchase of a new vehicle for the Group. On 31 May 2023, the Group has paid the entire loan balance early.

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**The Bank of Jordan Loan (2)**

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 10%. The loan is payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019 until the last payment. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2023 the group has rescheduled the (14 installments) so that the payment of the first installment will be on 21 April 2024 until full payment.

**(11) OTHER CURRENT LIABILITIES**

This item consists of the following:

	2023 JD	2022 JD
Contingent liabilities	362,931	362,931
Portfolios payables	212,953	57,708
Due to shareholders	108,733	115,209
Withholding deposits	53,911	40,810
Provision for employees' vacation allowance	59,444	56,268
Accrued expenses	41,982	38,069
Others	51,201	55,383
	891,155	726,378

**(12) EQUITY**

**Legal Reserves-**

The amounts accumulated in this account represent what was transferred at the rate of 10% of the annual profits before taxes during previous years in accordance with the Companies Law and is not distributable to shareholders.

**(13) NON-CONTROLLING INTERESTS**

This note represents the net non-controlling interests in subsidiaries.

	Ownership %		2023 JD	2022 JD
	2023	2022		
Al-Ihdathiat Real Estate PSC	41,42%	41,42%	1,521,988	1,531,227

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**(14) PROFIT FROM FINANCIAL ASSETS**

	2023	2022
	JD	JD
Realized loss of financial assets through profit or loss	(4,709)	(1,026)
Dividends income	403,481	217,810
Change in fair value of financial assets through profit or loss	209,280	(25,244)
	<u>608,052</u>	<u>191,540</u>

**(15) OTHER INCOME**

	2023	2022
	JD	JD
Gain on sale of property and equipment's	-	47,905
Other	4,348	15,689
	<u>4,348</u>	<u>63,594</u>

**(16) ADMINISTRATIVE EXPENSES**

	2023	2022
	JD	JD
Salaries, wages, and employees' benefits	344,588	340,112
Depreciation (notes 8 and 9)	145,384	154,344
Bonuses and incentives	88,314	1,031
Travel and transportation	69,952	78,055
Legal and professional fees	119,668	114,778
Insurance	5,889	6,019
Mail and telephone	11,991	12,560
Stationery and publications	1,944	4,572
Advertisement	2,160	1,320
Hospitality and employees' activities	65,946	28,075
Government fees and licenses	78,802	75,785
Cleaning and maintenance services	35,824	38,607
Subscriptions and conferences	19,576	17,818
Donations and community service	13,927	11,088
Training	5,487	15,027
Board of Directors transportation	25,935	17,500
Water and electricity	7,000	6,907
Prior year's income tax	4,537	4,300
Others	35,129	22,234
	<u>1,082,053</u>	<u>950,132</u>

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**(17) INCOME TAX**

Movement on income tax provision is as follows:

	2023 JD	2022 JD
Balance as of 1 January	636	146
Income tax provision	9,625	490
Income tax paid	(489)	-
Balance as of 31 December	<u>9,772</u>	<u>636</u>

Income tax provision for the years ended 31 December 2023 and 2022 was calculated in accordance with the income tax law No. (34) of 2014 and its amendments.

Jordan Investment Trust Company submitted tax declarations for the years 2020, 2021 and 2022. However, the Income and Sales Tax Department did not review it up to the date of preparing these consolidated financial statements. A final settlement was reached with the Income Tax Department until the end of the financial year 2019.

**(18) LOSSES PER SHARE**

	2023 JD	2022 JD
Loss for the year attributable to shareholders (JD)	(139,354)	(669,116)
Weighted average number of shares (share)	27,270,078	27,270,078
	<u>Fils /JD</u>	<u>Fils /JD</u>
Basic and diluted losses per share	<u>(0/005)</u>	<u>(0/025)</u>

**(19) CONTINGENT LIABILITIES**

**Bank Guarantees:**

As of the date of the consolidated financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,300,000 as of 31 December 2023 (2022: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to another bank guarantee for the benefit of the Securities Depository Center amounting to JD 150,000 as of 31 December 2023 (2022: JD 150,000) with security deposits of JD 10,000 as of 31 December 2023 (2022: JD 67,000).

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**Litigations held against the group:**

There are no lawsuits raised against the group.

**(20) OFF-BALANCE SHEET ITEMS**

The Group holds investments for others amounting to JD 772,969 as at 31 December 2023 (2022: JD 784,627).

**(21) RELATED PARTIES TRANSACTIONS**

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

**Subsidiaries**

The consolidated financial statements include the financial statements of Jordan Investment Trust Company and its subsidiaries listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital	
			2023	2022
		%	JD	JD
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	100	1,332,719	1,332,719
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham For Financial Investments	Jordan	100	81,000	81,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58.58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	50,000	50,000

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**Executive management's Compensations and remunerations**

The remuneration of executive management was as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Salaries and remunerations	<u>313,126</u>	<u>219,196</u>

Account receivables and payables include related parties' transactions as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Account receivables	<u>3,005</u>	<u>4,101</u>

The balances shown in the end of the year represent balances resulting from the main operations of the Company.

Related parties' transactions represented in the consolidated comprehensive income statement is as follows:

	<u>2023</u>	<u>2022</u>
	JD	JD
Brokerage commissions income	<u>829</u>	<u>175</u>

**(22) MATERIAL SUBSIDIARIES AND PARTIALLY OWNED BY THE GROUP**

Below is the financial information of related parties, where the balance of non-controlling interest is material:

Company's name	Country of incorporation	Nature of activity	Ownership percentage	
			2023	2022
Al-Ihdathiat Real Estate Company	Jordan	Property Investments	58.58%	58.58%



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Below is the summary of financial information for subsidiaries. The following information represent the amounts before the elimination of related parties' transactions.

**a. Summary of financial position statement**

	Al-Ihdathiat Real Estate Company	
	2023	2022
	JD	JD
Current assets	7,699	9,166
Non- current assets	3,833,971	3,836,954
Current Liabilities	(166,830)	(148,974)
<b>Net equity</b>	<b>3,674,840</b>	<b>3,697,146</b>
<b>Non-controlling interest</b>	<b>1,521,988</b>	<b>1,531,227</b>

**b. Summary of income statement**

	Al-Ihdathiat Real Estate Company	
	2023	2022
	JD	JD
Total revenues	3,519	3,935
Total expenses	(25,827)	(24,557)
Loss for the year	(22,308)	(20,622)

**c. Summary of cash flow statement**

	Al-Ihdathiat Real Estate Company	
	2023	2022
	JD	JD
<b>Cash flows</b>		
Operating activities	(586)	347
Investing activities	(324)	-
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(910)</b>	<b>347</b>

**(23) FAIR VALUES OF FINANCIAL INSTRUMENTS**

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, financial assets at fair value through profit or loss, customers' accounts receivable, financial assets at fair value through other comprehensive income, and some other current assets. Financial liabilities consist of, loans, customers' accounts payable, and some other credit balances.

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

For the purpose of the measurement and presentation of the fair value of financial instruments, the Group uses the following hierarchy:

First level: The market prices in effective markets for the same assets and liabilities.

Third level: Other techniques, where all inputs that have a significant impact on the fair value but not based on market information that can be observed.

The following table represents financial instruments at fair value analysis and based on the hierarchy mentioned above:

	First level	Third level	Total
	JD	JD	JD
<b>2023 -</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	2,615,225	-	2,615,225
Financial assets at fair value through other comprehensive income	4,345,301	1,384,773	5,730,074
<b>2022 -</b>			
<b>Financial assets</b>			
Financial assets at fair value through profit or loss	2,557,897	-	2,557,897
Financial assets at fair value through other comprehensive income	4,472,631	1,410,545	5,883,176

**(24) RISK MANAGEMENT**

**Interest rate risk**

Interest rate risk arises from the possible impact of changes in interest rates on the fair value or future cash flows of financial instruments.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities such as loans.

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates as of 31 December, with all other variables held constant.

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Group's loss for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

<b>2023-</b>	<u>Increase in basis points (Point)</u>	<u>Effect on loss for the year JD</u>
Currency JD	100	1,530
<b>2022-</b>	<u>Increase in basis points (Point)</u>	<u>Effect on loss for the year JD</u>
Currency JD	100	2,288

The effect of decrease in interest rates is expected to be equal and opposite to the effect of the increase shown above.

**Liquidity risk**

Liquidity risk is the risk that the Group will not be able to meet its financial commitments as they fall due.

The Group limits its liquidity risk by ensuring that the bank facilities are available.

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

	Less than 3 months JD	3 to 12 months JD	1 to 5 years JD	Total JD
<b>31 December 2023</b>				
Loans	30,645	87,880	46,138	164,663
Brokerage payable	70,525	-	-	70,525
Other Current liabilities	831,711	-	-	831,711
<b>Total</b>	<b>932,881</b>	<b>87,880</b>	<b>46,138</b>	<b>1,066,899</b>
<b>31 December 2022</b>				
Loans	5,737	128,141	133,817	267,695
Brokerage payable	59,743	-	-	59,743
Other Current liabilities	670,110	-	-	670,110
<b>Total</b>	<b>735,590</b>	<b>128,141</b>	<b>133,817</b>	<b>997,548</b>

**Equity price risk**

The following table demonstrates the sensitivity of the consolidated income statement and the cumulative changes in fair value attributed to reasonably possible changes in equity prices, with all other variables held constant.

<b>2023 -</b>	Change in equity price %	Effect on loss JD	Effect on equity JD
Index			
Amman Stock Market	+5	130,761	228,643
<b>2022 -</b>	Change in equity price %	Effect on loss JD	Effect on equity JD
Index			
Amman Stock Market	+5	127,895	223,632

The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

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**Credit risk**

This is the risk that the debtors and other parties will fail to discharge their obligations to the Group.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group has its deposits and funds in leading financial institutions.

**Currency risk**

Most of the Group's transactions are in Jordanian Dinar and US Dollars. The Jordanian Dinar is fixed against US Dollar therefore currency risk is considered not significant on the consolidated financial statements.

**(25) SEGMENTAL INFORMATION**

**Segmental information for the basic sectors:**

For management purposes, the Group is organized into two major business segments:

Financial investments - Principally trading in equities and bonds, in addition to investment in associates and deposits at banks and act as a custodian.

Investment properties - Principally trading and renting properties and land owned by the Group.

These segments are the basis on which the Group reports its primary segment information.

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
<b>2023 -</b>				
Segment revenues	750	227	4	981
Distributed expenses	(855)	(98)	(167)	(1,120)
(Loss) profit before income tax	(105)	129	(163)	(139)
Income tax expense				(10)
<b>Loss for the year after tax</b>				<b>(149)</b>
<b>2022 -</b>				
Segment revenues	34	227	63	324
Distributed expenses	(721)	(103)	(177)	(1,001)
(Loss) profit before income tax	(687)	124	(114)	(677)
Income tax expense				(1)
<b>Loss for the year after tax</b>				<b>(678)</b>

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	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
<b>2023-</b>				
<b>Assets and Liabilities</b>				
Segment assets	20,590	10,286	493	31,369
Segment liabilities	575	167	382	1,124

<b>2022 -</b>				
<b>Assets and Liabilities</b>				
Segment assets	20,684	10,313	570	31,567
Segment liabilities	371	65	586	1,022

**Secondary segment information:**

Assets, liabilities and revenues were distributed geographically as follows:

	Local JD	Foreign JD	Total JD
<b>2023 -</b>			
Assets	20,228,545	11,140,010	31,368,555
Liabilities	1,124,452	-	1,124,452
Net revenues	806,922	174,211	981,133
<b>2022 -</b>			
Assets	20,508,677	11,058,109	31,566,786
Liabilities	1,022,111	-	1,022,111
Net revenues	502,255	(178,079)	324,176

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**(26) MATURITIES ANALYSIS OF ASSETS AND LIABILITIES**

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	Within one year JD	More than one year JD	Total JD
<b>2023 -</b>			
<b>Assets</b>			
Cash on hand and at banks	131,958	-	131,958
Financial assets at fair value through profit or loss	2,610,762	4,463	2,615,225
Financial assets at fair value through other comprehensive income	-	5,730,074	5,730,074
Accounts receivable – net	126,258	-	126,258
Investments in associate	-	10,071,691	10,071,691
Other current assets	365,973	-	365,973
Property and equipment	-	2,041,387	2,041,387
Investment properties	-	10,285,989	10,285,989
<b>Total assets</b>	<b>3,234,951</b>	<b>28,133,604</b>	<b>31,368,555</b>
<b>Liabilities</b>			
Loans	108,000	45,000	153,000
Brokerage payable	70,525	-	70,525
Other current liabilities	891,155	-	891,155
Income tax provision	9,772	-	9,772
<b>Total liabilities</b>	<b>1,079,452</b>	<b>45,000</b>	<b>1,124,452</b>
<b>Net</b>	<b>2,155,499</b>	<b>28,088,604</b>	<b>30,244,103</b>
<b>2022 -</b>			
<b>Assets</b>			
Cash on hand and at banks	201,136	-	201,136
Financial assets at fair value through profit or loss	2,553,553	4,344	2,557,897
Financial assets at fair value through other comprehensive income	-	5,883,176	5,883,176
Accounts receivable – net	88,459	-	88,459
Investments in associate	-	9,949,207	9,949,207
Other current assets	481,664	-	481,664
Property and equipment	-	2,092,044	2,092,044
Investment properties	-	10,313,203	10,313,203
<b>Total assets</b>	<b>3,324,812</b>	<b>28,241,974</b>	<b>31,566,786</b>
<b>Liabilities</b>			
Loans	80,264	155,090	235,354
Brokerage payable	59,743	-	59,743
Other current liabilities	726,378	-	726,378
Income tax provision	636	-	636
<b>Total liabilities</b>	<b>867,021</b>	<b>155,090</b>	<b>1,022,111</b>
<b>Net</b>	<b>2,457,791</b>	<b>28,086,884</b>	<b>30,544,675</b>

**(27) CAPITAL MANAGEMENT**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholders value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions.

The underlying items in capital structure are represented in share capital, statutory reserve, and accumulated losses measured at JD 28,238,842 as at 31 December 2023 (2022: JD 28,378,729).

**(28) 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 Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

**Amendments to IFRS 16: Lease Liability in a Sale and Leaseback**

In September 2022, the IASB issued amendments to IFRS 16 to 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 are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to 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, a requirement has been introduced to require disclosure 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 are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.

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

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to 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 will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the consolidated financial statements of the Group.