ZARA INVESTMENT (HOLDING) COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of
Zara Investment (Holding) Public Shareholding Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Zara Investment (Holding) Public Shareholding Company (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position as at 31 December 2022, and the consolidated statement of profit or loss, 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 significant 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 2022, 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 Professional Accountants' (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 2022. 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 consolidated 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 consolidated 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.

<table>
<tr><td colspan="2">Key Audit Matter 1: Revenue Recognition

Refer to note (20) to the consolidated financial statements.</td></tr>
<tr><td>Key Audit matter

The Group owns and operates a number of hotels. Revenues are mostly generated from reservations of rooms and sale of food and beverages, within the different outlets. Revenues are recognized based on all the services availed and sales to customers.

Revenue recognition was considered a key audit matter for the year 2022 due to the risk of errors in revenue recording and recognition as a result of the high volume of relatively low value transactions. A risk is also present in services that are rendered but not fully recorded and hence may result in an overstatement or understatement of revenues.

The Group focuses on revenues as a key performance measure, which may create an incentive for revenue to be recognized before rendering the service. Operating revenues for the year ended 31 December 2022 amounted to JD 65,238,232 (2021: JD 33,360,261).</td><td>How the key audit matter was addressed in the audit

Audit procedures included testing the controls around revenue recognition and key manual controls in the revenue recognition process. We performed detailed analytical procedures for the gross margin on a monthly basis for all types of revenue (rooms, food and beverage, and other departments). Having built expectations about revenue figures for the year, we performed substantive analytical procedures using financial and non-financial information. We selected and tested a sample of daily reports based on which revenues are recorded to ensure proper revenue recognition. We selected a sample before and after the 2022 year-end to assess whether the revenue was recognized in the correct period.</td></tr>
</table>

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<table>
<tr><td colspan="2">Key Audit Matter 2: Impairment of property and equipment and investment properties

Refer to note (4) and note (5) to the consolidated financial statements</td></tr>
<tr><td>Key Audit Matter

We have considered impairment of property and equipment and investment properties a key audit matter due to the following reasons:

• The net book values of the property and equipment and investment properties as at 31 December 2022 amounted to JD 153,362,922, representing 74% of the Group's total assets.

• Assessment of the existence of indicators of impairment and estimation of recoverable amount by the Group involves judgement and estimation uncertainty.</td>
<td>How the key audit matter was addressed in the audit

Our Audit procedures included the following:

• Reviewed the Group's process of identifying possible indicators of impairment of the property and equipment and investment properties.
• Reviewed the parameters used by the Group to identify indicators of impairment to ensure that these are reasonable.
• Reviewed the appropriateness of the impairment assessment methodology used by the Group.
• Challenged the reasonableness of key assumptions and inputs used in estimating the recoverable amount of the assets.
• Reviewed the adequacy of the Group's disclosure related to impairment of property and equipment and investment properties in the consolidated financial statements by reference to the requirements of the relevant accounting standards.</td></tr>
</table>

Other information included in the Company's 2022 annual report

Other information consists of the information included in the Group's 2022 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2022 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.

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 exist, 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 consolidated 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 Waddah Issam Barkawi; license number 591.

Amman – Jordan
23 March 2023

ERNST & YOUNG
Amman - Jordan

ZARA INVESTMENT (HOLDING) COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2022

	Notes	2022	2021
		JD	JD
ASSETS			
Non-current assets -			
Property and equipment	4	150,777,574	155,057,026
Investment properties	5	2,585,348	2,727,428
Right-of-use assets	6	5,973,064	6,383,581
Projects in progress	7	4,371,496	2,485,140
Financial assets at fair value through other comprehensive income	8	3,313,903	4,320,041
Advance payments for land purchases	10	111,200	111,200
Deferred tax assets	25	4,145,777	5,048,749
Advance payments to suppliers and contractors		780,113	521,875
Other non-current assets	13	1,333,375	-
		173,391,850	176,655,040
Current assets -			
Inventories	11	1,894,622	1,448,571
Accounts receivable	12	3,389,094	2,075,711
Other current assets	13	1,480,688	2,880,468
Cash on hand and at banks	14	25,985,774	15,268,533
		32,750,178	21,673,283
TOTAL ASSETS		206,142,028	198,328,323
EQUITY AND LIABILITIES			
Equity			
Attributable to the equity owners of the Company -			
Paid-in capital	15	150,000,000	150,000,000
Statutory reserve	15	6,638,512	5,998,858
Voluntary reserve	15	689,496	689,496
Cumulative change in fair value	9	(1,255,341)	(264,978)
Accumulated losses		(12,173,704)	(15,163,139)
		143,898,963	141,260,237
Non-controlling interests	24	18,309,667	18,373,398
Total equity		162,208,630	159,633,635
Liabilities -			
Non-current liabilities -			
Long-term loans	16	14,192,644	7,601,864
Long-term lease obligations	6	4,713,129	5,284,883
Deferred tax liabilities	25	237,056	308,973
Other non-current liabilities	18	8,861,420	7,711,024
		28,004,249	20,906,744
Current liabilities -			
Current portion of long-term loans	16	1,095,057	926,776
Short-term lease obligations	6	1,295,085	1,215,437
Due to banks	17	-	5,394,281
Accounts payable		6,218,153	5,243,097
Other current liabilities	18	6,913,773	4,157,426
Other provisions	19	338,428	767,115
Provision for income tax	25	68,653	83,812
		15,929,149	17,787,944
Total liabilities		43,933,398	38,694,688
TOTAL EQUITY AND LIABILITIES		206,142,028	198,328,323

The accompanying notes from 1 to 35 form part of these consolidated financial statements

	Notes	2022	2021
		JD	JD
Operating revenues		65,238,232	33,360,261
Operating expenses		(49,862,398)	(30,997,106)
Net operating revenues	20	15,375,834	2,363,155
Other income	21	1,325,405	870,807
Interest income		234,121	111,005
Depreciation of property and equipment and investment properties	4&5	(7,990,934)	(7,949,009)
Depreciation of right-of-use assets	6	(410,517)	(350,944)
Finance costs	22	(1,023,791)	(866,267)
Administrative expenses	23	(2,952,920)	(2,312,398)
Other provisions	19	(90,864)	(207,250)
Recovered from provision for slow moving inventories, net	11	19,273	19,760
Recovered from provision for impairment of inventories	11	312	174
Profit (loss) for the year before income tax		4,485,919	(8,320,967)
Income tax (expense) benefit, net	25	(920,561)	1,357,547
Profit (loss) for the year		3,565,358	(6,963,420)
Attributable to:			
Equity holders of the Company		3,630,713	(6,127,622)
Non-controlling interests	24	(65,355)	(835,798)
		3,565,358	(6,963,420)
		JD / Fils	JD / Fils
Basic and diluted profit (loss) per share attributable to the equity holders of the Company	26	0/024	(0/041)

	Note	2022	2021
		JD	JD
Profit (loss) for the year		3,565,358	(6,963,420)
Other comprehensive income items that will not be reclassified to profit or loss in subsequent periods, net of tax:			
Change in fair value, net of deferred tax liabilities	9	(990,363)	21,683
Total comprehensive income for the year		2,574,995	(6,941,737)
Attributable to:			
Equity holders of the Company		2,640,350	(6,105,939)
Non-controlling interests		(65,355)	(835,798)
		2,574,995	(6,941,737)

ZARA INVESTMENT (HOLDING) COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Attributable to the equity holders of the Company							
		Reserves						
	Paid-in capital	Statutory	Voluntary	Cumulative change in fair value	Accumulated losses	Total	Non-controlling interests	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD
2022 -								
Balance at 1 January	150,000,000	5,998,858	689,496	(264,978)	(15,163,139)	141,260,237	18,373,398	159,633,635
Total comprehensive income for the year	-	-	-	(990,363)	3,630,713	2,640,350	(65,355)	2,574,995
Transferred to statutory reserves	-	639,654	-	-	(639,654)	-	-	-
Changes in non-controlling interests due to increase in the share capital of a subsidiary	-	-	-	-	(1,624)	(1,624)	1,624	-
Balance at 31 December	150,000,000	6,638,512	689,496	(1,255,341)	(12,173,704)	143,898,963	18,309,667	162,208,630
2021 -								
Balance at 1 January	150,000,000	5,977,415	689,496	(286,661)	(9,012,432)	147,367,818	19,207,554	166,575,372
Total comprehensive income for the year	-	-	-	21,683	(6,127,622)	(6,105,939)	(835,798)	(6,941,737)
Transferred to statutory reserves	-	21,443	-	-	(21,443)	-	-	-
Change in non-controlling interests due to increase in the share capital of a subsidiary	-	-	-	-	(1,642)	(1,642)	1,642	-
Balance at 31 December	150,000,000	5,998,858	689,496	(264,978)	(15,163,139)	141,260,237	18,373,398	159,633,635

The accompanying notes from 1 to 35 form part of these consolidated financial statements

ZARA INVESTMENT (HOLDING) PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		JD	JD
Operating Activities			
Profit (loss) for the year before income tax		4,485,919	(8,320,967)
Adjustments:			
Interest income		(234,121)	(111,005)
Gain on sale and disposal of property and equipment	21	(58,167)	(21,442)
Finance costs	22	1,023,791	866,267
Depreciation of property and equipment and investment properties	4&5	7,990,934	7,949,009
Depreciation of right-of-use assets	6	410,517	350,944
Deferred grant income	21	(199,997)	(199,997)
Other provisions, net	19	(308,051)	207,250
Recovered from provision for impairment of inventories	11	(312)	(174)
Provision for slow moving inventories, net	11	(19,273)	(19,760)
Provision for expected credit losses, net	12	(151,282)	24,645
Changes in working capital:			
Inventories		(426,466)	(55,594)
Accounts receivable		(1,162,101)	(1,084,696)
Other current assets		66,405	(90,898)
Accounts payable		975,056	429,361
Other current liabilities		1,286,210	635,355
Other provisions paid	19	(120,636)	(31,122)
Income tax paid	25	(88,890)	(4,150)
Net cash flows from operating activities		13,469,536	523,026
Investing Activities			
Purchase of property and equipment	4	(2,555,792)	(1,520,257)
Proceeds from sale of property and equipment		62,633	22,579
Purchase of investment properties	5	(888)	(3,319)
Projects in progress	7	(2,903,544)	(2,759,941)
Advance payments to suppliers and contractors		(258,238)	48,145
Contractors' retentions and accruals		280,443	119,798
Interest income received		234,121	111,005
Net cash flows used in investing activities		(5,141,265)	(3,981,990)
Financing Activities			
Proceeds from loans		8,603,629	4,229,092
Other current liabilities		479,882	5,828,877
Finance costs paid	22	(438,738)	(342,390)
Payments of lease obligations	6	(861,522)	(777,654)
Net cash flows from financing activities		7,783,251	8,937,925
Net increase in cash and cash equivalents		16,111,522	5,478,961
Cash and cash equivalents at the beginning of the year		9,874,252	4,395,291
Cash and cash equivalents at the end of the year	14	25,985,774	9,874,252

(1) GENERAL

Zara Investment (Holding) Company (the "Company") was established on 10 May 1994 as a Public Shareholding Company. The Company's paid-in capital is JD 150,000,000 consisting of 150,000,000 shares of JD 1 par value each as of 31 December 2022.

The principal activities of the Company are to manage its subsidiaries (collectively referred to as the "Group"), participate in other companies' management in which it is a principal owner, invest in stocks, bonds and financial instruments and grant loans and guarantees and finance to its subsidiaries. The Company owns, through its subsidiaries, hotels and resorts located in several places in Jordan (Amman, Dead Sea, Petra, Himmeh and Aqaba).

The consolidated financial statements were authorized for issue by the Board of Directors on 21 March 2023. These consolidated financial statements are subject to the approval of the General Assembly.

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

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

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through other comprehensive income, which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been presented in Jordanian Dinar which represents the functional currency of the Group.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (note 29) as of 31 December 2022 and 2021.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and 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.
- 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:

- Contractual arrangement with 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 or not 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, revenues and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements 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 Company 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, liabilities, equity, revenues, expenses and profit or loss relating to transactions between members of the Group are eliminated in full.

A change in the ownership interest of a subsidiary, without a loss 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 interests.
- Derecognizes the cumulative translation differences recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes any surplus or deficit in profit or loss.
- Reclassifies the Company's share of components previously recognized in OCI to profit or loss.

(2-3) 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 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

These amendments had no impact on the consolidated financial statements of the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

These amendments had no impact on the consolidated financial statements of the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the consolidated financial statements of the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

These amendments had no impact on the consolidated financial statements of the Group.

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

These amendments had no impact on the consolidated financial statements of the Group.

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

These amendments had no impact on the consolidated financial statements of the Group.

(2-4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment are stated at cost, net of accumulated depreciation and any impairment losses, if any. Such cost includes the cost of replacing part of the property and equipment and borrowing costs for construction projects if the recognition criteria are met. Repair and maintenance expenses are recognized in the consolidated statement of profit or loss.

Property and equipment (except for land) is depreciated using the straight-line method over their estimated useful lives using the following annual depreciation rates:

	%
Buildings	2
Electro-mechanicals	10-15
Machinery and equipment	15
Furniture and fixture	15
Computer hardware and software	20
Vehicles	15
Others	2-20

The assets useful lives and methods of depreciation are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment and adjusted prospectively.

When property and equipment are sold or retired, any gain or loss resulting from their disposal is included in the consolidated statement of profit or loss.

Investment properties

Investment properties are investments in land or buildings held to earn rentals or for capital appreciation, rather than land or buildings used for production or supply of goods or services or for administrative purposes or sale in the ordinary course of business.

Investment properties are stated at cost, net of accumulated depreciation and any accumulated impairment losses, if any. Investment properties (except for land) are depreciated on a straight-line basis over their estimated useful lives at annual depreciation rates ranging between 2% and 20%.

Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease obligations to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease obligations.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease obligations

At the commencement date of the lease, the Group recognizes lease obligations measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Deferred grants

Deferred grants are recognized as deferred where there is reasonable assurance that the grant will be received and all attached conditions will be complied with, Deferred grants revenue are recognized in the consolidated statement of profit and loss over the periods that the related costs, for which it is intended to compensate, are expensed.

Projects in progress
Projects in progress are stated at cost less impairment losses, if any, which represents cost of constructions, equipment and direct costs. Projects in progress are not depreciated until they become ready for use where they get transferred to property and equipment or investment properties.

Impairment of financial assets
The Group recognises an allowance for expected credit losses (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 present).

The Group has established a provision calculation that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets
The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses are recognised in the consolidated statement of profit or loss.

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 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 comprehensive income and in the consolidated statement of changes in equity, and the valuation reserve balance for sold assets is transferred directly to retained earnings. These assets are not subject to impairment testing. Dividends are recognised in the consolidated statement of profit or loss when declared.

Fair value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible 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, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

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

Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Inventories

Inventories are valued at cost (weighted average costing) or net realizable value, whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs necessary to make the sale.

Accounts receivable
Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts related to expected credit losses (ECL). The Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward–looking factors specific to the debtors and the economic environment.

Offsetting
Financial assets and financial liabilities are offset, and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

Current versus non-current classification
The Group presents assets and liabilities in the consolidated statement of financial position based on current/ non-current classification. An asset is current when:
- It is expected to be realised or intended to be sold or consumed in the normal operating cycle
- It is held primarily for the purpose of trading
- It is expected to be realised within twelve months after the reporting period or
- It is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period of the consolidated financial statement dates.

All other assets are classified as non-current assets.

A liability is current when:
- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period of the consolidated financial statements date, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period of the consolidated financial statements date

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Cash and cash equivalents
Cash and bank balance in the consolidated statement financial position comprise cash at banks and on hand and short-term deposits with original maturity of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits as defined above, net of outstanding bank overdrafts.

Loans

Loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into consideration any discount or acquisition premium, fees and costs are an integral part of the effective interest rate. Finance costs are recognised in the consolidated statement of profit and loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds.

Accounts payable and accruals

Accounts payables are obligations to pay for goods and services that have been acquired from suppliers in the ordinary course of business of the Group, whether or not such obligations have been claimed.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, for example under an insurance contract, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the consolidated statement of profit or loss, net of any reimbursement.

Income tax

Accrued income tax is calculated in accordance with the Income Tax Law in the Hashemite Kingdom of Jordan, and in accordance with IAS (12).

Tax expense comprises current tax and deferred taxes. Deferred tax is provided on temporary differences at the consolidated financial statements date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax is measured using the liability method in the consolidated statement of financial position and at the tax rates that are expected to apply in the period when the asset is realized, or the liability is settled.

The carrying values of deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized.

Revenue and expense recognition

Revenues are recognized according to the five-step model (IFRS 15), which includes the identification of the contract and price, the performance obligation within the contract and that revenue from services will continue to be recognised over time, using an input method to measure progress towards complete satisfaction of the service similar to the previous accounting policy, because the customer simultaneously receives and consumes the benefits provided by the Group.

Revenues are recognized upon rendering services and issuance of invoices.

Dividends are recognized when the shareholders' right to receive payment is established.

Interest income is recognized using effective interest rate method.

Other revenues are recognized using the accrual basis of accounting.

Expenses are recognized using the accrual basis of accounting.

Foreign currency

Foreign currency transactions during the year are recorded using exchange rates that are in effect at the dates of the transactions. Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year-end. Foreign exchange gains or losses are reflected in the consolidated statement of profit or loss.

Contingent assets and liabilities

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

Contingent assets are not recognized in the consolidated financial statements but are disclosed when an inflow of economic benefit is possible.

(3) SIGNIFICANT ACCOUNTING JUDGMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. 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.

The significant judgments, estimates and assumptions in the consolidated financial statements are as follows:

- A provision is established for accounts receivable based on basis and assumptions approved by the Group's management to estimate the required allowance for expected credit losses in accordance with IFRS 9 "Financial Instruments".

- Income tax expense is calculated and charged for the year in accordance with laws, regulations and accounting standards. Deferred tax assets and liabilities and income tax provision are calculated accordingly.

- The management periodically reviews the useful lives of property and equipment in order to calculate the annual depreciation expense on the general conditions of the property and equipment and estimate the future useful lives accordingly.

- A provision is established against court cases where the Group is the defendant, based on a legal study provided by the Group's legal advisor which determines the risk that may occur. These studies are reviewed periodically, and the provision is adjusted accordingly.

- The Group is required to make judgements and estimates affect the measurement of right-of-use assets and lease obligations. In determining the lease term, all facts and circumstances must be considered which create an economic incentive to exercise renewal options. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure the lease obligations.

- The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use 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 or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. No impairment losses were recognised in the consolidated statement of profit or loss for the current year.

(4) PROPERTY AND EQUIPMENT

	Land	Buildings	Electro-mechanicals	Machinery and equipment	Furniture and fixture	Computer hardware and software	Vehicles	Others	Total
2022 -	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -									
At 1 January	36,704,392	168,842,190	70,240,089	46,187,890	59,291,106	9,255,100	1,542,023	2,415,589	394,478,379
Additions	-	286,864	301,601	919,488	648,377	137,072	262,390	-	2,555,792
Transferred from projects in progress (note 7)	-	551,692	67,778	324,999	72,719	-	-	-	1,017,188
Disposals	-	-	(80,995)	(190,956)	(120,080)	(25,690)	(25,616)	-	(443,337)
At 31 December	36,704,392	169,680,746	70,528,473	47,241,421	59,892,122	9,366,482	1,778,797	2,415,589	397,608,022
Accumulated depreciation -									
At 1 January	-	65,556,835	67,925,796	41,214,424	52,689,868	8,847,169	1,334,681	1,852,580	239,421,353
Depreciation for the year	-	3,596,918	649,454	1,646,292	1,658,136	202,762	77,660	16,744	7,847,966
Disposals	-	-	(80,995)	(190,956)	(120,080)	(25,690)	(21,150)	-	(438,871)
At 31 December	-	69,153,753	68,494,255	42,669,760	54,227,924	9,024,241	1,391,191	1,869,324	246,830,448
Net book value -									
At 31 December 2022	36,704,392	100,526,993	2,034,218	4,571,661	5,664,198	342,241	387,606	546,265	150,777,574

The cost of fully depreciated property and equipment as at 31 December 2022 is JD 165,936,597 (2021: JD 164,064,537).

	Land	Buildings	Electro-mechanicals	Machinery and equipment	Furniture and fixture	Computer hardware and software	Vehicles	Others	Total
2021 -	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost -									
At 1 January	36,704,392	166,958,782	69,543,241	44,375,242	57,080,400	9,166,710	1,504,234	2,415,589	387,748,590
Additions	-	217,086	97,739	760,679	343,999	62,965	37,789	-	1,520,257
Transferred from projects in progress (note 7)	-	1,666,322	617,909	1,174,604	2,038,762	54,730	-	-	5,552,327
Disposals	-	-	(18,800)	(122,635)	(172,055)	(29,305)	-	-	(342,795)
At 31 December	36,704,392	168,842,190	70,240,089	46,187,890	59,291,106	9,255,100	1,542,023	2,415,589	394,478,379
Accumulated depreciation -									
At 1 January	-	61,998,335	67,280,161	39,731,015	51,229,356	8,623,600	1,266,202	1,835,835	231,964,504
Depreciation for the year	-	3,558,500	664,435	1,605,391	1,632,083	252,874	68,479	16,745	7,798,507
Disposals	-	-	(18,800)	(121,982)	(171,571)	(29,305)	-	-	(341,658)
At 31 December	-	65,556,835	67,925,796	41,214,424	52,689,868	8,847,169	1,334,681	1,852,580	239,421,353
Net book value -									
At 31 December 2021	36,704,392	103,285,355	2,314,293	4,973,466	6,601,238	407,931	207,342	563,009	155,057,026

(5) INVESTMENT PROPERTIES

	2022	2021
	JD	JD
Cost -		
As at 1 January	10,526,430	10,523,111
Additions	888	3,319
As at 31 December	10,527,318	10,526,430
Accumulated depreciation and impairment-		
As at 1 January	7,799,002	7,648,500
Depreciation for the year	142,968	150,502
As at 31 December	7,941,970	7,799,002
Net book value -		
At 31 December	2,585,348	2,727,428

(6) RIGHTS-OF-USE ASSETS

The schedule below illustrates the book value of the Group's right-of-use assets and lease obligations and the movements during the year ended 31 December 2022:

	Right of use assets			
	Land	Photovoltaic systems	Total	Lease Obligations*
	JD	JD	JD	JD
2022-				
At 1 January	942,886	5,440,695	6,383,581	6,500,320
Depreciation	(118,614)	(291,903)	(410,517)	-
Finance costs (note 22)	-	-	-	555,020
Payments	-	-	-	(861,522)
Transferred to accounts payable	-	-	-	(185,604)
At 31 December	824,272	5,148,792	5,973,064	6,008,214
2021-				
At 1 January	1,061,500	2,098,522	3,160,022	3,341,045
Additions	-	3,574,503	3,574,503	3,574,503
Depreciation	(118,614)	(232,330)	(350,944)	-
Finance costs (note 22)	-	-	-	488,439
Payments	-	-	-	(777,654)
Transferred to accounts payable	-	-	-	(126,013)
At 31 December	942,886	5,440,695	6,383,581	6,500,320

* The details of the lease obligations as at 31 December 2022 and 2021 are as follows:

31 December 2022			31 December 2021		
Short-term	Long-term	Total	Short-term	Long-term	Total
JD	JD	JD	JD	JD	JD
1,295,085	4,713,129	6,008,214	1,215,437	5,284,883	6,500,320

(7) PROJECTS IN PROGRESS

This item represents the cost of executed works and amounts paid to the contractors in each of the following subsidiaries:

	2022	2021
	JD	JD
Jordan Hotels and Tourism Co.	22,790	151,027
Jordan Himmeh Mineral Co.	4,077,388	2,233,921
Nabatean Hotels Co.	56,262	136,123
Amman Tourism Investment Co.	20,014	20,014
Oasis Hotels Co.	525,703	525,703
National Hotels and Tourism Co.	426,159	154,933
Red Sea Hotels Co.	84,581	114,486
South Coast Hotels Co.	589,474	589,474
Zara South Coast Development Co.	29,917	20,251
Zara Investment (Holding) Co.	102,986	102,986
	5,935,274	4,048,918
Less: provision for projects in progress *	(1,563,778)	(1,563,778)
	4,371,496	2,485,140

The capitalized interest expense to projects in progress amounted to JD 74,056 as of 31 December 2022 (2021: JD 84,800).

* Movements on projects in progress were as follow:

	2022	2021
	JD	JD
Beginning balance	4,048,918	6,841,304
Additions	2,903,544	2,759,941
Transferred to property and equipment (note 4)	(1,017,188)	(5,552,327)
	5,935,274	4,048,918
Less: Provision for projects in progress*	(1,563,778)	(1,563,778)
Ending balance	4,371,496	2,485,140

The estimated cost to complete above projects is JD 14,000,000 as of 31 December 2022 (2021: JD 6,500,000). Management of the Group expects to complete these projects during the upcoming two years.

(8) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item represents the Group's equity investments in the following companies:

	2022	2021
	JD	JD
Quoted shares – Local		
Jordan Express Tourist Transport Company PLC	637,309	655,518
Jordan Projects Tourism Development Company PLC	2,676,594	3,664,523
	3,313,903	4,320,041

Movements on financial assets at fair value through other comprehensive income were as follows:

	2022	2021
	JD	JD
Beginning balance	4,320,041	4,294,549
Change in fair value (note 9)	(1,006,138)	25,492
Ending balance	3,313,903	4,320,041

(9) CUMULATIVE CHANGE IN FAIR VALUE

Movements on cumulative change in fair value were as follows:

	2022	2021
	JD	JD
Beginning balance	(264,978)	(286,661)
Change in fair value of financial assets at fair value through other comprehensive income (note 8)	(1,006,138)	25,492
Change in deferred tax liabilities (note 25)	15,775	(3,809)
Ending balance	(1,255,341)	(264,978)

(10) ADVANCE PAYMENTS FOR LAND PURCHASES

This item represents amounts paid by Nabatean Hotels Company (a Subsidiary) to purchase a land plot in Petra which has been registered under the name of the Chairman of the Board of Directors of the Company. The transfer of ownership to the subsidiary has not yet been completed until the date of these consolidated financial statements (note 29).

(11) INVENTORIES

	2022	2021
	JD	JD
Supplies and equipment	1,174,333	968,905
Food and beverages	638,338	464,466
Others	132,687	85,521
	1,945,358	1,518,892
Less:		
Provision for slow moving inventories *	(49,704)	(68,977)
Provision for impairment of inventories **	(1,032)	(1,344)
	1,894,622	1,448,571

* Movements on provision for slow moving inventories were as follows:

	2022	2021
	JD	JD
Beginning balance	68,977	88,737
Provision for the year	22,176	8,005
Reversals during the year	(41,449)	(27,765)
Ending balance	49,704	68,977

** Movements on provision for impairment of inventories were as follows:

	2022	2021
	JD	JD
Beginning balance	1,344	1,518
Reversals during the year	(312)	(174)
Ending balance	1,032	1,344

(12) ACCOUNTS RECEIVABLE

	2022	2021
	JD	JD
Accounts receivable	4,816,863	3,670,935
Provision for expected credit losses	(1,427,769)	(1,595,224)
	3,389,094	2,075,711

Movements on provision for expected credit losses were as follows:

	2022	2021
	JD	JD
Beginning balance	1,595,224	1,570,579
Provision for the year *	1,125	103,323
Reversals during the year **	(152,407)	(78,678)
Amounts written off during the year	(16,173)	-
Ending balance	1,427,769	1,595,224

* Provision for the year was allocated to administrative expenses (note 23) in the amount of JD 1,125 (2021: JD 42,112) and to operating expenses in the amount of nil (2021: JD 61,211).

** Reversals during the year were added to other income (note 21) in the amount of JD 152,407 (2021: operating revenues in the amount of JD 78,678) .

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

	Neither past due nor impaired	*1-60 days*	*61 – 90 days*	*91 – 120 days*	*More than 120 days*	*Total*
	JD	JD	JD	JD	JD	JD
2022	538,754	2,850,340	-	-	-	3,389,094
2021	1,141,641	456,656	290,600	41,514	145,300	2,075,711

Management expects unimpaired receivables to be fully recoverable. The Group does not obtain collateral over these receivables and hence, they are unsecured.

(13) OTHER CURRENT ASSETS

	2022	2021
	JD	JD
Aqaba Special Economic Zone Authority *	1,333,375	1,333,375
Refundable deposits	691,182	691,182
Prepaid expenses	310,285	371,051
Others	479,221	484,860
	2,814,063	2,880,468
Non-current portion	1,333,375	-
Current portion	1,480,688	2,880,468
	2,814,063	2,880,468

* In 2015, the two subsidiaries (South Coast Real Estate Development Company and South Coast Hotels Company) collectively signed an agreement with Aqaba Special Economic Zone Authority ("ASEZA") to cancel the sale and development agreement made in 2007 with ASEZA for the purchase of a number of land lots. In the agreement signed in 2015, ASEZA promised to repay the advances to the two subsidiaries in five equal annual instalments amounting to JD 1.3 million each over a period of 5 years starting in 2016 and ending in 2021. During the year 2022, the two subsidiaries agreed with ASEZA to postpone last instalment due on 1 June 2020 for two years in light of repercussions of COVID-19. On 20 November 2022, the Group has agreed with the Authority to postpone last instalment. Accordingly, the final instalment would be due at the latest by 30 June 2024.

(14) CASH ON HAND AND AT BANKS

	2022	2021
	JD	JD
Cash on hand	83,714	65,329
Current accounts	12,820,249	11,075,122
Term deposits *	13,081,811	4,128,082
	25,985,774	15,268,533

* Term deposits are fixed for 1 to 3 months and earn annual interest rate ranging from 4% to 5% per annum (2021: 1.9% to 3.25% per annum).

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise of the following:

	2022	2021
	JD	JD
Cash on hand and at banks	25,985,774	15,268,533
Due to banks (note 17)	-	(5,394,281)
	25,985,774	9,874,252

(15) EQUITY

Paid-in Capital -
The Company's authorized and paid-in capital is 150,000,000 shares of JD 1 par value each as of 31 December 2022 and 2021.

Statutory Reserve -
As required by the Jordanian Companies Law, 10% of the annual profit before tax is to be transferred to statutory reserve. The reserve is not available for distribution to the shareholders. The Company may stop this transfer to statutory reserve when its balance reaches 25% of the authorized share capital.

Voluntary Reserve -

The accumulated amounts in this account represent cumulative appropriations not exceeding 20% of annual profits before tax. This reserve is available for distribution to the shareholders.

(16) LOANS

This item consists of loans utilized from the following parties:

		Loan instalments					
		2022			2021		
	Currency	Short Term	Long Term	Total	Short Term	Long Term	Total
		JD	JD	JD	JD	JD	JD
Bank al Etihad – Jordan Hotels and Tourism Co.	JD	266,666	522,194	788,860	-	425,188	425,188
Cairo Amman Bank – Jordan Hotels and Tourism Co.	JD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
Cairo Amman Bank – Jordan Himmeh Mineral Co.	JD	230,769	2,422,719	2,653,488	-	1,408,049	1,408,049
Cairo Amman Bank – Nabatean Hotels Co. 1	JD	307,694	794,756	1,102,450	-	1,029,335	1,029,335
Cairo Amman Bank – Nabatean Hotels Co. 2	JD	-	2,000,000	2,000,000	166,664	765,395	932,059
Cairo Amman Bank – Amman Tourism Investment Co. 1	JD	307,694	1,692,306	2,000,000	-	2,000,000	2,000,000
Cairo Amman Bank – Amman Tourism Investment Co. 2	JD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
Cairo Amman Bank – National Hotels and Tourism Co. 1	JD	-	230,151	230,151	-	-	-
Cairo Amman Bank – National Hotels and Tourism Co. 2	JD	-	2,000,000	2,000,000	166,664	833,336	1,000,000
Cairo Amman Bank – Red Sea Hotels Co. 1	JD	43,008	-	43,008	-	43,008	43,008
Cairo Amman Bank – Red Sea Hotels Co. 2	JD	-	1,450,898	1,450,898	141,664	121,306	262,970
Cairo Amman Bank – Zara South Coast Development Co.	JD	-	1,699,952	1,699,952	141,664	122,905	264,569
		1,155,831	16,812,976	17,968,807	949,984	8,415,194	9,365,178
Less: Unearned government grants (note 18)		(60,774)	(2,620,332)	(2,681,106)	(23,208)	(813,330)	(836,538)
		1,095,057	14,192,644	15,287,701	926,776	7,601,864	8,528,640

- **Bank Al Etihad – Jordan Hotels and Tourism Company - JD**

On 2 March 2021, the Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce the tourism sector. The loan was granted to finance renovation projects at the Company's Hotel. The loan term is 9 years including a 24-month grace period and is repayable in 15 equal semi-annual instalments (excluding interest) of JD 133,333 each commencing on 30 April 2023 except for the last instalment which represents the remaining balance of the loan due on 30 April 2030 with an annual interest rate of 3.5%

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 1,211,140 as at 31 December 2022 (2021: JD 1,574,812).

- **Cairo Amman Bank – Jordan Hotels and Tourism Company- JD**

On 8 June 2020, the Jordan Hotels and Tourism Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. On 27 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenditures for the hotel. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments (excluding interest) of JD 20,833 each commencing on 30 May 2022 until full payment except for the last instalment, which represents the remaining loan balance and is due on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- **Cairo Amman Bank - Jordan Himmeh Mineral Company - JD**

On 4 September 2019, Jordan Himmeh Mineral Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to partly finance the construction of the ecolodge resort at Himmeh in the northern part of the Kingdom. The loan term is 10 years including a 30-month grace period and is repayable in 7.5 years 16 equal semi-annual instalments of JD 125,000 each commencing on 31 December 2021 at annual interest rate of 3.5%. During April 2020, the loan was rescheduled in which the interest rate was reduced to 3% starting from 1 April 2020 and the number of instalments to 13 semi-annual instalments in the amount of JD 153,847, the first instalment is due on 30 September 2023.

On 17 May 2021 the loan ceiling was increased by JD 1,000,000 to become JD 3,000,000. The semi-annual instalments were also increased to become JD 230,769, the first instalment is due on 30 September 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 346,512 as at 31 December 2022 (2021: JD 1,591,951).

- **Cairo Amman Bank - Nabatean Hotels Company 1 - JD**

On 25 August 2019, Nabatean Hotels Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance the renovation of Movenpick Resort Petra and Movenpick Nabatean Castle Hotel. The loan term is 10 years including a 30-month grace period and is repayable in 16 equal semi-annual instalments of JD 125,000 each commencing on 31 December 2021 with an interest rate of 3.75%.

During April 2020, the loan was rescheduled in which the interest rate was reduced to 3.25% starting from 1 April 2020 and the number of instalments to 13 semi-annual instalments in the amount of JD 153,847, the first instalment is due on 30 June 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 897,550 as at 31 December 2022 (2021: JD 970,665).

- Cairo Amman Bank - Nabatean Hotels Company 2 - JD

On 5 July 2020, Nabatean Hotels Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism, and on 18 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenditures at Movenpick Resort Petra and Movenpick Nabatean Castle Hotel. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 20,833 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank - Amman Tourism Investment Company -1 - JD

On 25 August 2019, Amman Tourism Investment Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance 50% of Hyatt Tower apartments renovation project at Grand Hyatt Amman. The loan term is 5 years including 30-month grace period and is repayable in 6 equal semi-annual instalments of JD 333,333 each commencing on 31 December 2021 with an annual interest rate of 4.25%. During April 2020, the loan was rescheduled, and the interest rate was reduced to 3.5% effective 1 April 2020 along with increasing the loan tenure to 10 years and the number of instalments to 13 semi-annual instalments each amounting to JD 153,847, commencing on 30 June 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The Company has utilized the full loan balance during 2020.

- Cairo Amman Bank - Amman Tourism Investment Company -2- JD

On 5 July 2020, the Amman Tourism Investment Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism, and on 25 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance operating expenses of Grand Hyatt Amman Hotel. The loan term is 10 years including 24-month grace period and is repayable in 96 equal monthly instalments of JD 20,833 each commencing on 30 May 2022 and ending on 30 April 2030 with an annual interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank – National Hotels and Tourism Company -1- JD

On 15 March 2021, National Hotels and Tourism Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance the renovation of Movenpick Dead Sea Resort. The loan term is 10 years including a 36-month grace period and is repayable in 14 equal semi-annual instalments of JD 142,857 each commencing on 30 June 2024 with an interest rate of 3%.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 1,769,849 as at 31 December 2022 (2021: JD 2,000,000).

- Cairo Amman Bank – National Hotels and Tourism Company -2- JD

On 5 July 2020, National Hotels and Tourism Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. And on 18 July 2021, the loan ceiling was increased by JD 1,000,000 to become JD 2,000,000. The loan was granted to finance the operating expenditures at Movenpick Dead Sea Resort. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 20,833 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 27,777 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

- Cairo Amman Bank - Red Sea Hotels Company -1- JD

On 3 September 2019, the Red Sea Hotels Company signed a loan agreement in the amount of JD 2,000,000 backed by the Central Bank of Jordan to reinforce tourism. The loan was granted to finance renovation projects at Movenpick Aqaba Resort. The loan term is 10 years including a 30-month grace period and is repayable in 16 equal semi-annual instalments of JD 125,000 each commencing on 31 December 2021 with an interest rate of 3.75%. During April 2021, the loan was rescheduled and the interest rate was reduced to 3.25% effective 1 April 2020 along with decreasing semi-annual instalments to 13 each amounting to JD 153,847, commencing on 30 June 2023.

Withdrawals are against the borrower presenting invoices and claims received from contractors and suppliers reflecting progress of the project as approved by the consultant engineer.

The unutilized portion of the loans amounted to JD 1,956,992 as at 31 December 2022 (2021: JD 1,956,992).

- **Cairo Amman Bank - Red Sea Hotels Company -2- JD**

On 5 July 2020, the Red Sea Hotels Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. And on 25 July 2021, the loan ceiling was increased by JD 700,000 to become JD 1,700,000. The loan was granted to finance the operating expenditures at Movenpick Aqaba Resort. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 17,708 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 23,611 commencing on 30 May 2024 and ending on 30 April 2030.

The unutilized portion of the loans amounted to JD 249,102 as at 31 December 2022 (2021: JD 1,437,030).

- **Cairo Amman Bank - Zara South Coast Development Company - JD**

On 5 July 2020, the Zara South Coast Development Company signed a loan agreement in the amount of JD 1,000,000 backed by the Central Bank of Jordan to reinforce tourism. And on 25 July 2021, the loan ceiling was increased by JD 700,000 to become JD 1,700,000. The loan was granted to finance the operating expenditures at Movenpick Tala Bay Aqaba Resort. The loan term is 10 years including a 24-month grace period and is repayable in 96 equal monthly instalments of JD 17,708 each commencing on 30 May 2022 and ending on 30 April 2030 with an interest rate of 3%, in order to mitigate the repercussions of COVID-19.

On 18 April 2022, the loan was rescheduled to increase grace period from 24 months to 48 months, the loan is repayable in 72 equal monthly instalments of JD 23,611 commencing on 30 May 2024 and ending on 30 April 2030.

The Company has utilized the full loan balance during 2022.

The aggregate amounts and maturities of the loans are as follows:

Year	JD
2024	2,840,383
2025	3,232,414
2026	2,848,560
2027	2,669,192
2028 and thereafter	5,222,427
Total	16,812,976

(17) DUE TO BANKS

This item represents the balance of overdraft facilities granted to the Company from Cairo Amman Bank with ceiling of USD 15,000,000, with annual interest rate of 6.90% (2021: 4.25% per annum). The amounts due to banks were fully paid during 2022.

(18) OTHER CURRENT LIABILITIES

	2022	2021
	JD	JD
Social Security Corporation deposits *	5,511,915	4,836,573
Unearned government grants**	3,601,438	1,703,637
Accrued expenses	2,644,044	1,386,038
Guest deposits	1,382,260	1,200,013
Deferred grant income ***	1,199,984	1,399,981
Contractors' accruals and retentions	653,923	373,480
Cooling units	201,089	340,254
Sales tax deposits	37,192	37,696
Others	543,348	590,778
	15,775,193	11,868,450
Non-current portion	8,861,420	7,711,024
Current portion	6,913,773	4,157,426
	15,775,193	11,868,450

* This item represents deposits from Social Security Corporation in order to benefit from "Hemaya" program which was implemented by the Group following the mandate of Defense Order No. (14) and (24). An agreement for repayment was signed with the Social Security Corporation, the amount is repayable in 35 equal monthly instalments of JD 183,777 each commencing on 1 June 2023 and ending on 1 April 2026.

** This item represents the discounted balance of deposits from Social Security Corporation and loan facilities backed by the Central Bank of Jordan to reinforce tourism sector that was impacted by COVID-19 pandemic of an amount of JD 920,332 and 2,681,106, respectively. These facilities were granted with below-market interest rates. This balance will be amortized over the duration of the granted facilities.

*** This item represents a grant amounting to USD 2,824,859 (JD 2,000,000) which Amman Tourism Investment Company (a Subsidiary) received from Hyatt Hotels Corporation in January 2019 as an incentive to renew the Management Agreement. The grant was recorded as deferred income and to be amortized over ten years as per the agreement. During 2022, an amount of JD 199,997 was recognized within other income (note 21) in the consolidated statement of profit or loss (2021: JD 199,997).

(19) OTHER PROVISIONS

	Legal claims	Employees' benefits	Other provisions	Total
	JD	JD	JD	JD
2022 -				
Beginning balance	109,851	268,468	388,796	767,115
Provision for the year	-	90,864	-	90,864
Recovered from provision (note 21)	(7,509)	(2,610)	(388,796)	(398,915)
Paid during the year	(92,491)	(28,145)	-	(120,636)
Ending balance	9,851	328,577	-	338,428

	Legal claims	Employees' benefits	Other provisions	Total
	JD	JD	JD	JD
2021-				
Beginning balance	9,851	197,740	383,396	590,987
Provision for the year	100,000	101,850	5,400	207,250
Paid during the year	-	(31,122)	-	(31,122)
Ending balance	109,851	268,468	388,796	767,115

(20) SEGMENT INFORMATION

The primary reporting segments were determined based on the risks and rewards for the Group which is substantially affected by the segments' products and services. These segments are organized and operated separately in accordance with the nature of its products and services and used by the Chief Executive Officer and the decision maker of the Group.

The Group is organized for administrative purposes through hotels segment and other segments:

- Hotels segment: represents hospitality services of Movenpick Hotels, Grand Hyatt Amman Hotel and Hotel Intercontinental Jordan.
- Other segments: represent transactions of the Holding Company and other segments.

Management monitors the segment results based on the profit or loss of each segment separately for the purposes of performance evaluation.

Geographical segment is associated in providing products or services in a particular economic environment, subject to risks and rewards that are different from those in other segments operating in other economic environments. All segments of the Group operate in one geographic area.

	Hotels Segment *	Other Segments	Eliminations	Total
	JD	JD	JD	JD
2022 -				
Operating revenues	64,066,812	2,074,840	(903,420)	65,238,232
Operating expenses	(49,368,130)	(1,397,688)	903,420	(49,862,398)
Net operating revenues	14,698,682	677,152	-	15,375,834
Other information -				
Segment assets	212,614,152	57,848,168	(64,320,292)	206,142,028
Segment liabilities	82,936,468	25,317,222	(64,320,292)	43,933,398
Depreciation	8,371,750	29,701	-	8,401,451
Provision for expected credit losses	1,125	-	-	1,125
Interest income	209,336	24,785	-	234,121
Finance costs	861,438	162,353	-	1,023,791
Capital expenditures	5,418,966	41,258	-	5,460,224
Segment non-current assets	159,260,021	14,131,829	-	173,391,850

* Hotels' net operating revenues consist of the following:

	Hotel InterContinental Jordan	Grand Hyatt Amman Hotel	Dead Sea Movenpick Resort	Petra Movenpick Resort	Aqaba Movenpick Resort	Nabatean Castle Movenpick Hotel	Tala Bay Movenpick Resort	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Operating revenues -								
Rooms revenue	6,665,435	5,392,892	6,700,131	6,086,733	5,153,449	781,032	6,590,271	37,369,943
Food and beverages revenue	6,201,221	4,108,805	4,559,533	3,043,421	2,154,489	323,522	2,963,488	23,354,479
Other departments revenue	751,591	686,867	1,243,230	187,825	123,315	3,701	345,861	3,342,390
	13,618,247	10,188,564	12,502,894	9,317,979	7,431,253	1,108,255	9,899,620	64,066,812
Operating expenses -								
Rooms expenses	1,445,424	1,156,438	1,237,704	850,754	905,965	161,243	1,024,607	6,782,135
Food and beverages expenses	4,338,328	2,829,457	2,673,873	1,824,717	1,558,105	274,512	1,904,961	15,403,953
Other departments expenses	539,349	186,449	770,108	64,463	247,103	91	412,761	2,220,324
Administrative and marketing expenses	5,020,316	4,452,766	4,793,218	2,730,953	3,368,435	579,609	4,016,421	24,961,718
	11,343,417	8,625,110	9,474,903	5,470,887	6,079,608	1,015,455	7,358,750	49,368,130
Net operating revenue	2,274,830	1,563,454	3,027,991	3,847,092	1,351,645	92,800	2,540,870	14,698,682

	Hotels Segment *	Other Segments	Eliminations	Total
	JD	JD	JD	JD
2021 -				
Operating revenues	32,853,892	808,991	(302,622)	33,360,261
Operating expenses	(30,805,026)	(494,702)	302,622	(30,997,106)
Net operating revenues	2,048,866	314,289	-	2,363,155
Other information -				
Segment assets	200,299,184	58,762,924	(60,733,785)	198,328,323
Segment liabilities	73,651,248	25,777,225	(60,733,785)	38,694,688
Depreciation	8,268,906	31,047	-	8,299,953
Provision for expected credit losses	61,921	41,402	-	103,323
Interest income	89,864	21,141	-	111,005
Finance costs	656,696	209,571	-	866,267
Capital expenditures	4,266,079	17,438	-	4,283,517
Segment non-current assets	165,526,533	11,128,507	-	176,655,040

* Hotels' net operating revenues consist of the following:

	Hotel InterContinental Jordan	Grand Hyatt Amman Hotel	Dead Sea Movenpick Resort	Petra Movenpick Resort	Aqaba Movenpick Resort	Nabatean Castle Movenpick Hotel	Tala Bay Movenpick Resort	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Operating revenues -								
Rooms revenue	3,453,203	2,658,524	3,722,299	1,025,660	3,263,167	359,360	4,414,643	18,896,856
Food and beverages revenue	3,610,715	2,345,914	2,419,670	571,537	1,229,446	158,443	1,879,612	12,215,337
Other departments revenue	425,722	252,936	694,103	77,500	95,790	28,127	167,521	1,741,699
	7,489,640	5,257,374	6,836,072	1,674,697	4,588,403	545,930	6,461,776	32,853,892
Operating expenses -								
Rooms expenses	842,465	584,083	747,140	270,430	679,725	98,666	684,798	3,907,307
Food and beverages expenses	2,541,140	1,556,020	1,612,381	504,881	1,031,662	163,750	1,311,022	8,720,856
Other departments expenses	287,380	101,632	458,780	15,575	191,011	164	296,254	1,350,796
Administrative and marketing expenses	3,183,642	2,985,705	3,227,958	1,093,902	2,451,092	358,079	2,800,589	16,100,967
Other expenses	180,560	9,531	83,677	44,131	136,308	17,714	253,179	725,100
	7,035,187	5,236,971	6,129,936	1,928,919	4,489,798	638,373	5,345,842	30,805,026
Net operating revenue	454,453	20,403	706,136	(254,222)	98,605	(92,443)	1,115,934	2,048,866

(21) OTHER INCOME

	2022	2021
	JD	JD
Reversal of other provisions (note 19)	398,915	-
Rental income, net	353,052	407,985
Grant income (note 18)	199,997	199,997
Reversal of provision for expected credit losses (note 12)	152,407	-
Gain on sale and disposal of property and equipment	58,167	21,442
Reversal of other credit balances	46,200	-
Insurance compensation	-	105,863
Others	116,667	135,520
	1,325,405	870,807

(22) FINANCE COSTS

	2022	2021
	JD	JD
Interest expense on operating lease obligations (note 6)	555,020	488,439
Interest expense on overdraft facilities	438,738	342,390
Others	30,033	35,438
	1,023,791	866,267

(23) ADMINISTRATIVE EXPENSES

	2022	2021
	JD	JD
Salaries and wages	983,708	711,557
Insurance	301,512	295,667
Boards of directors' transportation	192,082	125,673
Professional fees	185,501	134,714
Property tax	179,889	174,166
Termination of lease agreement	175,000	110,000
Termination of fixed-term contracts	175,000	-
Rent	167,123	167,123
Social security	136,099	128,848
Subscriptions	54,347	57,147
Governmental expenses	34,468	106,558
Water and electricity	33,607	43,002
Postage and telephone	28,301	16,683
Bank commissions and charges	27,261	16,432
Withholding tax	26,397	18,110
Security	19,800	20,460
Donations	16,241	14,361
Maintenance	14,984	12,330
Travel and transportation	9,360	2,156
Hospitality	6,616	4,962
Advertising and marketing	4,984	2,054
Provision for expected credit losses (note 12)	1,125	42,112
Others	179,515	108,283
	2,952,920	2,312,398

(24) NON-CONTROLLING INTERESTS

This item represents the subsidiaries' net equity after deducting the Company's direct and indirect interests in these subsidiaries.

(25) INCOME TAX

The income tax provision represents income tax due on the results of operations for some of the Company's subsidiaries. No income tax provision was calculated for the Company and a number of its subsidiaries for 2022 and 2021, due to the excess of deductible expenses over taxable revenues, or due to accumulated losses from prior years, in accordance with Income Tax Law No. (34) of 2014 and its amendments, Investment Commission Law No. (30) of 2014 and Aqaba Special Economic Zone Authority Law No. (32) of 2000.

Income tax, net -

The income tax stated on the consolidated statement of profit or loss represents the following:

	2022	2021
	JD	JD
Current year income tax	18,439	2,898
Prior years' income tax	55,292	1,716
Deferred tax liabilities	1,137,764	14,033
Deferred tax benefits	(290,934)	(1,376,194)
	920,561	(1,357,547)

Provision for income tax -

Movements on provision for income tax were as follows:

	2022	2021
	JD	JD
Beginning balance	83,812	83,348
Income tax for the year	18,439	2,898
Prior years' income tax	55,292	1,716
Income tax paid	(88,890)	(4,150)
Ending balance	68,653	83,812

The Company and its subsidiaries submitted their tax declarations to the Income Tax department and Aqaba Special Economic Zone Authority (ASEZA) up to the year 2021.

	Year of last clearance (or sampling system acceptance):	
Company:	Income and Sales Tax Department	Aqaba Special Economic Authority
Jordan Hotels and Tourism Co. PLC	2018	-
Jordan Himmeh Mineral Co. PLC	2020	-
Nabatean Hotels Co. LLC	2018	-
Amman Tourism Investment Co. LLC	2019	-
Rum Hotels and Tourism Co. LLC	2020	-
Oasis Hotels Co. LLC	2020	-
National Hotels and Tourism Co. LLC	2020	-
Jordan Hotel Supplies Trading Co. LLC	2019	2019
Red Sea Hotels Co. LLC	-	2019
Zara Agricultural Co. LLC – Under liquidation	2022	-
South Coast Real Estate Development Co. LLC	-	2020
South Coast Hotels Co. LLC	-	2020
Zara South Coast Development Co. LLC	-	2020
Zara Agricultural Services and Marketing Co. LLC	2019	2018
Himmeh Solar Power Co. LLC	2020	-
Zara Investment (Holding) Co. PSC	2020	-

Reconciliation between accounting profit (loss) and taxable loss is as follows:

	2022	2021
	JD	JD
Accounting profit (loss) before income tax	4,485,919	(8,320,967)
Profit of the Company and some subsidiaries	306,457	350,622
Carried forward losses	(7,652,077)	(307,804)
Non-taxable income	(1,889,997)	(1,552,659)
Depreciation differences	311,487	115,089
Non-deductible expenses	3,443,670	2,057,831
Taxable loss	(994,541)	(7,657,888)
Income tax expense	-	-
Statutory income tax rate	6% - 21%	6% - 21%
Effective income tax rate	-	-

Deferred tax assets -

Deferred tax assets represent the estimated tax effect of accumulated tax losses carried forward pertaining to number of subsidiaries, expected to result in future tax benefits.

Movements on deferred tax assets were as follows:

	2022	2021
	JD	JD
Beginning balance	5,048,749	3,682,946
Tax effect of changing the tax rate	-	134,834
Tax effect of accumulated tax losses carried forward	232,559	1,250,512
Tax effect of accumulated tax losses released	(1,135,531)	(19,543)
Ending balance	4,145,777	5,048,749

The below subsidiaries recorded deferred tax assets against accumulated losses carried forward expected to result in future tax benefits. Movements on accumulated tax losses were as follows:

	2022					
	Beginning Balance	Losses added	Losses released	Ending balance	Deferred tax	2021
	JD	JD	JD	JD	JD	JD
Jordan Hotels & Tourism Co.	5,442,024	-	(184,015)	5,258,009	1,104,182	1,142,825
Nabatean Hotels Co.	3,618,977	-	(2,997,211)	621,766	68,394	398,087
Amman Tourism Investment Co.	10,697,102	1,107,425	(1,637,116)	10,167,411	2,135,156	2,246,391
National Hotels & Tourism Co.	3,782,573	-	(1,972,903)	1,809,670	199,064	416,083
Jordan Hotel Supplies Trading Co. - Amman	34,778	-	(34,778)	-	-	7,303
Jordan Hotel Supplies Trading Co. - Aqaba	62,107	-	(62,107)	-	-	3,726
Red Sea Hotels Co.	2,173,395	-	(655,374)	1,518,021	91,081	130,404
Zara South Coast Development Co.	11,732,161	-	(2,600,514)	9,131,647	547,900	703,930
	37,543,117	1,107,425	(10,144,018)	28,506,524	4,145,777	5,048,749

Deferred tax liabilities –

Deferred tax liabilities comprise the estimated income tax on unrealized gains from financial assets at fair value through other comprehensive income, which appear in the cumulative change in fair value in equity, as well as on depreciation differences related to machinery and equipment and computer hardware and software, which are depreciated for financial reporting purposes at rates lower than those used in the computation of the provision for income tax.

Movements on deferred tax liabilities were as follows:

	2022	2021
	JD	JD
Beginning balance	308,973	301,522
Change in fair value of financial assets (note 9)	(15,775)	3,809
Depreciation differences related to machinery and equipment and computer hardware and software, net	(56,142)	3,642
Ending balance	237,056	308,973

(26) BASIC AND DILUTED EARNINGS (LOSSES) PER SHARE

	2022	2021
Profit (loss) attributable to equity owners of the Company (JD)	3,630,713	(6,127,622)
Weighted average number of shares (Share)	150,000,000	150,000,000
Basic profit (loss) per share (JD/ Fils)	0/024	(0/041)

Basic and diluted profit (loss) per share for the year are equal.

(27) CONTINGENT LIABILITIES

The Group has outstanding bank guarantees of JD 149,096 as at 31 December 2022 (2021: JD 209,841).

(28) LITIGATIONS

In the normal course of business, the Group appears as a defendant in a number of lawsuits amounting to JD 172,939 as of 31 December 2022 (2021: JD 264,874). Management and the legal advisor believe that the Group's position holds strong against these lawsuits and no need for any provision except for what has been recorded. The Group is plaintiff in lawsuits against others in the amount of JD 807,835 as at 31 December 2022 (2021: JD 807,835).

(29) RELATED PARTY TRANSACTIONS

The consolidated financial statements comprise the financial statements of the Company and its following subsidiaries (all are operating in Jordan):

	Paid-in Capital			Ownership	
	2022	2021	Principal Activities	2022	2021
	JD	JD		%	%
Jordan Hotels and Tourism Co. PLC	10,000,000	10,000,000	Hotel InterContinental Jordan	51.6	51.6
Jordan Himmeh Mineral Co. PLC	2,000,000	2,000,000	Himmeh Resort	77.8	77.9
Nabatean Hotels Co. LLC	3,300,00	3,300,000	Nabatean Castle Hotel and Petra Movenpick Hotel	100	100
Amman Tourism Investment Co. LLC	16,500,000	16,500,000	Grand Hyatt Amman Hotel, Hyatt Tower and Zara Center	100	100
Rum Hotels and Tourism Co. LLC	700,000	700,000	Tourism Project –Wadi Mousa	82.1	82.1
Oasis Hotels Co. LLC	1,600,000	1,600,000	Tourism Project - Dead Sea	92.2	92.2
National Hotels and Tourism Co. LLC	15,000,000	15,000,000	Dead Sea Movenpick Hotel	100	100
Jordan Hotel Supplies Trading Co. LLC	330,000	330,000	Gift Shops	100	100
Red Sea Hotels Co. LLC	17,000,000	17,000,000	Aqaba Movenpick Hotel	100	100
Zara Agricultural Co. LLC – under liquidation	100,000	100,000	Plants	54.3	54.3
South Coast Real Estate Development Co. LLC	10,050,000	10,050,000	Tourism Project - Aqaba	82	82
South Coast Hotels Co. LLC	4,800,000	4,800,000	Tourism Project - Aqaba	82	82
Zara South Coast Development Co. LLC	39,425,503	39,425,503	Tala Bay Movenpick Hotel - Aqaba	84.8	84.8
Zara Agricultural Services and Marketing Co. LLC	61,000	61,000	Plant maintenance	100	100
Himmeh Solar Power Co. LLC	24,000	14,000	Solar power electricity generation	93.6	93.6

Related parties represent subsidiaries, major shareholders, and key management personnel of the Group. Pricing policies and terms of transactions with related parties are approved by the Group's management.

Balances of related parties included in the consolidated statement of financial position:

	Nature of the relationship	2022	2021
		JD	JD
Non-current assets-			
Advance payments for land purchases (Note 10)	(Registered to Chairman of Board of Directors)	111,200	111,200
Current assets-			
Cash at banks -			
Arab Bank, Bank al Etihad and Cairo Amman Bank	(Shareholders)	25,892,336	15,202,368
Accounts receivable-			
Amounts due from Cairo Amman Bank	(Shareholder)	16,765	11,420
Non-current liabilities -			
Loans -			
Cairo Amman Bank and Bank al Etihad	(Shareholders)	16,812,976	8,415,194
Current liabilities -			
Due to banks -			
Cairo Amman Bank	(Shareholder)	-	5,394,281
Current portion of long-term loans -			
Cairo Amman Bank	(Shareholder)	1,155,831	949,983

Transactions with related parties included in the consolidated statement of profit or loss:

	Nature of the relationship	2022	2021
		JD	JD
Interest income – Cairo Amman Bank and Bank al Etihad	(Shareholders)	234,121	111,005
Rent income – Cairo Amman Bank	(Shareholder)	96,157	253,912
Finance costs – Cairo Amman Bank	(Shareholder)	438,738	342,390
Rent expense – Astra Investment Company	(Owned by Chairman and Vice Chairman of the Group)	147,373	148,968

Key management personnel compensation (Salaries, compensation and other benefits) is as follows:

	2022	2021
	JD	JD
Salaries, compensation and other benefits	197,500	182,700
Board of Directors' remuneration and transportation	192,082	131,073

(30) PARTIALLY OWNED SUBSIDIARIES

Below are the financial statements for subsidiaries (before elimination of transactions and inter-group balances) in which non-controlling interests own shares:

	Jordan Hotels & Tourism Co. PLC	Jordan Himmeh Mineral Co. PLC	Rum Hotels & Tourism Co. LLC	Oasis Hotels Co. LLC	Zara Agricultural Co. LLC	South Coast Real Estate Development Co. LLC	South Coast Hotels Co. LLC	Zara South Coast Development Co. LLC	Himmeh Solar Power Co. LLC
2022 -									
Group's ownership percentage	51.6%	77.8%	82.1%	92.2%	54.3%	82%	82%	84.8%	93.6%
Country of incorporation and operation	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests (JD)	11,437,250	438,763	69,004	47,651	62,868	1,737,216	720,454	3,795,877	584
Non-controlling interests share of (loss) profit (JD)	(298,657)	1,427	(507)	(286)	(595)	(854)	(712)	235,016	(187)
Condensed statement of financial position:									
Current assets	6,739,808	577,032	1,106	77,611	141,774	3,706,182	1,622,364	7,296,386	159,625
Non-current assets	26,361,276	4,501,793	611,651	534,788	-	5,946,771	2,382,738	22,046,164	346
Current liabilities	(4,171,236)	(1,035,349)	(226,335)	(2,459)	(4,328)	(1,756)	(2,577)	(1,592,971)	(150,793)
Non-current liabilities	(5,277,499)	(2,063,624)	-	-	-	-	-	(2,807,190)	-
Equity	23,652,349	1,979,852	386,422	609,940	137,446	9,651,197	4,002,525	24,942,389	9,178
Attributable to:									
Shareholders of the Company	12,215,099	1,541,089	317,418	562,289	74,578	7,913,981	3,282,071	21,146,512	8,594
Non-controlling interests	11,437,250	438,763	69,004	47,651	62,868	1,737,216	720,454	3,795,877	584
Condensed statement of profit or loss:									
Revenues	13,895,225	-	-	-	-	-	-	9,899,619	-
Expenses	(14,549,346)	(14,934)	(2,841)	(3,666)	(1,350)	(4,745)	(3,958)	(8,207,836)	(2,922)
Other revenues	270,510	21,372	2	2	50	2	2	61,025	-
Finance cost	(247,425)	-	-	-	-	-	-	(54,126)	(12)
(Loss) profit before income tax	(631,036)	6,438	(2,839)	(3,664)	(1,300)	(4,743)	(3,956)	1,698,682	(2,934)
Income tax expense	13,408	-	-	-	-	-	-	(154,410)	-
(Loss) profit for the year	(617,628)	6,438	(2,839)	(3,664)	(1,300)	(4,743)	(3,956)	1,544,272	(2,934)
Other comprehensive income	(617,628)	6,438	(2,839)	(3,664)	(1,300)	(4,743)	(3,956)	1,544,272	(2,934)
Attributable to non-controlling interests	(298,657)	1,427	(507)	(286)	(595)	(854)	(712)	235,016	(187)
Profit distributions to non-controlling interests	-	-	-	-	-	-	-	-	-
Condensed statement of cash flows:									
Operating activities	2,210,634	438,580	(1,901)	(2,726)	(5)	(3,995)	(3,208)	2,568,175	2,706
Investing activities	(2,805,694)	(1,822,639)	2	2	50	2	2	(367,119)	-
Financing activities	642,159	1,015,699	27	5,042	-	4,109	3,323	(935,869)	(5,227)
Net increase (decrease) in cash and cash equivalents	47,099	(368,360)	(1,872)	2,318	45	116	117	1,265,187	(2,521)

	Jordan Hotels & Tourism Co. PLC	Jordan Himmeh Mineral Co. PLC	Rum Hotels & Tourism Co. LLC	Oasis Hotels Co. LLC	Zara Agricultural Co. LLC	South Coast Real Estate Development Co. LLC	South Coast Hotels Co. LLC	Zara South Coast Development Co. LLC	Himmeh Solar Power Co. LLC
2021 -									
Group's ownership percentage	51.6%	77.9%	82.1%	92.2%	54.3%	82%	82%	84.8%	93.6%
Country of incorporation and operation	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan	Jordan
Accumulated balance of non-controlling interests (JD)	11,735,908	436,350	69,511	47,936	63,463	1,738,069	721,167	3,560,860	134
Non-controlling interests share of (loss) profit (JD)	(873,377)	(2,086)	(424)	(249)	(497)	(881)	(762)	42,667	(189)
Condensed statement of financial position:									
Current assets	4,467,923	1,103,308	2,977	80,334	141,598	4,800,284	1,870,905	3,807,406	85,433
Non-current assets	27,455,408	2,658,326	611,651	534,788	-	4,856,662	2,137,403	22,486,419	578
Current liabilities	(3,264,004)	(380,171)	(225,366)	(1,519)	(2,851)	(1,006)	(1,828)	(2,107,055)	(83,899)
Non-current liabilities	(4,389,350)	(1,408,049)	-	-	-	-	-	(788,653)	-
Equity	24,269,977	1,973,414	389,262	613,603	138,747	9,655,940	4,006,480	23,398,117	2,112
Attributable to:									
Shareholders of the Company	12,534,069	1,537,064	319,751	565,667	75,284	7,917,871	3,285,313	19,837,257	1,978
Non-controlling interests	11,735,908	436,350	69,511	47,936	63,463	1,738,069	721,167	3,560,860	134
Condensed statement of profit or loss:									
Revenues	7,622,787	-	-	-	-	-	-	6,461,776	-
Expenses	(9,761,508)	(28,208)	(2,381)	(3,187)	(1,135)	(4,901)	(4,234)	(6,258,845)	(2,967)
Other revenues	91,644	18,774	4	3	49	4	3	22,700	-
Finance cost	(166,408)	-	-	-	-	-	-	(49,574)	(2)
(Loss) profit before income tax	(2,213,485)	(9,434)	(2,377)	(3,184)	(1,086)	(4,897)	(4,231)	176,057	(2,969)
Income tax expense	407,331	-	-	-	-	-	-	104,306	-
(Loss) profit for the year	(1,806,154)	(9,434)	(2,377)	(3,184)	(1,086)	(4,897)	(4,231)	280,363	(2,969)
Other comprehensive income	(1,806,154)	(9,434)	(2,377)	(3,184)	(1,086)	(4,897)	(4,231)	280,363	(2,969)
Attributable to non-controlling interests	(873,377)	(2,086)	(424)	(249)	(497)	(881)	(762)	42,667	(189)
Profit distributions to non-controlling interests	-	-	-	-	-	-	-	-	-
Condensed statement of cash flows:									
Operating activities	303,691	298,576	(3,177)	(4,054)	(3)	(5,149)	(4,482)	830,154	(2,078)
Investing activities	(561,608)	(1,579,757)	4	3	49	4	(5,503)	(203,305)	-
Financing activities	2,301,023	1,632,848	241	238	-	2,261	6,549	586,207	45,792
Net increase (decrease) in cash and cash equivalents	2,043,106	351,667	(2,932)	(3,813)	46	(2,884)	(3,436)	1,213,056	43,714

(31) RISK MANAGEMENT

Interest rate risk -

Interest rate risk is a risk which arises from the fluctuations in the fair values or future cash flows of financial instruments due to the changes in interest rates on these instruments.

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

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Group's profit for one year, based on financial assets and liabilities with floating interest rates.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates with all other variables held constant:

	Increase in interest rate	Effect on profit for the year before income tax
	(Basis Points)	JD
2022-		
Jordanian Dinar	75	(36,652)

	Increase in interest rate	Effect on loss for the year before income tax
	(Basis Points)	JD
2021-		
Jordanian Dinar	75	79,735

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

Equity price risk –

Equity price risk is the risk that may result from a change in Amman Stock Exchange index. The Group believes that it is not significantly exposed to equity price risk.

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income and the cumulative change in fair value of financial assets at fair value through other comprehensive income to reasonably possible changes in equity prices, with all other variables held constant:

	Increase in market index	Effect on the consolidated statement of comprehensive income and equity
	(%)	JD
2022-		
Amman Stock Exchange	10	331,390

	Increase in market index	Effect on the consolidated statement of comprehensive income and equity
	(%)	JD
2021-		
Amman Stock Exchange	10	432,004

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

Credit risk -

Credit risk is the risks that may results from the failure or inability of debtors or other parties to fulfil their obligations.

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 maintains its bank balances and deposits with reputable financial institutions.

The Group provides services to a large number of customers. No single customer accounts for more than 10% of outstanding accounts receivable at 31 December 2022 and 2021.

Liquidity risk –
Liquidity risk is represented by the possibility that the Group may not be able to meet its obligation when due. The Group manages its liquidity risk by seeking adequate funding from shareholders.

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

The following table summarises the maturities of the Group's undiscounted financial liabilities based on contractual payment dates and market interest rate:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	JD	JD	JD	JD	JD
31 December 2022					
Accounts payable and other liabilities	11,664,904	1,562,311	7,633,278	1,132,853	21,993,346
Lease obligations	324,694	1,257,736	6,246,103	3,518,479	11,347,012
Loans	-	1,194,254	14,699,822	2,630,602	18,524,678
Total	11,989,598	4,014,301	28,579,203	7,281,934	51,865,036
31 December 2021					
Accounts payable and other liabilities	3,517,491	373,480	5,247,341	-	9,138,312
Due to banks	5,591,172	-	-	-	5,591,172
Lease obligations	329,791	1,243,278	7,302,548	6,039,276	14,914,893
Loans	-	978,484	8,204,772	477,681	9,660,937
Total	9,438,454	2,595,242	20,754,661	6,516,957	39,305,314

Currency risk -
Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against USD (US$ 1.41 for JD 1). Accordingly, the Group is not exposed to significant currency risk.

(32) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities. Financial assets consist of cash and bank balances, accounts receivable and some other current assets. Financial liabilities consist of due to banks, loans, accounts payable and some other current liabilities.

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

The fair of value of the quoted shares are measured at fair value determined using level one and three in the fair value hierarchy as follows:

	31 December 2022			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income:				
Quoted	637,309	-	2,676,594	3,313,903
	637,309	-	2,676,594	3,313,903

	31 December 2021			
	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
Financial assets at fair value through other comprehensive income:				
Quoted	655,518	-	3,664,523	4,320,041
	655,518	-	3,664,523	4,320,041

Investments in unquoted shares are carried at cost. Management believes that the fair value of these investments are not materially different from its cost.

(33) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current and previous year.

Capital comprises of paid-in capital, statutory reserve, voluntary reserve, cumulative change in fair value and accumulated losses and is measured at JD 143,898,963 as at 31 December 2022 (2021: JD 141,260,237).

(34) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The 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 standards, if applicable, when they become effective.

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 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. 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.

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

In January 2020, 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.

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 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 for annual reporting periods beginning on or after 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 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 to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group accounting policy disclosures.

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 for annual reporting periods beginning on or after 1 January 2023. Early adoption is permitted.

The Group is currently assessing the impact of the amendments to determine the impact they will have on the Group accounting policy disclosures.

(35) COMPARATIVE FIGURES

Some of 2021 figures have been reclassified in order to conform with the presentation of 2022 figures. Such reclassification did not affect previously reported loss or equity for the year 2021.