

**AL TAJAMOUAT FOR CATERING AND
HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL
STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED SEPTEMBER 30,
2024**

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED SEPTEMBER 30, 2024

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REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the president and members of the board of directors
AL-Tatajamouat for Catering and Housing Company
(Public Shareholding Company)

Introduction

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for AL-Tatajamouat for catering and housing company. As of September 30, 2024, and the related statements of Interim Consolidated Comprehensive income, Shareholder's equity and cash flows for the period then ended, the management is responsible for preparing and presenting the company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, Hence, We do not express an opinion regarding this matter.

Conclusion

Based on our review, nothing has come to the attention that leads us to be believed that the accompanying interim consolidated financial statements do not express a true and fair view following the International Accounting Standard No. 34.

Modern Accountants

Walid M Taha
License No.(703)

Modern Accountants



A member of
Nexia
International

المحاسبون العربيون

Amman- Jordan
October 30, 2024

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF SEPTEMBER 30, 2024 AND DECEMBER 31, 2023
(EXPRESSED IN JORDANIAN DINAR)

	Note	2024	2023
ASSETS			
Non-current assets			
Property and equipment		407,496	438,912
Construction in progress		1,859,923	1,368,723
Rented real estate, Net		4,111,909	4,123,328
Financial assets designated at fair value through statement of other comprehensive income		437,014	526,826
Total non-current assets		6,816,342	6,457,789
Current assets			
Prepaid expenses and other receivables		326,462	227,340
Inventory		81,935	108,516
Financial assets designated at fair value through statement of other comprehensive income		69,540	70,214
Accounts receivable		1,444,073	1,457,441
Cash and cash equivalents		47,683	34,729
Total current assets		1,969,693	1,898,240
TOTAL ASSETS		8,786,035	8,356,029
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	1	10,000,000	10,000,000
Statutory reserve		448,522	448,522
Fair value reserve		(269,628)	(189,081)
Accumulated Losses		(3,543,875)	(3,758,319)
Total shareholders' equity		6,635,019	6,501,122
Current liabilities			
Accrued expenses and other payables		659,654	665,198
Accounts payable and deferred checks		1,220,830	841,486
Banks overdraft		270,532	348,223
Total current liabilities		2,151,016	1,854,907
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		8,786,035	8,356,029

The accompanying notes are an integral part of these interim consolidated financial statements

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

	For the interim period		From the beginning of the year	
	July1, 2024 till September 30, 2024	July1, 2023 till September 30, 2023	September 30, 2024	September 30, 2023
Revenue	846,150	846,774	2,497,611	2,270,576
Cost of revenue	(680,807)	(703,460)	(1,975,832)	(1,890,664)
Gross profit	165,343	143,314	521,779	379,912
General and Administrative expenses	(50,296)	(76,562)	(202,039)	(252,259)
Financial charges expenses	(23,863)	(10,019)	(58,823)	(46,524)
Selling and distribution expenses	(250)	(225)	(250)	(225)
Unrealized losses from financial assets designated at fair value through statement of comprehensive income	548	452	(675)	(212)
Realized losses from financial assets designated at fair value through statement of comprehensive income	-	-	(6,331)	-
Other Revenues and Expenses	6,288	5,806	17,787	22,886
Profit for the period before Tax	97,770	62,766	271,448	103,578
Income tax and national contribution	(20,532)	(20,139)	(57,004)	(32,281)
Net Profit for the period	77,238	42,627	214,444	71,297
Other comprehensive Income:				
Total comprehensive income transferred to accumulated losses	77,238	42,627	214,444	71,297
Change in fair value reserve	(6,478)	(202,040)	(80,547)	(212,154)
Total comprehensive income / (loss) for the period	70,760	(159,413)	133,897	(140,857)
Profit per Share:				
Profit per share- JOD / Share	0.01	0,004	0,02	0,01
Weighted Average for the Number of Capital Shares- Share	10,000,000	10,000,000	10,000,000	10,000,000

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AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Fair value reserve	Accumulated losses	Total
Balance at January 1, 2024	10,000,000	448,522	(189,081)	(3,758,319)	6,501,122
Comprehensive income of the period	-	-	(80,547)	214,444	133,897
Balance at September 30, 2024	10,000,000	448,522	(269,628)	(3,543,875)	6,635,019
Balance at January 1, 2023	10,000,000	425,193	180,180	(3,911,845)	6,693,528
Comprehensive income of the period	-	-	(212,154)	71,297	(140,857)
Balance at September 30, 2023	10,000,000	425,193	(31,974)	(3,840,548)	6,552,671

The accompanying notes are an integral part of these interim consolidated financial statements

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

	For the nine months ended September 30, 2024	For the nine months ended September 30, 2023
OPERATING ACTIVITIES		
Profit of the period before tax	271,448	103,578
Adjustments on net Profit for the period before tax:		
Deprecation	100,621	136,493
Financial charges	58,823	46,524
Unrealized losses from financial assets designated at fair value through statement of comprehensive income	675	212
Changes in operating assets and liabilities:		
Financial assets designated at fair value through statement of comprehensive income	-	-
Accounts receivable	13,368	59,376
Inventory	26,581	(18,120)
Prepaid expenses and other receivables	(99,122)	(16,908)
Accounts payable and deferred cheques	379,344	(215,119)
Accrued expenses and other payables	(62,550)	131,318
Net cash available from operating activities	689,188	227,354
INVESTING ACTIVITIES		
Construction in progress	(491,200)	(297,850)
Change in property and equipment	(57,785)	(6,288)
Financial assets designated at fair value through statement of other comprehensive income	9,265	(6,324)
Change in rented real estate	-	(2,695)
Net cash used in investing activities	(539,720)	(313,157)
FINANCING ACTIVITIES		
Bank overdrafts	(77,691)	104,703
Financial charges paid	(58,823)	(46,524)
Net cash (used in) / available from financing activities	(136,514)	58,179
Net change in cash and cash equivalents	12,954	(27,624)
Cash and cash equivalents, January 1	34,729	49,356
Cash and cash equivalent, September 30	47,683	21,732

The accompanying notes are an integral part of these interim consolidated financial statements

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Al Tajamouat for catering and housing Company ("the Company") is a Jordanian public shareholding company registered on November 13, 1994 under No. (261). declared and paid-up capital 10,000,000 JD divided into 10,000,000 shares each for 1 JD.

The principal activity of the Company includes construction, purchasing and managing all kinds of catering and restaurants utilities to present catering service for companies and individuals as well as construction and purchases all kinds of housing building and performing housing services.

The Company operates out of Amman.

2. New and Amended International Financial Reporting Standards

The following new and amended standards and inter predations have not yet become effective

It is valid for annual periods beginning on or after

Non-Fungibility o Exchange Rates (Amendments to IAS (21))

January 1, 2025

Presentation and Disclosure in Financial Statements (Amendments to IFRS (18))

January 1, 2027

Investments in Associates and Joint ventures (Amendments to IAS (28) and IFRS (10))

The implementation has been postponed indefinitely.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim consolidated financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim consolidated financial statements have been prepared on historical cost basis.

The interim consolidated statements do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended consolidated financial statement at December 31, 2023, in addition to that the result for the nine months ended in September 30, 2024 is not necessarily to be the expected results for the financial year ended December 31, 2024.

Significant accounting policies

The accounting policies used in the preparation of the interim consolidated financial information are consistent with those used in the audited consolidated financial statements for the period ended December 31, 2023.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

Basis of consolidating interim financial statements

The interim consolidated financial statements incorporate the financial statements of Al Tajamouat for Catering and Housing Company (Public Shareholding Company) and the subsidiaries controlled by the Company (subsidiary company).

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses 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 described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
(EXPRESSED IN JORDANIAN DINAR)

The interim consolidated financial statement as of September 30, 2024 contains the financial statements subsidiary company as following:

Subsidiary company name	Registration Place	Registration year	Vote and equity percentage	Principal activity
AL-Tajamouat for Support Services Co. Ltd	The Hashemite kingdom of Jordan	2003	100 %	constructing, purchasing and managing catering and housing facilities
AL-Tajamouat for University Facilities Co. Ltd.	The Hashemite kingdom of Jordan	2006	100 %	Owning and managing restaurants, buying and owning land and building apartments on them
AL-Tajamouat for University Facilities (Aqaba branch) Co. Ltd.	The Hashemite kingdom of Jordan	2013	100%	Service economic activities

Equity instruments at FVTOCI

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve. The cumulative changes or loss will not be reclassified investments. But reclassified to retained earnings. The Company has designated all instruments that are not held for trading as at FVTOCI.

Dividends on these investments in equity instruments are recognized in profit or loss when the Company right to receive the dividends is established, unless the dividends clearly represent a recovery of a part of the cost of the investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

The Company assesses the classification and measurement of the cash flow characteristics of the contractual asset and the Company's business model for managing the asset. For an asset to be classified and measured at amortized cost or at FVTOCI, contractual terms should give rise to cash flows that solely represent payments of principal and interest on the principal outstanding (SPPI).

At initial recognition of a financial asset, the Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassess its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period the Company has not identified a change in its business models.

When a debt instrument measured a FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity.

Debt instruments that are subsequently measured at amortized cost or FVTOCI are subject to impairment.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
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Financial assets at FVTPL

Financial assets at FVTPL are:

- (i) assets with contractual cash flows that are not SPPI ; or and
- (ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
- (iii) assets designated at FVTPL using the fair value option.

These assets are measured at fair value, with any gains / losses arising on re-measurement recognized in profit or loss.

Fair value option: A financial instrument with a reliably measurable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing .The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch").

Reclassifications

If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category applies prospectively from the first day of the first reporting period following the change in business model that results in reclassifying he Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made.

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL.

- Cash and bank balances;
- Trade and other receivables;
- Due from related party.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e., lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as stage 1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage 2 and stage 3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial Instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-month ECL.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to life time ECLs.

ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs are deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative information and analysis based on the previous company experience and on the available credit score including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the interim condensed statement of income and other comprehensive income.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment.

Measurement of ECL

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward – looking information

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to as stage 3 assets. At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt securities at FVTOCI are credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cash flows of the financial asset have occurred.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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DE-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On Derecognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On Derecognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Presentation of allowance for ECL are presented in the interim financial information

Loss allowances for ECL are presented in the interim financial information as follows:

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

For debt instruments measured at FVTOCI no loss allowance is recognized in the interim condensed statement of financial position as the carrying amount is at fair value. However, the loss allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

Recognition of revenues and expenses

Revenues from services are realized when the service is performed and the invoice is issued, and rental income is recognized on a time basis so that it reflects the actual return for the lease term of the site.

Revenue is recognized when it is probable that economic benefits will flow to the company as a result of a reliably measurable exchange.

Rental income is calculated on the basis of the value of the consideration received or expected to be received on a straight-line basis and over the term of the lease contract.

Expenses are recognized on an accrual basis.

Critical accounting judgments and key sources of estimation uncertainty

The preparation of interim consolidated financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these interim consolidated financial statements, the significant Judgments made by management in applying the Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited interim consolidated financial statements.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
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Critical judgments in applying the Company's accounting policies in respect of IFRS 9

Business model assessment:

Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how the Company's financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company's continuous assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward-looking information.

Establishing Company's of assets with similar credit risk characteristics

When ECLs are measured on a collective basis, the financial instruments are Company collected on the basis of shared risk characteristics (e.g., instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that when credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12 month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

Models and assumptions used

The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in condensed consolidated interim financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product / market determines the forward-looking information relevant to each scenario. When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
FOR THE PERIOD ENDED SEPTEMBER 30, 2024
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Probability of Default

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of Default over a given time horizon, the calculation which includes historical data, assumptions and expectations of future conditions.

Loss Given to Default

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's products, all other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles, Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Account receivable are stated at original amount less any provision for doubtful and a provision for doubtful debts is taken when there is an indication that the receivable may not be collected, and are written off in the same period when there is impossible recovery of them.

Expected credit losses

The management has assessed the recoverability of receivables and a Allowance for doubtful of receivables has been made estimated on past experience and the prevailing economic environment.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for services received, whether or not claimed by the supplier.

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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed. Betterment, enhancement and improvement cost are capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	Annual Depreciation Rate
Catering Building	4%
Tools and equipment's	15%
Furniture	15%
Electrical Devices	10%
Computers and software's	25%
Vehicles	15%
Decoration	12%
Billboards	15%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the interim consolidated Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets. at the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the interim consolidated Statement of Financial Position, Gross Profit and loss.

Sector Report

The sector is a group of elements in the company that are unique to the risks and rewards that distinguish them from others and participate in the products or services, which is known as the operating sector or participate in the provision of services within a specific economic environment. The company includes the main business sectors in the establishment, purchase and management of all types of nutrition facilities and restaurants to provide catering services for companies and individuals in addition to the establishment and purchase of all types of residential buildings and housing services, and operates only within the Hashemite Kingdom of Jordan.

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on an offset basis, or assets are realized and liabilities settled simultaneously.

Real estate investments

Investments in land and real estate are stated at cost. International Accounting Standard NO. (40) states that investments in lands should be stated at their cost or at fair value whichever more clearly determinable. The Company chose recording their investments in lands at their cost in accordance with the accounting principles and Standards.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
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NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS (Continued)
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Goodwill

Goodwill represents the excess of the cost of acquisition of investment in subsidiaries over the fair value of its net assets at the date of acquisition. In accordance with IAS 38, goodwill is not amortized and if there is indication of impairment the estimated recoverable amount is reduced to its estimated value.

Income tax

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the temporary differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

Foreign currency translation

Foreign currency transactions are translated into Jordanian dinar at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the date. Gains and losses from settlement and translation of foreign currency transactions are included in the interim consolidated statement of comprehensive income.

Inventory

The cost of the goods is determined by the weighted average method, which includes the cost of materials, labor, direct industrial expenses and a certain proportion of indirect industrial expenses, while the raw materials and other materials are stated at cost and the cost is determined based on the moving average cost.

Provisions

Provisions are made when the Company has any present obligation (legal or potential) arising from past events for which the cost of payment is probable and can be estimated reliably. Provisions are measured to the best of the expected liability to meet the obligation at the interim consolidated statement of financial position date, taking into account risks and uncertainties surrounding the obligation. When an allowance is measured using estimated cash flows to settle the present obligation, the receivable is recognized as an asset if the receipt and replacement of the amount is certain and the amount can be measured reliably.

4. FINANCIAL INSTRUMENTS

Share Capital Risks Management

The Company manages its capital to make sure that the Company will continue when it is taking the highest return by the best limit for debts and owners' equity balances. The company's overall strategy did not change from 2023.

Debt rate

The Board of Directors reviews the capital structure periodically. As part of this review, the Board of Directors considers the cost of capital and the risks associated with each category of capital and debt. The Company's capital structure includes debt through borrowing. The Company has not set a maximum debt rate. The Company does not expect an increase in the debt rate through new debt issues during 2024.

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Financial risks management

Company activities could mainly be exposed to financial risks that may arise from the following:

Foreign currencies risks management

The company is not exposed to significant risks related to foreign currency price changes, so there is no need for effective management for this exposure.

Interest rate risk management

Interest rate risk arises mainly from variable rate (floating) interest rate borrowings and short-term fixed rate deposits.

The sensitivity of the interim consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year and is calculated based on financial liabilities bearing floating interest rates at the end of the year.

Credit risk management

Credit risk is the risk that a party to a financial instrument will fail to discharge its contractual obligations resulting in financial losses to the Company. As there are no contracts with any counterparty, the Company has no exposure to credit risk of any kind. The company classifies entities with similar characteristics if they are related. Except for amounts relating to cash. The credit risk arising from cash is specific as the entities that are dealt with are local banks with good reputations that are monitored by regulatory authorities.

Another price risks

The Company is exposed to price risk arising from its investments in the equity of other companies. The Company maintains investments in the equity of other companies for strategic purposes and not for trading purposes and The Company does not actively trade in those investments.

Liquidity risk management

Liquidity risk management is the responsibility of the Board of Directors to manage the Company's cash, short-, and medium- and long-term liquidity requirements. The Company manages liquidity risk by monitoring future cash flows that are permanently valued and corresponding to the maturity profile of monetary assets and liabilities.

5. APPROVAL OF INTERIM CONSOLIDATED FINANCIAL STATEMENTS

The interim consolidated financial statements were approved by the Board of Directors and authorized for issuance on October 30, 2024 this financial statement requires General Assembly approval.