DARAT JORDAN HOLDINGS COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

Building a better working world

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Darat Jordan Holdings Public Shareholding Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Darat Jordan Holdings - Public Shareholding Company (the Company) and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2023 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policies information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountant s' *Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements current year. 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.

Revenue recognition	**Audit procedures**
Revenues recognized for the year ended 31 December 2023 amounted to JD 40,000. We focus on revenue recognition as it is an important determinant of the Group's performance. In addition, there is a risk of improper revenue recognition, particularly with regards to revenue recognition in the correct reporting period.	Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of applicable International Financial Reporting Standards. Furthermore, since the Group has a limited number of sales transactions, we have obtained the full list of sales transactions during the year, substantiated to supporting documents, and tested proper recording and recognition. Refer to note 6 to the consolidated financial statements for significant accounting policies applicable to revenue account.

Other information included in The Group's 2023 Annual Report

Other information consists of the information included in the Group's 2023 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's annual report is expected to be made available to us after the date of this auditor's report. Our opinion does not cover the other information and we will not express any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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 Ali Hasan Samara; license number 503.

Amman – Jordan
21 March 2024

ERNST & YOUNG
Amman - Jordan

DARAT JORDAN HOLDINGS - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023	2022
ASSETS		JD	JD
Non-Current Assets			
Properties and equipment	7	1,827	4,049
Investments in land	8	2,598,749	2,581,749
Investment properties	9	1,172,210	1,203,582
Properties under development	10	881,555	875,790
Investments in associates	11	2,838,323	2,903,508
Financial assets at amortized cost	12	1,254,127	359,105
Financial assets at fair value through other comprehensive income	14	667,770	704,415
Cheques under collection – Long term		47,000	70,500
		9,461,561	8,702,698
Current Assets			
Properties inventory	13	185,990	245,427
Financial assets at fair value through profit or loss	14	788,379	732,587
Trade receivables	16	82,526	131,037
Other current assets	15	147,866	158,553
Cheques under collection		47,000	37,500
Due from related parties	25	10,370	1,341
Cash and bank balances	17	979,922	1,583,207
		2,242,053	2,889,652
Total Assets		11,703,614	11,592,350
EQUITY AND LIABILITIES			
Equity-			
Paid in capital	1, 18	10,250,000	10,250,000
Statutory reserve	18	292,146	241,273
Retained earnings		940,303	924,116
Net Equity		11,482,449	11,415,389
Liabilities-			
Current Liabilities			
Trade payables and other current liabilities	19	106,991	74,180
Dividends payable		114,174	102,093
Due to related parties	25	-	688
Total Liabilities		221,165	176,961
Total Equity and Liabilities		11,703,614	11,592,350

The accompanying notes from 1 to 31 are part of these consolidated financial statements

DARAT JORDAN HOLDINGS - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		JD	JD
Reef Amman project sales revenue		-	60,000
Residential apartments' sales revenue		40,000	40,000
Reef Amman cost of sales	10	-	(86,050)
Residential apartments' cost of sales	13	(44,781)	(43,826)
Operating loss		(4,781)	(29,876)
Depreciation of properties, equipment, and investment property	7,9	(33,894)	(9,644)
Impairment of Properties inventory	13	(20,000)	-
Gain on financial assets at fair value through profit or loss	20	135,335	45,392
Administrative expenses	21	(297,881)	(308,189)
Interest income		133,460	91,419
Hanger rental income		72,886	12,148
Other income	22	25,702	24,365
Foreign currency exchange gain (losses)		16,528	(31,595)
Group's share of profit from associates	11	481,371	341,620
Profit before tax		508,726	135,640
Income Tax expense	24	(31,666)	(19,442)
Profit after tax		477,060	116,198
Add: Other comprehensive income items		-	-
Total comprehensive income for the year		477,060	116,198
		JD / Fils	JD / Fils
Basic and diluted earnings per share of profit for the year	23	0/047	0/011

The accompanying notes from 1 to 31 are part of these consolidated financial statements

DARAT JORDAN HOLDINGS - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

			Retained earnings			
	Paid in capital	Statutory reserve	Realized profit	Unrealized profit (losses)	Total	Total
For the year ended 31 December 2023 -	JD	JD	JD	JD	JD	JD
Balance at 1 January 2023	10,250,000	241,273	931,838	(7,722)	924,116	11,415,389
Total comprehensive income for the year	-	-	457,174	19,886	477,060	477,060
Transfer to statutory reserve	-	50,873	(50,873)	-	(50,873)	-
Dividends (note 18)	-	-	(410,000)	-	(410,000)	(410,000)
Balance at 31 December 2023	10,250,000	292,146	928,139	12,164	940,303	11,482,449
For the year ended 31 December 2022 -						
Balance at 1 January 2022	10,250,000	227,709	1,212,365	19,117	1,231,482	11,709,191
Total comprehensive income for the year	-	-	143,037	(26,839)	116,198	116,198
Transfer to statutory reserve	-	13,564	(13,564)	-	(13,564)	-
Dividends (note 18)	-	-	(410,000)	-	(410,000)	(410,000)
Balance at 31 December 2022	10,250,000	241,273	931,838	(7,722)	924,116	11,415,389

The accompanying notes from 1 to 31 are part of these consolidated financial statements

DARAT JORDAN HOLDINGS - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2023

	Notes	2023	2022
		JD	JD
OPERATING ACTIVITIES			
Profit before tax		508,726	135,640
Adjustments:			
Depreciation	7,9	33,894	9,644
Interest income		(133,460)	(91,419)
Change in fair value of financial assets at fair value through profit or loss	20	(19,886)	26,839
Group share of profit from associates	11	(481,371)	(341,620)
(Gain) losses on sale of financial assets at fair value through profit or loss	20	(20,129)	10,237
Impairment loss on Properties inventory	13	20,000	-
Dividends income	20	(95,320)	(82,468)
Working capital changes:			
Cheques under collection		14,000	9,500
Trade receivables		48,511	6,023
Other current assets		10,687	(2,275)
Trade payables and other current liabilities		32,811	(6,407)
Dividends payable		12,081	57,580
Properties inventory		39,437	39,021
Net cash flows used in operating activities		(30,019)	(229,705)
INVESTING ACTIVATES			
Financial assets at fair value through other comprehensive income		36,645	30,985
Proceeds from sales of financial assets at fair value through profit or loss		112,937	218,514
Financial assets at fair value through profit or loss		(128,714)	(125,498)
Purchase of properties and equipment	7	(300)	(250)
Related parties balances		(9,717)	(8,967)
Bank deposits		267,354	101,626
Interest received		101,794	86,500
Investment in associates	11	-	(115,063)
Dividends from associates	11	546,556	666,114
Dividends income received		95,320	82,468
Properties under development		(5,765)	1,294,237
Financial assets at amortized cost		(895,022)	(148,945)
Investment in land		(17,000)	-
Investment properties		-	(1,208,811)
Net cash flows from investing activities		104,088	872,910
FINANCE ACTIVATES			
Dividends paid		(410,000)	(410,000)
Net cash flows used in finance activities		(410,000)	(410,000)
Net (decrease) increase in cash and cash equivalents		(335,931)	233,205
Cash and cash equivalents at 1 January		563,140	329,935
Cash and cash equivalents at 31 December	17	227,209	563,140

The accompanying notes from 1 to 31 are part of these consolidated financial statements

(1) General

Darat Jordan Holdings Company was established as a public shareholding Company on 6 December 2007 with authorized and paid in capital of JD 15,000,000 divided into 15,000,000 shares at a par value of JD 1 per share. The Group was granted the right to commence its operations on 10 April 2008. The Company's share capital was decreased during the previous years to become JD 10,250,000 divided into 10,250,000 shares at a par value of JD 1 per share.

The Group's objectives are to invest its funds and sources of financing in all types of available investments in different economic, financial, industrial, commercial, agriculture, real estate, tourism, and services sectors through its subsidiaries and partially owned companies.

The Group's headquarter is located in Khalda, King Abdullah the Second Street, Building 167, Amman-Jordan.

The consolidated financial statements were approved by the Group Board of Directors at 19 March 2024.

(2) Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards "IFRS".

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

The consolidated financial statements are presented in Jordanian Dinars "JD" which is the functional currency of the Group.

(3) Basis of consolidation

The consolidated financial statements comprise the financial statements of Darat Jordan Holdings Company ("The Company") and its subsidiaries (referred to together as "the Group"):

Company name	Paid in capital	Principle activities	Ownership percentage		Legal form
			2023	2022	
	JD		%	%	
Darat Al Reef Jordan Real Estate Development Company	50,000	Real Estate Development	100	100	Private shareholding Company
Jordanian European Real Estate Management Company	5,000	Real Estate Management	100	100	Limited Liability Company
Altanfezeyoun for Real Estate Development Company	10,000	Real Estate Services	100	100	Limited Liability Company
Al Mashkah for Education Company	10,000	Financial and educational consultations	100	100	Limited Liability Company
Al Marsa Alamen for Real Estate Development Company	1,000	Real Estate Services Management	100	100	Limited Liability Company
Al Hadas for development and investments Company	19,000	Real Estate Services Management	100	100	Limited Liability Company

The control exists when the Group controls the subsidiaries' significant and relevant activities, and is exposed, or has the rights, to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- 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.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date of acquisition being the date on which the Group gains control and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent Company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividends 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:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interest
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

(4) Use of estimates

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 and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amounts 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.

Useful life of properties and equipment
The Group's management estimates the useful life for properties and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

(5) Changes in accounting policies

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

IFRS 17 Insurance Contracts

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

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

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Definition of Accounting Estimates - Amendments to IAS 8

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

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

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

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

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

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

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

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

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

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

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

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

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

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

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and
- Disclosure requirements for affected entities to help users of the financial statements better understand an entity’s exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

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

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

(6) Material Accounting Policies

The significant accounting policies adopted are as follows:

Properties and equipment
Properties and equipment are stated at cost, net of accumulated depreciation and any impairment value. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income.

Properties and equipment are depreciated when they become ready for use, on a straight-line basis over the estimated useful lives using the following rates:

	%
Tools and equipment	15
Furniture and fixtures	15
Vehicles	15
Computers and software	25

The book values of property and equipment are reviewed whether there is an indication of impairment or when the carrying values exceed the estimated recoverable amounts the carrying values decreased to reach the recoverable amounts and the impairment recorded in consolidated statement of comprehensive income.

The useful life and depreciation method are reviewed on a regular basis to ensure that that the depreciation method is in line with the expected economic benefits of the properties and equipment.

If carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The value of impairment is recorded as an expense in the consolidated statement of comprehensive income.

Investments in land
Investments in lands are stated at cost or net sellable value, whichever is less. Impairment on for investment in land is recorded in the consolidated statement of comprehensive income.

Properties under development
Properties under development include the cost of land, design, construction, and other direct costs. Properties under development are not depreciated until it is ready for use.

Investment properties
Investment properties are stated at cost less accumulated depreciation and/or accumulated impairment losses. Investment properties (except for land) are depreciated when it is ready to be used on a straight-line basis over their estimated useful lives.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

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

Under the equity method, the investment in an associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of comprehensive income reflects the Group's share of the results of operations of the associate. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate, the Group recognises its share of any changes, when applicable, in the consolidated statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the interest in the associate.

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

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

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

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

Financial assets at amortized cost

Represents financial assets that the Group management intends to hold in order to collect the contractual cash flows, which consist of payments of principal and interest on the existing debt outstanding.

These assets are recognized upon purchase at cost plus acquisition expenses, the premium/discount is amortized using the effective interest method, net of any provision resulting from the impairment of the asset value resulting in the non-recoverability of the asset or part of the asset, and any impairment is credited to its value in the consolidated statement of comprehensive income. These assets are measured at amortized cost at the date of the consolidated financial statements.

The impairment of the financial asset at amortized cost is estimated through preparation of a study based on the historical experience of credit loss, taking into account the future factors of debtors and the economic environment.

The impairment is recorded as a provision for expected credit loss in the consolidated statement of comprehensive income and any reversal are recorded in the subsequent year as a result of the previous impairment of the financial assets in the consolidated statement of comprehensive income.

If any of these assets are sold before their due date, the profits or loss are recorded in the consolidated statement of comprehensive income.

Financial assets at fair value through other comprehensive income

These assets are recorded at fair value added to it acquisition costs at date of purchase and reevaluated later to fair value. The change appears in fair value reserve in other comprehensive income under owners' equity. Including the change in fair value resulting from differences in the change from non-cash assets in foreign currency, and in the case of selling these assets or part of them, profit or loss resulting from the sale are recorded in the consolidated statement of comprehensive income and the balance of evaluation of assets is transferred directly to retained earnings. These assets are not subject to impairment losses.

Properties inventory

Property held for sale is classified as part of the Group's business and not for renting as real estate property and is measured at cost or net realized value whichever is less.

Costs include:

- Cost of lands.
- Construction costs paid to contractors.
- Borrowing, design, planning and site processing costs as well as professional fees for legal services, property transfer taxes and other direct and indirect construction costs.

Commissions paid to sales agents are recognized as an expense when paid.

Net realizable value represents the estimated selling price in the ordinary course of business of the Group based on market prices of the date of the consolidated financial statements discounted for the time value of money less costs to complete construction and estimated selling costs.

The cost of real estate inventory recorded in the consolidated statement of comprehensive income is determined based on the costs incurred on the property as well as the distribution of undisclosed costs based on the area of the units sold.

Financial assets at fair value through profit and loss

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

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the consolidated statement of comprehensive income at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the consolidated statement of comprehensive income. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of comprehensive income.

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

Cash and bank balances

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash on hand, bank balances, and short-term deposits with an original maturity of three months or less.

Trade payable and accruals

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

Provisions

Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be reliably measured.

Revenue and expense recognition

In accordance with IFRS (15), revenue recognized is measured based on the five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled from the sale of properties and rendering of services at a point of time when the property is delivered and the invoice is issued to the customer and the receipt and use of the properties and services provided by the Group.

Interest income is recognized using the accrual basis of accounting.

other income is recognized using the accrual basis of accounting.

Expenses are recognized on an accrual basis.

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 liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Income tax
Income tax provision is calculated in accordance with the income tax law no. (34) of the year 2014 and its amendments, and in accordance with IAS 12, which requires the recording of deferred tax resulting from the difference between the carrying value and the taxable value of the assets and liabilities.

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 such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment of financial assets
Impairment is determined based on lifetime expected credit losses through establishing a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment is recognized as an allowance for expected credit loss in the consolidated statement of comprehensive income. If in a subsequent period, the amount of the impairment loss decreases, the income is recognized in the consolidated statement of comprehensive income.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions.

Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Non-monetary assets and liabilities measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on transaction of non-monetary items measured at fair value is recognized in the consolidated statement of comprehensive income.

Transaction differences for items of non- monetary financial assets and liabilities denominated in foreign currencies (like shares) are recognized as part of the change in fair value.

Fair Value

The Group values financial instruments, such as derivatives and non-financial assets, at fair value at the date of the consolidated financial statements.

The fair value represents the price that will be obtained when selling the assets or the amount that will be paid to transfer the commitment of the transaction arranged between the participants in the market on measurement date.

Fair value is measured on the assumption that asset sales or liability settlement is done through major assets and liabilities markets. In the absence of the primary market, the most suitable market will be used to trade the assets and liabilities.

The Group measures the fair value for the assets and liabilities using the market participant's assumptions for valuing assets and liabilities assuming that participants act according to their economic interests.

A fair value measurement of a non–financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

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

The Group uses the following valuation techniques in setting the fair value of the financial instruments:

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

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

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

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.

(7) Properties and equipment

	Tools and equipment	Furniture and fixtures	Vehicles	Computers and software	Total
2023-	JD	JD	JD	JD	JD
Cost:					
Balance at 1 January 2023	20,000	92,820	21,640	12,831	147,291
Additions	-	300	-	-	300
Balance as at 31 December 2023	20,000	93,120	21,640	12,831	147,591
Accumulated Depreciation:					
Balance at 1 January 2023	20,000	92,820	21,368	9,054	143,242
Depreciation for the year	-	37	272	2,213	2,522
Balance as at 31 December 2023	20,000	92,857	21,640	11,267	145,764
Net book value					
At 31 December 2023	-	263	-	1,564	1,827

	Tools and equipment	Furniture and fixtures	Vehicles	Computers and software	Total
2022-	JD	JD	JD	JD	JD
Cost:					
Balance at 1 January 2022	20,000	92,570	21,640	12,831	147,041
Additions	-	250	-	-	250
Balance as at 31 December 2022	20,000	92,820	21,640	12,831	147,291
Accumulated Depreciation:					
Balance at 1 January 2022	20,000	91,418	18,668	8,741	138,827
Depreciation for the year	-	1,402	2,700	313	4,415
Balance as at 31 December 2022	20,000	92,820	21,368	9,054	143,242
Net book value					
At 31 December 2022	-	-	272	3,777	4,049

(8) Investment in land

This item represents lands owned by the Group's subsidiaries (Darat Al Reef Jordan Real Estate Development Company, Al Tanfethyoun Real Estate Development Company, Al Marsa Al Amen for Real Estate Development Company and al Hadas for Development and Investments Company) for the purpose of developing and selling of those lands. The movement in investments in lands during the year is as follows:

	2023	2022
	JD	JD
Balance at 1 January	2,581,749	2,581,749
Additions	17,000	-
Balance at 31 December	2,598,749	2,581,749

The market fair value of these lands is higher than their book value of JD 2,581,749 according to land valuation reports performed by a two licensed independent assessor.

(9) Investment properties

	2023	2022
	JD	JD
Cost:		
Balance at 1 January	1,208,811	-
Transfers from Properties under development	-	1,208,811
Balance as at 31 December	1,208,811	1,208,811
Accumulated Depreciation:		
Balance at 1 January	5,229	-
Depreciation for the year	31,372	5,229
Balance as at 31 December	36,601	5,229
Net book value as at 31 December	1,172,210	1,203,582

(10) Properties under development

Movement on properties under development is as follows:

	Balance at 1 January 2023	Additions	Balance at 31 December 2023
	JD	JD	JD
Amman Reef Project	875,790	-	875,790
Aqaba Hangers Project	-	5,765	5,765
	875,790	5,765	881,555

The estimated cost to complete these projects is JD 423 thousand and they are expected to be completed during the third quarter of 2024.

(11) Investments in associates

	Country of incorporation	Percentage of ownership	Nature of activity	2023	2022
				JD	JD
Ajiad Investments Company	Jordan	32.88%	Commercial	2,838,323	2,903,508
Jordan Cyprus for Logistic Services*	Jordan	40%	Logistics Services	-	-
				2,838,323	2,903,508

* Jordan Cyprus for Logistic Group recognized losses during the previous years that exceed the value of the investment, and therefore the group reduced the value of the investment by the entire amount of investment during the year 2022.

Movements on investments in associates is as follows:

	2023	2022
	JD	JD
Balance at 1 January	2,903,508	3,112,939
Group's share of profit from associates	481,371	341,620
Dividends form associates	(546,556)	(666,114)
The Company's share of the capital increase of Ajyad Investments	-	115,063
Balance at 31 December	2,838,323	2,903,508

The following table summarizes the financial information of the Group's investment in associates:

	Jordan Cyprus for Logistic Services		Ajiad Investments Company		Total	
	2023	2022	2023	2022	2023	2022
	JD	JD	JD	JD	JD	JD
Current assets	-	-	12,895,234	13,338,416	12,895,234	13,338,416
Non – current assets	-	-	16	5,116	16	5,116
Current liabilities	-	-	(5,321,662)	(5,571,780)	(5,321,662)	(5,571,780)
Net equity	-	-	7,573,588	7,771,752	7,573,588	7,771,752
Ownership percentage	40%	40%	32.88%	32.88%		
Group's share	-	-	2,489,817	2,555,002	2,489,817	2,555,002
Add: embedded goodwill	-	-	348,506	348,506	348,506	348,506
Book value of investment	-	-	2,838,323	2,903,508	2,838,323	2,903,508
Revenues	-	-	3,187,427	3,604,908	3,187,427	3,604,908
Operating expenses	-	-	-	-	-	-
Administrative expenses	-	-	(1,723,181)	(1,705,654)	(1,723,181)	(1,705,654)
Profit for the year	-	-	1,464,246	1,899,254	1,464,246	1,899,254
Group's share of (loss) profit from associates	-	(282,769)	481,371	624,389	481,371	341,620

(12) Financial assets at amortized cost

	2023		Total	
	Maturity within one year**	Maturity within more than one year*	2023	2022
	JD	JD	JD	JD
Bonds	-	1,254,127	1,254,127	359,105
	-	1,254,127	1,254,127	359,105

Bonds Maturity more than one year:

The following table summarizes of financial assets at amortized cost:

Bonds Name	Bonds Numbers	Nominal Value as of 31 December 2023	Nominal Value as of 31 December 2022	Interest	Maturity Date	Balance as of 31 December 2023	Balance as of 31 December 2022
		JD / Bonds	JD / Bonds	%			
OTZ HLDG	200	696	696	6,625%	24 April 2028	139,958	139,485
Dar Al Arkan	200	685	685	6,750%	15 February 2025	139,554	137,413
Barclays Bank	100	866	866	5,750%	14 September 2026	87,712	82,207
CREDIT AGRICOLE	200	785	-	7,250%	23 September 2028	156,951	-
UBS	200	716	-	5,959%	12 January 2034	143,085	-
HESS	100	767	-	7,875%	1 October 2029	76,486	-
BT GROUP	100	829	-	9,625%	15 December 2030	82,558	-
ROHM&HAAS	100	770	-	7,850%	15 July 2030	76,766	-
WRKCO	100	779	-	8,200%	15 January 2030	77,652	-
PARAMOUNT GLOBAL	100	709	-	7,875%	30 July 2023	70,831	-
UNITED UTIL	100	737	-	6,875%	15 August 2028	73,539	-
KONINKLIJKE KPN	100	793	-	8,375%	1 October 2030	79,005	-
JTBL AIR	100	538	-	7,750%	15 November 2028	50,030	-
						1,254,127	359,105

(13) Properties inventory

This item represents a building residential project – Swifieh. The Company sold one apartment in 2023 (2022: one apartment).

Movement in this account is as follows:

	2023	2022
	JD	JD
Balance as of 1 January	245,427	284,448
Additions	5,344	4,805
Transferred to cost of sales	(44,781)	(43,826)
Impairment	(20,000)	-
Balance as of 31 December	185,990	245,427

(14) Financial assets Fair Value

(14-1) Financial assets at fair value through profit or loss

	2023	2022
	JD	JD
Quoted shares in financial markets		
Local	485,486	513,775
Foreign	302,893	218,812
	788,379	732,587

(14-2) Financial assets at fair value through other comprehensive income

	2023	2022
	JD	JD
Investment in European Fund*	195,620	189,213
Investment in American Fund**	472,150	515,202
	667,770	704,415

* This item represents the Group's investment in shares of companies that manage real estate portfolios in United State of America and Europe through Invest Corp. The Group owns two and a half shares in each Company. The value of each share is EURO 100,000. The total investment value amounted to EURO 250,000 (JD 210,000) as at 31 December 2023. During the year ended 2023, the price of the EURO decreased to JD 195,620 as at 31 December 2023.

** This item represents the Group's investment in shares of a Company that manages investment units in long-term leasing of real estate in United State of America through Qatar First Bank and Invest Corp respectively. The Group owns 300 shares with a value of USD 1,000 per share for each portfolio, and accordingly, the total investment value amounting to USD 300,000 (JD 213,000). The Group also has investments through Invest Corp with a total amount of JD 259,150 as at 31 December 2023 (2022: JD 302,202).

(15) Other current assets

	2023	2022
	JD	JD
Income tax receivables	44,763	40,091
Employee receivables	33,392	26,793
Refundable cash margins on guarantees*	255	15,075
Accrued interest revenues	27,772	4,919
Prepaid expenses	4,313	5,967
Refundable deposits	3,500	3,500
Other debit balances	30,860	57,819
Others	3,011	4,389
	147,866	158,553

* This item represents cash margins held against letter of guarantees including an amount of JD 255 JD as cash deposits for Jordan Cyprus for Logistic Services Company (Associate). (2022: 15,075 JD).

(16) Trade receivables

	2023	2022
	JD	JD
Trade receivables	82,526	131,037
	82,526	131,037

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

	Past due but not impaired			
	1-60 Days	61-150 Days	Over150 Days	Total
	JD	JD	JD	JD
2023	18,510	9,000	55,016	82,526
2022	6,000	9,000	116,037	131,037

Trade receivables are expected, on the basis of past experience, to be fully recoverable and is secured by guarantees from the customers.

(17) Cash and bank balances

	2023	2022
	JD	JD
Cash on hand	6,391	8,106
Current accounts	220,818	555,034
Deposits*	752,713	1,020,067
	979,922	1,583,207

* This item represents short-term deposits in Jordanian Dinars with maturities of one year and bearing an annual interest rate between 6% to 7% (2022: 4%).

Cash and cash equivalent shown in the consolidated statement of cash flows represent amounts in the consolidated statement of financial positions as follows:

	2023	2022
	JD	JD
Cash on hand and at banks	979,922	1,583,207
Less: deposits at banks maturing within three months to a year	(752,713)	(1,020,067)
Cash and cash equivalents	227,209	563,140

(18) Shareholder's equity

Paid in capital –
The Company's capital was decreased during the year 2019 in accordance with the decision of the extraordinary general assembly meeting held on 15 June 2019, as mentioned in note (1), and accordingly, the Company's subscribed and paid-in capital became JD 10,250,000 distributed over 10,250,000 shares with a nominal value of JD 1 per share.

Statutory reserve –
This amount represents transfers at 10% of net income before tax as required by the Jordanian Companies Law. This reserve is not available for distribution to shareholders.

Dividend distribution –
In its ordinary meeting held on 26 March 2023, the General Assembly approved the Board of Directors' proposal for the dividend's distribution to the Shareholders amounting to JD 410,000 representing 4% of the paid capital of JD 10,250,000. (2022: JD 410,000).

(19) Trade and other current liabilities

	2023	2022
	JD	JD
Trade payables	13,205	12,642
Income tax provision	65,321	33,139
Due to social security	2,050	1,955
Deferred revenues	24,295	24,295
Other	2,120	2,149
	106,991	74,180

(20) Gain on financial assets at fair value through profit or loss

	2023	2022
	JD	JD
Change in fair value	19,886	(26,839)
Dividend's income	95,320	82,468
Gain (loss) on sale of financial assets	20,129	(10,237)
	135,335	45,392

(21) Administrative expense

	2023	2022
	JD	JD
Salaries and wages	126,890	143,265
Professional and consultants' fees	24,368	23,760
Group's contribution in social security	16,117	15,375
Farms' services expenses	28,185	29,038
Insurance	17,736	16,385
Short term rent	11,500	13,401
Travel and transportation expenses	12,000	12,000
Remunerations board of directors	10,000	-
Subscriptions	8,510	8,695
Vehicles expenses	3,933	1,448
Listing fees	5,000	5,000
Bank charges and brokerage fees	11,790	10,638
Water and electricity	2,991	3,159
General assembly meeting expenses	1,286	1,256
Mail, telephone and internet	1,029	1,150
Cleaning and hospitality fees	908	1,101
Maintenance and security expenses	1,598	323
Registration and license fees	9,255	5,577
Governmental expenses	-	420
Other	4,785	16,198
	297,881	308,189

(22) Other income

	2023	2022
	JD	JD
Security and Protection	24,899	23,203
Others	803	1,162
	25,702	24,365

(23) Earnings Per share

	2023	2022
Profit for the year (JD)	477,060	116,198
Weighted average number of shares during the year (share)	10,250,000	10,250,000
	JD / Fils	JD / Fils
Basic and diluted earnings per share from profit for the year	0/047	0/011

(24) Income tax

Darat Jordan Holdings Company:
The income tax provision for the Company was calculated for the year ended at 31 December 2023 and 2022 in accordance with Income Tax Law No. (34) of 2014 and its amendments.

The Company is subject to income tax rate of 20% in addition to 1% for National Contribution in accordance with the Income Tax Law No. (34) and its amendments.

The Company submitted its annual income tax returns for the year 2021, 2022 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these consolidated financial statements. The Company obtained a final settlement with the Income and Sales Tax Department up to the year 2020.

Below is the reconciliation between the accounting profit and taxable profit for Darat Jordan Holdings Company:

	2023	2022
	JD	JD
Accounting profit for Darat Jordan Holdings Company	508,726	135,640
Less: Net non-taxable revenues and losses	(449,764)	(218,981)
Add: Taxable revenues and losses	91,830	175,921
Taxable income	150,792	92,580
Income Tax	30,158	18,516
National Contribution	1,508	926
Effective income tax rate	6,2%	14,3%
Statutory income tax rate	20%	20%
National Contribution rate	1%	1%

Subsidiaries:
No income tax provision was calculated on the results of the operations of the subsidiaries for the years ended 31 December 2023 and 2022 in accordance with Income Tax Law No. (34) of 2014 and its amendments, as the presence of accepted expenses exceeded the taxable income.

Jordanian European Real Estate Management Company:
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2021. The Company submitted its annual income tax returns for the year 2022 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these consolidated financial statements.

Al Tanfetheyoun for real estate development:
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these consolidated financial statements.

Al Marsa Alamen for Real Estate Development:
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these consolidated financial statements.

Al Mashkah for Education Company:
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these consolidated financial statements.

Al Hadas for Development and Investments Company:
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022. The Company submitted its annual income tax returns for the year 2023 and the Income and Sale Tax Department has not reviewed this tax return up to the date of these consolidated financial statements.

Darat Al Reef Jordan Real Estate Company:
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2018. The Company submitted its annual income tax returns for the years 2019 up to 2022 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these consolidated financial statements.

(25) Related party transactions

Related parties represent associated Companies, major shareholders, Board of Directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group management.

Summary of balances and transactions with related parties that were shown in the consolidated financial statements are as follows:

Consolidated statement of financial position items:

	2023	2022
	JD	JD
Due from related parties		
Jordan Cyprus for Logistic Services Company (associate)	6,385	-
Ajiad Investment Company (associate)	3,985	1,341
	10,370	1,341

	2023	2022
	JD	JD
Due to related parties		
Jordan Cyprus for Logistic Services Company (Associate)	-	688
	-	688

Consolidated statement of comprehensive income items:

Compensation of key management personnel:

	2023	2022
	JD	JD
Salaries and other benefits	83,539	94,556

(26) Fair value

Fair value of financial instruments

The following table shows the fair value of financial instruments that are not measured at fair value on an ongoing basis as of 31 December 2023 and 2022:

	Book value		Fair value	
	2023	2022	2023	2022
	JD	JD	JD	JD
Financial assets at amortized cost	1,254,127	359,105	1,254,127	359,105
Other current assets	147,866	158,553	147,866	158,553
Due from related parties	10,370	1,341	10,370	1,341
Trade receivables	82,526	131,037	82,526	131,037
Cheques under collection	94,000	108,000	94,000	108,000
Cash and bank balances	979,922	1,583,207	979,922	1,583,207
	2,568,811	**2,341,243**	**2,568,811**	**2,341,243**
Financial Liability				
Due to related parties	-	688	-	688
Trade and other current liabilities	106,991	74,180	106,991	74,180

The fair values of the financial assets and financial liabilities are shown according to the values at which the exchanges could take place between relevant parties, with the exception of forced sales or liquidation.

The fair value of financial instruments is not materially different from the carrying value of these instruments.

Fair value measurement

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

- Level 1 - Quoted 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.

The following table provides the Group's financial investments fair value measurement on outgoing basis based on its hierarchy:

	Level 1	Level 2	Total
2023 -	JD	JD	JD
Financial assets			
Financial assets of fair value through profit or loss	788,379	-	**788,379**
Financial assets of fair value through other comprehensive income	-	667,770	**667,770**
2022 -			
Financial assets			
Financial assets of fair value through profit or loss	732,587	-	**732,587**
Financial assets of fair value through other comprehensive income	-	704,415	**704,415**

(27) Segment information

Business segments information

For management purposes the Group's activities are distributed into two main sectors:

Land development – represented by purchases of land for the purpose of development and sale.

Investments - represented by investments in stocks and investments in associates.

These sectors are the basis upon which the Group builds its main segment information reports.

	Land Development	Investments	Other	Total
2023 -	JD	JD	JD	JD
Segment revenues	112,886	135,335	175,690	423,911
Cost of sales	(44,781)	-	-	(44,781)
Group's share of profit from associates	-	481,371	-	481,371
Depreciation	-	-	(33,894)	(33,894)
Other expenses	-	(20,000)	(297,881)	(317,881)
Profit (loss) for the year before tax	68,105	596,706	(156,085)	508,726
Assets and liabilities				
Segment assets	4,838,504	2,710,276	1,316,511	8,865,291
Investments in associates	-	2,838,323	-	2,838,323
Segment liabilities	-	-	(221,165)	(221,165)
Net assets	4,838,504	5,548,599	1,095,346	11,482,449
2022 -				
Segment revenues	112,148	45,392	115,784	273,324
Cost of sales	(129,875)	-	-	(129,875)
Group's share of profit from associates	-	341,620	-	341,620
Depreciation	-	-	(9,644)	(9,644)
Other expenses	-	-	(339,785)	(339,785)
(Loss) profit for the year before tax	(17,727)	387,012	(233,645)	135,640
Assets and liabilities				
Segment assets	4,906,547	1,796,107	1,986,188	8,688,842
Investments in associates	-	2,903,508	-	2,903,508
Segment liabilities	-	-	(176,961)	(176,961)
Net assets	4,906,547	4,699,615	1,809,227	11,415,389

(28) Risk management

Interest rate risk

Interest rate risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

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

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

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

2023-

Currency	*Increase in interest rate (Basis Points)*	*Effect on profit for the year JD*
JD	100	7,527

Currency	*Decrease in interest rate (Basis Points)*	*Effect on profit for the year JD*
JD	(100)	(7,527)

2022-

Currency	*Increase in interest rate (Basis Points)*	*Effect on profit for the year JD*
JD	100	10,201

Currency	*Decrease in interest rate (Basis Points)*	*Effect on profit for the year JD*
JD	(100)	(10,201)

Changes in equity price risk

The following table demonstrate the sensitivity of the Group's consolidated statement of comprehensive income to reasonably possible changes in equity prices, with all other variables held constant:

2023-	Change in Index	Effect on profit for the year
	(%)	JD
Amman stock exchange	10	48,549
Foreign stock exchange	10	30,289

2022-	Change in Index	Effect on profit for the year
	(%)	JD
Amman stock exchange	10	51,378
Foreign stock exchange	10	21,881

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

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

The Group believes that it is not significantly exposed to credit risk since the Group seeks to limit credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

Liquidity risk

Liquidity risk is represented by the possibility that the Group may not be able to meet its liabilities when due.

The Group manages its liquidity risk by ensuring the availability of bank facilities.

Financial liabilities are due within one year from the date of the consolidated financial statements.

Currency risk

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar is fixed against the U.S Dollar (USD 1.41 for each Jordanian Dinar).

(29) Contingent liabilities

	2023	2022
	JD	JD
Letters of guarantees	2,552	60,752

Cash margins held against letter of guarantees amounted to 255 JD as at 31 December 2023 (2022: 15,075 JD) (Note 15).

(30) Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. The Company did not make any change on polices and objectives related to capital restructuring during the current year and pervious years.

Capital comprises paid in capital, statutory reserve and retained earnings amounting to 11,482,449 JD as at 31 December 2023 (2022: JD 11,415,389).

(31) Standards issued but not yet effective

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

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

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

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

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

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

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period
- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

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