

**Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

**Consolidated financial statements
As of December 31, 2021**

**Jordanian Real Estate Company
for Development**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan

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Independent Auditors' Report

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To The Shareholders,

The Jordanian Real Estate Company for Development

Public Shareholder Company

Amman - Jordan

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the accompanying Consolidated financial statements of **The Jordanian Real Estate Company for Development (PSC)**, which comprise the consolidated statement of financial position as at 31 December 2021, Statement of consolidated comprehensive income, statement of consolidated changes in owners' equity and statement of consolidated cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2021, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

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 Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

It is also stated in Note No. (9) about the attached consolidated financial statements, that some lands at a cost of 4,664,883 dinars as on December 31, 2021 are not registered in the name of the company, but are registered in the name of the previous owners of those



properties. The company's ownership of real estate is proven through contracts, mortgage bonds and non-isolable agencies signed with these parties.

Other Matter

The consolidated financial statements as on December 31, 2020 were audited by another auditor, who issued an unqualified audit report on February 22, 2021.

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 of the current period. 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.

- **Lands and apartments ready for sale**

The company owns lands and apartments ready for sale with amount of JD 18,326,957 as at December 31, 2021 (note 8 , 9).

In accordance with the requirements of IFRS, the company should recognize the cost or net realizable value of these lands and apartments ready for sale whichever is lower and measure any impairment in its value (if any). Such matter require a significant judgment and estimates from the management to determine the net realizable value, as the company exercise the judgment and estimates over the observable inputs used to determine the fair value/impairment including the valuation from real estate valutors and the discount of future cash flow.

Accordingly, the determination of net realizable value of these assets by management is considered a key audit matter.

The audit procedures included the:

Our audit procedures include the assessment of the Company's internal controls to determine the fair value of lands and apartments ready for sale and compare the fair value to the carrying amount for the purpose of identify impairment (if any), in addition to the assessment of the estimates used by management to determine the net realizable value over lands and apartments ready for sale including the fair value estimate from reliable real estate valutors.

We have compared these estimates with the requirements of IFRS and discussed with management based on the available information.

Furthermore, our audit procedures included the assessment of the mythology used, the acceptability of the measurement models and the observable inputs to determine the net realizable value of the valuations provided by the real estate's valutors and others, also we assessed the sufficiency of disclosure made by management over the lands and apartments ready for sale.



Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when its 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

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

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe



these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting books of accounts and the accompanying consolidated Financial Statements agree with the consolidated Financial Statements incorporated, and we recommend the General Assembly to approve the Accompanying consolidated Financial Statements.

For Obeidat & alsalih

Nabil M. Obeidat

License No. 877



**Amman in
2 February 2022**

**Jordanian Real Estate Company
for Development**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated financial position
As of December 31, 2021

	Note	2021 JD	2020 JD
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	6	8,010,531	6,432,830
Accounts receivable & cheques under collection - net	7	461,747	346,854
Due from related parties	25 A	433,196	252,712
Ready-to-sale apartments - net	8	915,758	915,758
Lands ready for sale	9	18,326,957	19,707,572
Other debit balances	10	199,698	114,455
Total current assets		<u>28,347,887</u>	<u>27,770,181</u>
<u>Non - current assets</u>			
Financial assets at fair value through comprehensive income	11	4,415,726	4,118,083
Investment in subsidiary	12	-	10,000
Investments in associate	13	11,623	22,782
Cheques under collection - long term		10,780	-
Projects under construction	14	53,515	49,142
Real-estate investments - net	15	4,648,061	4,660,944
Property , plants & equipments - net	16	150,057	148,950
Total non - current assets		<u>9,289,762</u>	<u>9,009,901</u>
Total assets		<u>37,637,649</u>	<u>36,780,082</u>
<u>Liabilities & owners' equity</u>			
<u>Current liabilities</u>			
Accounts payable		149,220	308,772
Due to related parties	25 B	8,717	7,310
Income tax provision	17	85,740	34,971
Other credit balances	18	1,132,155	1,088,542
Total current liabilities		<u>1,375,832</u>	<u>1,439,595</u>
<u>Owners' equity</u>			
Paid up apital	19	34,500,000	34,500,000
Issuance premium	19	36,479	36,479
Statutory reserve	19	2,181,177	2,136,023
Fair value reserve	19	(1,743,637)	(2,340,454)
Retained earnings	19	1,287,798	1,008,439
Net owners' equity		<u>36,261,817</u>	<u>35,340,487</u>
Total liabilities & owners' equity		<u>37,637,649</u>	<u>36,780,082</u>

The accompanying notes form from (1) to (33) is an integral part of these statements

Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated comprehensive income
for the year ended December 31, 2021

	Note	2021 JD	2020 JD
<u>Revenues</u>			
Net profit from selling lands & apartments	20	417,203	393,942
Bank deposits revenues	21	361,331	285,325
Dividends income		76,174	162,682
Rent revenues		227,836	261,012
Other income	22	25,072	19,913
Total revenues		1,107,616	1,122,874
<u>Expenses</u>			
General & administrative expenses	23	(525,429)	(470,863)
Lands sales, purchases and estimate commissions		(33,538)	(43,915)
Projects expenses		(24,569)	(18,767)
Contracts cancellation losses		(22,825)	(165,690)
Related parties impairment debts		(16,626)	-
Investment in subsidiary (under liquidation) impairment	12 C	(10,000)	-
Impairment debts	7	(10,743)	-
Apartments ready for sales impairment		-	(124,500)
Capital (losses)		(246)	(5,886)
Company's share of associate (losses)	13	(11,159)	-
Total expenses		(655,135)	(829,621)
Profit for the year before tax		452,481	293,253
Income tax	17	(86,748)	(34,971)
Profit for the year		365,733	258,282
<u>Add: other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income statement		596,817	429,837
(Loss) from selling financial assets through comprehensive income		(62,281)	(140,710)
Total comprehensive income (loss) for the year		900,269	547,409
		Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	24	0.011	0.007

The accompanying notes form from (1) to (33) is an integral part of these statements

Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated owners' equity
for the year ended December 31, 2021

Description	Paid up capital JD	Issuance premium JD	Statutory reserve JD	Fair value reserve JD	Retained earnings JD	Net JD
<u>For the year ended December 31, 2021</u>						
Balance as of January 1, 2021	34,500,000	36,479	2,136,023	(2,340,454)	1,008,439	35,340,487
Prior years revenues	-	-	-	-	21,061	21,061
Adjusted opening balances	34,500,000	36,479	2,136,023	(2,340,454)	1,029,500	35,361,548
Profit for the year after tax	-	-	-	-	365,733	365,733
(Loss) from selling financial assets through comprehensive income	-	-	-	-	(62,281)	(62,281)
Fair value reserve	-	-	-	596,817	-	596,817
Total comprehensive income for the year	-	-	-	596,817	303,452	900,269
Transfer to statutory reserve	-	-	45,154	-	(45,154)	-
Balance as of December 31, 2021	34,500,000	36,479	2,181,177	(1,743,637)	1,287,798	36,261,817
<u>For the year ended December 31, 2020</u>						
Balance as of January 1, 2020	34,500,000	36,479	2,123,541	(2,770,291)	936,396	34,826,125
Prior years expenses	-	-	-	-	(33,047)	(33,047)
Adjusted opening balances	34,500,000	36,479	2,123,541	(2,770,291)	903,349	34,793,078
Profit for the year after tax	-	-	-	-	258,282	258,282
(Loss) from selling financial assets through comprehensive income	-	-	-	-	(140,710)	(140,710)
Fair value reserve	-	-	-	429,837	-	429,837
Total comprehensive income for the year	-	-	-	429,837	117,572	547,409
Transfer to statutory reserve	-	-	12,482	-	(12,482)	-
Balance as of December 31, 2020	34,500,000	36,479	2,136,023	(2,340,454)	1,008,439	35,340,487

In accordance with the instructions of the Securities Commission, it is prohibited to dispose of the fair value reserve balance of financial assets by distribution to the company's shareholders, capitalization, amortization of losses, or any other way of disposal.

The accompanying notes form from (1) to (33) is an integral part of these statements

**Jordanian Real Estate Company
for Development**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated cash flows
for the year ended December 31, 2021

	Note	2021 JD	2020 JD
<u>Cash flows from operating activities</u>			
Profit for the year after tax		452,481	293,253
Prior years revenues (expenses)		21,061	(33,047)
Depreciation	13	125,475	104,285
Realized (gains) from selling financial assets through income		(6,528)	-
Related parties impairment debts		16,626	-
Investment in subsidiary (under liquidation) impairment	12	10,000	-
Impairment debts	7	10,743	-
Apartments ready for sales impairment	8	-	124,500
Capital losses		246	5,886
Company's share of associate losses	13	11,159	-
Bank deposits revenues		(361,331)	(285,325)
Operating income before changes in working capital		279,932	209,552
<u>(Increase) decrease in current assets</u>			
Accounts receivable & cheques under collection		(136,416)	283,477
Due from related parties		(180,484)	(22,574)
Lands ready for sale		1,380,615	280,424
Ready-to-sale apartments		-	(31,699)
Other debit balances		(85,243)	210,451
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		(159,552)	241,590
Due to related parties		1,407	(15,963)
Deffered cheques		-	(88,713)
Other credit balances		43,613	(31,391)
Net cash flows from operating activities before paid tax		1,143,872	1,035,154
Paid tax	17	(35,979)	(70,267)
Net cash flows from operating activities		1,107,893	964,887
<u>Cash flows from investing activities</u>			
Proceeds from financial assets at fair value through comprehensive income		473,609	179,929
Acquisitions to purchase financial assets at fair value through comprehensive		(236,703)	-
Proceeds from financial assets at fair value through income		300,008	-
Acquisitions to purchase financial assets at fair value through income		(293,480)	-
Acquisitions for liquidtion subsidiary		(16,626)	-
Proceeds from selling property, plants and equipments		25	-
Acquisitions of projects under constructions		(4,373)	(49,142)
Acquisitions of property , plants & equipments	16	(29,712)	(180,988)
Acquisitions of real estate investments	15	(84,271)	-
Susidiary investment		-	(2,500)
Bank deposits revenues		361,331	285,325
Net cash flows from investing activities		469,808	232,624
Net changes in cash		1,577,701	1,197,511
Cash and cash equivalents at beginning of year		6,432,830	5,235,319
Cash and cash equivalents at end of year		8,010,531	6,432,830

The accompanying notes form from (1) to (33) is an integral part of these statements

**Jordanian Real Estate Company
for Development
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the consolidated financial statements**

1- Company's registration and objectives

The **Jordanian Real Estate Company for Development** was established in accordance with the companies law number (22) of 1997 & registered as a public shareholding company under number (361) on **April 4, 2005**.

General assembly decided in the extraordinary meeting held on **March 27, 2006** to increase its capital by JD/Share **15** million to become JD/Share **30** million through offering JD/Share **15** to the private subscription for the company's shareholders at **1 JD** per share.

In addition, General assembly decided in the extraordinary meeting held on **September 24, 2009** to increase its capital by JD/Share **4,5** million to become JD/Share **34,5** million through stock dividends by **15%** of the company's paid capital.

The most important objectives of the company :

- Purchase and sale lands after develop, improve, devise, sort and delivery all necessary services to it, according to applicable laws.
- Investments in other companies to achieve company's objectives.
- Buying lands and building apartments on them and selling them without interests.
- Investment company's funds in stocks and bonds for the purposes of the company.
- Finance lease.

The financial statements were approved by the board of directors at their meeting held on **February 2, 2022**, these financial statements needs subject to the approval of the general assembly of shareholders.

2- Basis of preparation of consolidated financial statements

The consolidated financial statements of the company have been prepared in accordance to International Financial Reporting Standards.

The consolidated financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value (if exist).

The consolidated financial statements are presented in Jordanian Dinars (JD) which is the company's functional and presentation currency.

Jordanian Real Estate Company

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Public shareholding company

Amman - The Hashemite Kingdom of Jordan

Notes to the consolidated financial statements

3- Basis of consolidation of the financial statements

- The consolidated financial statements consist of assets , liabilities , revenues & expnses of **The Jordanian Real estate Company for development** and **1** subsidiary as follows :

<u>Company's name</u>	<u>Legal form</u>	<u>Date of control</u>	<u>Capital</u>	<u>Ownership rate</u>	<u>Company's share of subsidiary's profit</u>	<u>Investment's net book value</u>
		JD	JD	%	JD	JD
Haman real estate company	L.L.C	26-Nov-2018	5,000	100	45,840	5,000

- Summary for Subsidiary's Assets & Liabilities & Revenues & Profits :

<u>Company's name</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Revenues</u>	<u>Profit for the year</u>
	JD	JD	JD	JD
Haman real estate company	4,872,602	4,753,617	224,116	45,840

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benifets from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subciidiaries are prepared for the period of the same accounting policies which used in the mother company (**The Jordanian Real estate Company for development**) , if subsidiary used differnet policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company (**The Jordanian Real estate Company for development**) .

Minority interests represents part non owned by company from subsidiaries' owner's equity , minority interests stated in net company's assets as a separated item from shares owner's equity of the company .

Jordanian Real Estate Company
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Notes to the consolidated financial statements

4- Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities . These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular , considerable judgement by management is required in the estimation of the amount and timing of future cash flows . Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ, resulting in future change in such provisions .

Management believe that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .

- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

5- Significant accounting policies

Changes in accounting policies

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year, except for the company's application of the following standards :

A. The new standards, amendments and interpretations that have been applied by the company in the fiscal year beginning on January 1, 2021:

- * Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 Standard Interest Rate Reform - Phase Two.
- * Amendments to IFRS 16 Leases, Lease Concessions Related to Coronavirus.

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Notes to the consolidated financial statements**

B. New standards, amendments and interpretations issued but not yet effective and not early applied:

It is valid for annual periods beginning on January 1, 2022.

- * Amendments to International Financial Reporting Standard No. 3 - Business Groups.
- * Amendments to International Accounting Standard No. 16 - Property, Equipment and Machinery.
- * Amendments to IAS 37 - Provisions, Contingent Liabilities and Contingent Assets.

It is valid for annual periods beginning on January 1, 2023.

- * Amendments to International Accounting Standard No. 1 - Presentation of Financial Statements - Classification of Liabilities.
- * Deferred tax assets and liabilities arising from a single transaction - Amendments to IAS 12.
- * Sale or contribution of assets between an investor and his subsidiary or joint venture - Amendments to International Financial Reporting Standard No. 10 and International Accounting Standard No. 28.

The previous amendments and interpretations, as well as the non-effective standards, did not have a material impact on the company during the current or future year and on the expected future transactions.

Cash & cash equivalent

Cash and cash equivalents includes cash in hand , deposits held at call with banks, other short - term highly liquid investments with original maturities of three months or less.

Accounts receivable

Accounts receivable are stated at their net realizable value net of a provision for impairment debts, bad debts where written off when identified deduct of its stated provision and the collected amounts from debts which identified to revenues .

Impairment of financial assets

The company recognizes a provision for expected credit losses for all debt instruments that are not held at fair value through the statement of profit or loss. The expected credit losses are based on the difference between the contractual flows due in accordance with the contract and all the cash flows that the company expects to receive, it discounted when estimating the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit improvements that are part of the contractual terms (if any).

The management of the company calculates the provision based on its historical experience in credit loss adjusted according to future factors of debtors and the economic environment.

Jordanian Real Estate Company

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Notes to the consolidated financial statements

Real estate investments

Real estate investments are stated at cost and any impairment in their value is recorded in the income statement. The income or operating expenses of these investments are recorded in the income statement, real estate investments are evaluated and their fair value is disclosed in the financial statements. It is depreciated with the exception of (land) when it is ready for use over its expected useful life using the **straight-line** method and in percentages as follows:

Buildings	2	Electrical appliances	15
Building improvements	2	Office equipment and supplies	25
Furniture & fixtures	15	Studio kitchens	15

Property, plant & equipments

Property, plant & equipments are recorded at cost and depreciated exception of (lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates as follows:

Furniture & fixtures	15
Computer & office machines	25-15
Vehicle	15

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount, the impairment record in statement of comprehensive income.

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated, the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benifits from usage, that item will be written down immediately.

Financial assets at fair value through comprehensive income

Financial assets at fair value through comprehensive income are non derivative financial assets, the purpose of the acquisition is to keep them available for sale and not to trade or keep them until maturity.

The differences in the change in fair value of financial assets carried at fair value are recorded through the statement of comprehensive income.

Financial assets at fair value through comprehensive income that is available to quoted market prices in active markets at fair value, net of accumulated impairment losses in the fair value appear.

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Notes to the consolidated financial statements

Gains and losses arising from differences foreign currency debt instruments that bear interest within the specified financial assets at fair value through comprehensive income transfer register, while the registration of foreign exchange rate changes ownership of the tools included in the cumulative change in fair value in equity.

If the company did not adopt the recognition of the fair value changes of financial assets in equity instruments in the list of other comprehensive income must be an option then these assets are measured at fair value and recognize changes in fair value in the statement of comprehensive income.

Investments in associate

Associates companies are the companies which the company owned over **20%** to **50%** of its right to vote, the company has effect effective on its decisions about financial and operation policies.

Associates investments appear in financial statements at cost, in addition of company's share of changes in net assets according to equity method, the goodwill resulting of the associates investment record in account of associates investment and not amortize when exist of changes in associates owners' equity, that changes appear in owners' equity of the company.

When preparing separated financial statements for the company as independent establishment, the associates investment appear in fair value.

Accounts payable & accrued amounts

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

Income tax

Accrued taxes expenses are calculated according to taxable gains in accordance to law **(38)** for the year **2018**, taxable gains are different from declared gains in income statement because declared gains include non-taxable revenues or non-reduction expenses at the current year but in coming years, or acceptable taxable accumulated loss, or non-taxable items or reducing for tax purposes.

Taxes are calculated according to decision tax rate in accordance with laws, systems and instructions.

Revenues recognition

The company generates revenue according to IFRS 15 using the following five-step model:

The first step: determine the contract with the customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets standards for each contract that must be fulfilled.

The second step: Determine performance obligations

A performance obligation is a promise in a contract with a customer to transfer a good or perform service to a customer

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Step Three: Determine the transaction price

The transaction price is the amount of the consideration that the company expects to receive in exchange for transferring the goods or services promised by the customer except for amounts collected on behalf of third parties.

The fourth step: allocating the transaction price

For a contract that contains more than a performance obligation, the company distributes the transaction price to each performance obligation in an amount that specifies the corresponding amount that the company expects to obtain in return for fulfilling each performance obligation.

Offsetting

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legally enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events, it is probable that an outflow or resource will be required to settle the obligation, and a reliable estimate of the amount can be made . Where the company expect a provision to be reimbursed, for example under an insurance contract , the reimbursed is recognized as a separate asset but only when the reimbursement is virtually certain.

Foreign currency translation

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction. Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date. Exchange differences arising from these translations are included in the statement of income.

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6- Cash and cash equivalents

A. This Item Consists of :

	<u>2021</u>	<u>2020</u>
	JD	JD
Cash on hand	5,191	1,000
Cash at banks - current accounts	972,894	431,830
Cash at Finance company - deposits accounts (6 B)	1,000,000	5,000,000
Cash at banks - deposits accounts (6 B)	6,032,446	1,000,000
Total	<u>8,010,531</u>	<u>6,432,830</u>

B. The calculated profit rate on bank deposits reached **4.38%** and on deposits with finance companies **5.75%**, and these deposits are due annually.

7- Accounts receivable & cheques under collection - net

A. This item consists of :

	<u>2021</u>	<u>2020</u>
	JD	JD
Accounts receivable (7 B)	2,194,459	1,956,885
Cheques under collection - short term (7 C)	13,430	54,974
Promise to sell (7 D)	(1,601,333)	(1,549,610)
Tenants and other debts	5,191	23,862
Total	<u>611,747</u>	<u>486,111</u>
Deduct : provision for impairment debts (7 E)	(150,000)	(139,257)
Net	<u>461,747</u>	<u>346,854</u>

B. The balance of this item represents the customers' receivables resulting from sales of lands and apartments. The company did not take a provision for the risks of collecting these amounts because the lands and properties sold to these are not registered in their names and are not waived until the receivables are paid in full. As for the provision consisting of JD **150,000**, it is against accounts receivables.

C. Cheques under collection (Short & long Term) due dates extend to **October 30, 2023** .

D. The company sign promise to sell contract with its customers in wich it oblige to transfer the ownership of the sold item to the customer upon receiving the agreed amount in accordance with the contract which reveals the whole deal terms. The promise to sell account recognized as a receivable account on the customer at full amount and then, the amount decreased by the collected amounts from customer. The promise to sell account remain fixed and when receive th whole amount due from customer, the promise to sell account closed and debited to the sold property and revenue accounts.

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E. The movement of provision for impairment debts is summarized as follow :

	2021	2020
	JD	JD
Balance beginning of the year	139,257	139,257
Additions	10,743	-
Balance ending of the year	150,000	139,257

8- Ready-to-sale apartments

A. This item consists of :

	2021	2020
	JD	JD
Balance beginning of the year	1,040,258	1,008,559
Additions	-	31,699
Balance ending of the year	1,040,258	1,040,258
Deduct : provision for ready-to-sale apartments impairment (8 C)	(124,500)	(124,500)
Total	915,758	915,758

B. This item represents the total cost of the ready-to-sale apartments, numbering **31** apartments, built on plots of lands No. **283, 284, 285** and 286, Hawd Al-Raqaiq No. **9** of the lands of Jerash, Al-Kittah village, with a total area of **3,720** square meters and equal areas of **120** square meters per apartment.

The fair value of the ready-made apartments for sale is JD **915,750** , according to two licensed real estate experts on **December 31, 2020**.

C. The movement of provision for ready-to-sale apartments impairment is summarized as follows:

	2021	2020
	JD	JD
Balance beginning of the year	124,500	-
Additions	-	124,500
Balance ending of the year	124,500	124,500

9- Lands available for sale

A. This item consists of :

	2021	2020
	JD	JD
Ready lands available for sale (sorted plots)	7,796,055	8,266,689
Lands under development available for sale	10,530,902	11,440,883
Total	18,326,957	19,707,572

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- B. The lands available for sale include sorted plots with a value of JD **1,335,447** and unsorted lands with a value of JD **3,329,436** . They are not registered in the name of the company, but are registered in the name of the previous owners of those properties. The company's ownership of real estate is proven through contracts, mortgage bonds and non-isolable agencies signed by those parties.
- C. The market value of the lands available for sale, sorted JD **9,912,173** , and unsorted JD **13,042,778** (total real estate estimations JD **22,954,951**), according to an estimate of licensed real estate experts on **December 31, 2020**.

10- **Other debit balances**

This item consists of :

	<u>2021</u>	<u>2020</u>
	JD	JD
Prepaid expenses	10,990	2,105
Due to income tax	49,247	23,840
Refundable deposits	24,757	26,556
Employees receivable	1,749	292
Advance expenses	995	10,601
Deposit profits accrued	109,956	51,061
Others	2,004	-
Total	<u>199,698</u>	<u>114,455</u>

11- **Financial assets at fair value through comprehensive income**

A. This item consists of :

	<u>2021</u>	<u>2020</u>
	JD	JD
<u>Local</u>		
<u>Public shareholding companies (listed)</u>		
Financial Asset Portfolio	5,824,906	6,124,079
<u>Public shareholding companies (unlisted)</u>		
Financial Asset Portfolio	334,458	334,458
Total	<u>6,159,364</u>	<u>6,458,537</u>
Fair value reserve	(1,743,638)	(2,340,454)
Net	<u>4,415,726</u>	<u>4,118,083</u>

- B. For the purposes of the company's membership in the boards of directors of the invested companies, the number of reserved shares of the shares owned in the capital of the listed companies amounted to **50,000** shares, with a market value of JD **28,000** .

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12- **Investment in subsidiary**

A. This item consists of :

	No. of shares	Ownership rate	2021	2020
	Share	%	JD	JD
<u>Local</u>				
<u>Limited liability companies (unlisted)</u>				
Al Dhraa Real Estate Investments Company (11B)	-	-	-	10,000
Total			-	10,000

B. Al Dhraa Real Estate Investments Company was finally liquidated on **August 25, 2021** by agreement of the partners.

C. **The movement of investment in subsidiary is summarized as follows:**

	2021	2020
	JD	JD
Balance beginning of the year	10,000	10,000
Investment in Al Dhraa Real Estate Investments Company impairment	(10,000)	-
Balance ending of the year	-	10,000

13- **Investments in associate**

A. **The movement of investment in associate is summarized as follows:**

	2021	2020
	JD	JD
<u>Local</u>		
<u>Al Thania Real Estate Company - limited liability company - unlisted</u>		
Balance beginning of the year	22,782	22,782
The company's share in (losses) of the associate company	(11,159)	-
Balance ending of the year	11,623	22,782

B. The number of shares owned in the capital of the associate company is **25,000** shares, with ownership rate of **50%** of the capital.

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C. The following summary of assets, liabilities, revenues and companys' share of associates P/L :

	<u>2021</u>	<u>2020</u>
	JD	JD
Assets	428,089	429,457
Liabilities	404,843	404,263
Revenues	-	-
Company's share of business results	(11,159)	-

14- Projects under construction

A. This item consists of :

	<u>Completion rate</u>	<u>Expected completion date</u>	<u>2021</u>	<u>2020</u>
	%		JD	JD
building elevators	95	Feb-22	48,863	48,000
Building improvements	95 - 5	Apr-22	4,652	1,142
Total			<u>53,515</u>	<u>49,142</u>

B. The estimated cost of projects in construction is JD **90,540** .

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15- **Real-estate investments - Net**

A. This item consists of the following :

	Lands	Buildings	Buildings improvements	Furniture & fixtures	Electrical appliances	Office equipment and supplies	Studios' kitchens	Total
	JD	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>								
Balance beginning of the year	1,467,218	3,096,185	65,397	114,455	54,957	5,643	42,638	4,846,493
Additions for the year	-	-	32,478	44,584	5,648	1,561	-	84,271
Balance ending of the year	1,467,218	3,096,185	97,875	159,039	60,605	7,204	42,638	4,930,764
<u>Accumulated depreciations</u>								
Balance beginning of the year	-	123,845	816	32,387	14,243	2,010	12,248	185,549
Additions for the year	-	61,926	1,423	17,354	8,414	1,639	6,398	97,154
Balance ending of the year	-	185,771	2,239	49,741	22,657	3,649	18,646	282,703
Book value as of December 31, 2021	1,467,218	2,910,414	95,636	109,298	37,948	3,555	23,992	4,648,061
Book value as of December 31, 2020	1,467,218	2,972,340	64,581	82,068	40,714	3,633	30,390	4,660,944

B. Real estate investments are represented in the buildings, properties and equipment they contain, which are located on plot No. **2013**, Basin No. **6**, Dhaiba, Badran village, from the lands of northern Amman. The construction, finishing and other works were completed during the month of **June**

C. The cost of the investment property was deemed to be its fair value due to the recent acquisition of the investment.

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16- **Property, plants & equipments - Net**

A. This item consists of the following :

	Furniture & fixtures	Computer & office machines	Vehicles	Total
	JD	JD	JD	JD
<u>Cost</u>				
Balance beginning of the year	103,407	72,623	46,200	222,230
Additions for the year	7,366	9,496	12,850	29,712
Disposals for the year	(8,410)	(21,701)	-	(30,111)
Balance ending of the year	102,363	60,418	59,050	221,831
<u>Accumulated depreciations</u>				
Balance beginning of the year	20,502	39,368	13,410	73,280
Additions for the year	13,417	6,529	8,375	28,321
	(8,407)	(21,420)	-	(29,827)
Balance ending of the year	25,512	24,477	21,785	71,774
Book value as of December 31, 2021	76,851	35,941	37,265	150,057
Book value as of December 31, 2020	82,905	33,255	32,790	148,950

B. The cost of fully depreciated property and equipment that is still in use is JD **27,175** as of **December 31, 2021** .

17- **Income tax provision**

A. **The movement of income tax provision is summarized as follows:**

	2021	2020
	JD	JD
Balance at beginning of the year	34,971	70,267
Tax for the year (17 B)	86,748	34,971
Paid tax during the year	(34,971)	(70,267)
A semi-annual national contribution paid during the year	(1,008)	-
Balance at ending of the year	85,740	34,971

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B. Reconciliation of taxable income

	<u>2021</u>	<u>2020</u>
	JD	JD
Recorded profit	452,481	293,253
Non-taxable income	(76,174)	(303,392)
Non-taxable expenses	108,065	176,670
Taxable income	484,372	166,531
Parent company's income tax	85,805	16,895
Subsidiary's income tax	943	18,077
Income tax provision	86,748	34,971

- C. Income tax was accepted for the parent company until the end of **2018** within the sampling system, and a self-assessment statement for the years **2019** and **2020** was submitted and has not yet been reviewed by the Income and Sales Tax Department. Income tax for the subsidiary company for the years **2019** and **2020** was accepted within the sampling system. In **2018**, the self-assessment statement was submitted and has not yet been reviewed. As for the sales tax, it was audited until the end of **2017**, and for the years **2018**, **2019** and **2020**, tax returns were submitted and reviewed yet.

18- Other credit balances

A. This item consists of :

	<u>2021</u>	<u>2020</u>
	JD	JD
Due to shareholders	801,051	801,051
Accrued expenses	71,598	59,977
Provision for jordanian universities fees	158,680	158,680
Provision for scientific research and professional training	25,060	25,060
Due to others	1,273	1,273
Due to social security & income & sales tax	3,849	1,920
Remuneration for members of the board of directors	31,500	11,953
Tenant deposits withheld	20,199	9,819
Unearned revenues	18,945	18,809
Total	1,132,155	1,088,542

- B. There are no detailed statements of due to shareholders .

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19- **Owners' equity**

- **Capital**

Declared & Paid capital amounted of JD **34,500,000** distributed on **34,500,000** shares, of Nominal value for each share of one JD .

- **Issuance premium**

The share premium represents the difference between the nominal value of the share and the issue value of that share.

- **Statutory reserve**

This item represents what has been transferred from the profits of previous years at the rate of **10%** of the annual profits, and it is not permissible to distribute it to the shareholders. It will be rebuilt in accordance with the law.

- **Fair value reserve**

Fair value reserve represents of Decrease or increase of financial assets fair value as follows :

	<u>2020</u> JD	<u>2019</u> JD
Balance at beginning of the year	(2,340,454)	(2,770,291)
Net changes during the year	596,817	429,837
Balance at ending of the year	<u>(1,743,637)</u>	<u>(2,340,454)</u>

- **Retained earnings**

The movement of retained earnings during the year as follow :

	<u>2021</u> JD	<u>2020</u> JD
Retained earnings at beginning of the year	1,008,439	936,396
Prior years revenues (expenses)	21,061	(33,047)
Adjusted opening balances	1,029,500	903,349
Profit for the year	365,733	258,282
(Loss) from selling financial assets through comprehensive income	(62,281)	(140,710)
Transfer to statutory reserve	(45,154)	(12,482)
Retained earnings at ending of the year	<u>1,287,798</u>	<u>1,008,439</u>

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20- **Net profit from selling lands & apartments**

This item consists of :	<u>2021</u> JD	<u>2020</u> JD
Profit from sale of lands	421,718	393,942
Deduct : discount allowed	(4,515)	-
Net	<u>417,203</u>	<u>393,942</u>

21- **Murabaha revenues**

This item consists of :	<u>2021</u> JD	<u>2020</u> JD
Profit from local financing companies deposits	229,431	272,381
Profit from local banks deposits	131,900	12,944
Total	<u>361,331</u>	<u>285,325</u>

22- **Other income**

This item consists of :	<u>2021</u> JD	<u>2020</u> JD
Realized gains from selling financial assets through income	6,528	-
Other	18,544	19,913
Total	<u>25,072</u>	<u>19,913</u>

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23- **General and administrative expenses**

This item consists of :	<u>2021</u>	<u>2020</u>
	JD	JD
Salaries, wages and bonuses	157,244	158,224
Company's share of social security	16,990	10,312
Rents	-	16,026
Depreciation	125,475	104,285
Governmental fees	24,330	19,870
Advertising	1,332	723
Medical insurance	1,364	1,680
Water, electricity & fuel	28,096	38,083
Lawyer and legal fees	17,381	10,698
Vehicles expenses	10,204	6,041
Stationary & printing	2,741	3,035
Board of directors transportations	32,400	32,400
Remuneration for members of the board of directors	31,500	11,953
Professional fees	11,002	12,252
Entertainment & cleaning	10,853	5,984
Maintenance	7,278	12,779
Others	6,745	15,018
Income tax	11,500	11,500
Building tax	28,994	-
Total	<u>525,429</u>	<u>470,863</u>

24- **Basic and diluted earning per share**

This item consists of :	<u>2021</u>	<u>2020</u>
	JD	JD
Profit of the period after tax (JD)	365,733	258,282
Weighted average shares (share)	34,500,000	34,500,000
Basic and diluted earning per share	<u>0.011</u>	<u>0.007</u>

The diluted earning per share is equal to the basic earning per share.

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25- **Related parties transactions**

Realated parties include key shareholders , key management personnel, key managers, associates and subciidaries and controlled companies. The company's management has approved the pricing policies and terms of transactions with related parties.

A. **Details of due from related parties appear on consolidated financial position**

	Type of transaction	2021 JD	2020 JD
<u>Associate</u>			
Al-thaneya Real estate Co.	Finance	195,138	195,138
<u>Subsidiary</u>			
Al-theraa' Real estates Co.	Finance	-	33,264
<u>Sisters Co.</u>			
Alomana' for investment & portfolio management	Brokerage & rent	244,905	20,595
Inernational Co. for medical investments	Finance & rent	2,154	1,168
Arab international company for education & investment	Finance & rent	21,035	1,774
International Arab Factories Company for Food and Investment	Rent	3,213	773
Applied Energy Company	Rent	3,042	-
Al-Zofa Company for Computer Software Development	Rent	161	-
Total		469,648	252,712
Deduct : unrealized deferred revenue		(36,452)	-
Net		433,196	252,712

B. **Details of due to related parties appear on consolidated financial position**

	Type of transaction	2021 JD	2020 JD
<u>Sisters Co.</u>			
Ibn Alhaytham Hospital Co.	Medical insurance	8,717	7,310
Total		8,717	7,310

A. **Details of due from related parties appear on consolidated income statement**

	Type of transaction	2021 JD	2020 JD
<u>Sisters Co.</u>			
Alomana' for investment & portfolio management	Rent revenue	27,675	27,675
Inernational Co. for medical investments	Rent revenue	1,800	1,800
Arab international company for education & investment	Dividend income	62,858	78,571
Arab international company for education & investment	Rent revenue	32,715	32,715
International Arab Factories Company for Food and Investment	Rent revenue	6,300	6,300
Applied Energy Company	Rent revenue	2,925	2,925
Alettihad school company	Dividend income	7,366	-
Almo'aseroun housing projects company	Dividend income	-	81,204
Ibn Alhaytham Hospital Co.	Medical insurance	(1,407)	(2,398)
<u>Company owned by the Chairman of the Board of Directors</u>			
Al-Zofa Company for Computer Software Development	Rent revenue	5,025	-
Total		145,257	228,792

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C. Wages, allowances and other benefits for senior executive managements :

	<u>2021</u>	<u>2020</u>
	JD	JD
Wages & other benefits	105,271	99,217

26- Legal situation

There are cases filed by the parent company against a number of clients with a value of JD **83,447** , which are still pending before the courts. There are also cases filed by third parties against the parent company, amounting to JD **13,641**, which are still pending before the courts as well.

27- Sectors classification

The company has several sectors as shown below, which are strategic sectors in the company. Strategic divisions offer various products and services, and are managed separately as they require different technical and marketing strategies.

Information regarding the results of each segment is included in the report below. Performance is measured based on the sector's profit before tax, as received by the internal management reports that are reviewed by the company's management. The sector's profit is used to measure performance, as management believes that this information is the most important in evaluating the results of some sectors related to other enterprises operating within these sectors. .

When information is presented on a geographical basis, segment revenue depends on the geographical location of customers, and segment assets depend on the geographical location of the assets.

The company's operating sectors include real estate, investment and other activities.

The company carries out its activities within the Hashemite Kingdom of Jordan only.

	<u>2021</u>			
	<u>Real estate</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	645,039	76,174	386,403	1,107,616
<u>Assets & liabilities</u>				
Assets	25,199,769	4,427,349	8,010,531	37,637,649
Liabilities	110,742	-	1,265,090	1,375,832
<u>Other sectors informations</u>				
Contracts cancellation losses	-	-	118,356	118,356
Depreciation & amortization	-	-	125,475	125,475

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27- **Follow - sectors classification**

	2020			
	<u>Real estate</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	654,954	162,682	305,238	1,122,874
<u>Assets & liabilities</u>				
Assets	26,196,387	4,150,865	6,432,830	36,780,082
Liabilities	88,605	-	1,350,990	1,439,595
<u>Other sectors informations</u>				
Contracts cancellation losses	-	-	230,130	230,130
Depreciation & amortization	-	-	285,325	285,325

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28- **Assets & liabilities accrual analysis**

The following table shows the analysis of assets and liabilities according to the expected period of their recovery or settlement:

	2021		Total JD
	Until 1 year JD	More than 1 year JD	
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	8,010,531	-	8,010,531
Accounts receivable & cheques under collection - net	461,747	-	461,747
Due from related parties	433,196	-	433,196
Ready-to-sale apartments - net	915,758	-	915,758
Lands ready for sale	18,326,957	-	18,326,957
Other debit balances	199,698	-	199,698
Total current assets	28,347,887	-	28,347,887
<u>Non - current assets</u>			
Financial assets at fair value through comprehensive income	-	4,415,726	4,415,726
Investments in associate	-	11,623	11,623
Cheques under collection - long term	-	10,780	10,780
Projects under construction	-	53,515	53,515
Real-estate investments - net	-	4,648,061	4,648,061
Property , plants & equipments - net	-	150,057	150,057
Total non - current assets	-	9,289,762	9,289,762
Total assets	28,347,887	9,289,762	37,637,649
<u>Current liabilities</u>			
Accounts payable	149,220	-	149,220
Due to related parties	8,717	-	8,717
Income tax provision	85,740	-	85,740
Other credit balances	1,132,155	-	1,132,155
Total current liabilities	1,375,832	-	1,375,832
Net	26,972,055	9,289,762	36,261,817

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28- **Follow - assets & liabilities accrual analysis**

	2020		Total JD
	Until 1 year JD	More than 1 year JD	
<u>Assets</u>			
<u>Current assets</u>			
Cash and cash equivalents	6,432,830	-	6,432,830
Accounts receivable & cheques under collection - net	346,854	-	346,854
Due from related parties	252,712	-	252,712
Ready-to-sale apartments - net	915,758	-	915,758
Lands ready for sale	19,707,572	-	19,707,572
Other debit balances	114,455	-	114,455
Total current assets	<u>27,770,181</u>	<u>-</u>	<u>27,770,181</u>
<u>Non - current assets</u>			
Financial assets at fair value through comprehensive income	-	4,118,083	4,118,083
Investment in subsidiary	-	10,000	10,000
Investments in associate	-	22,782	22,782
Projects under construction	-	49,142	49,142
Real-estate investments - net	-	4,660,944	4,660,944
Property , plants & equipments - net	-	148,950	148,950
Total non - current assets	<u>-</u>	<u>9,009,901</u>	<u>9,009,901</u>
Total assets	<u>27,770,181</u>	<u>9,009,901</u>	<u>36,780,082</u>
<u>Current liabilities</u>			
Accounts payable	308,772	-	308,772
Due to related parties	7,310	-	7,310
Income tax provision	34,971	-	34,971
Other credit balances	1,088,542	-	1,088,542
Total current liabilities	<u>1,439,595</u>	<u>-</u>	<u>1,439,595</u>
Net	<u>26,330,586</u>	<u>9,009,901</u>	<u>35,340,487</u>

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29- **Financial instruments**

The financial instruments include of financial assets and liabilities, the financial assets include balances at banks, cash on hand, accounts receivable and securities, the financial liabilities include facilities given to company and accounts payable.

Fair value

Assets and liabilities fair value not substantially different of book value, whereas most of financial instruments either be short term as their nature or they are constantly re-priced.

Credit risks

These risks rise inability of other party of financial instrument which may cause defaults from parties to pay their commitments, which cause loss of credit risks basically on deposits at banks. The management believes that there are no credit risk facing the company because it is dealing with banks with good reputation.

Interest price risk

Interest price risks resulted from prospect the affect of changes in interest prices on company's profit or fair value, whereas most financial instruments have fixed interest price and appear in amortized cost, the profit and owners' equity sensitivity for these changes is not material.

Liquidity risks

Liquidity risks represents of inability making sure of facilities availability to performance its obligations in due dated.

To avoid these risks, the company has several finance sources and managing assets and liabilities and adjusting its maturity, and keep enough balance of cash and cash equivalents and securities available for trading.

The following schedule summarizes distribution of financial liabilities (non-discounted) as of **December 31, 2019** based on remaining period for contractual entitlement :

	2021			Total
	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	
	JD	JD	JD	JD
Accounts payable	149,220	-	-	149,220
Due to related parties	8,717	-	-	8,717
Income tax provision	-	85,740	-	85,740
Other credit balances	108,220	1,023,935	-	1,132,155
Total	266,157	1,109,675	-	1,375,832

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29- **Follow - risk management**
Follow - liquidity risks

	2021			
	Less than 3 months	From 3 months to 1 year	From 1 year to 5 years	Total
	JD	JD	JD	JD
Accounts payable	308,772	-	-	308,772
Due to related parties	7,310	-	-	7,310
Income tax provision	-	34,971	-	34,971
Other credit balances	63,170	1,025,372	-	1,088,542
Total	379,252	1,060,343	-	1,439,595

The company manages liquidity risk by maintaining reserves and continuous control of actual cash flows and matching the maturities of financial assets with financial liabilities. The management believes that liquidity risks are not significant.

The liquidity of the company as at the date of the financial statements is as follows:

	2021	2020
	JD	JD
Current assets	28,347,887	27,770,181
Current liabilities	(1,375,832)	(1,439,595)
Working capital	26,972,055	26,330,586

Currency risk

Most of the company's transactions are in Jordanian dinars, and therefore the impact of currency risks is not significant on the financial statements.

30- **Subsequent events**

There are no events subsequent to the date of the financial statements that materially affect its financial position.

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31- Capital management

The main objective with regard to the company's capital management is to ensure that appropriate capital ratios are maintained in a way that supports the company's activity and maximizes property rights.

The company manages the capital structure and makes the necessary adjustments to it in light of changes in business conditions. The company has not made any adjustments to the objectives, policies and procedures related to the capital structure during the current and previous fiscal year.

The items included in the capital structure are the paid-up capital, issue premium, statutory reserve and retained earnings, totaling **38,005,454 JD** as on **December 31, 2021** compared to **JD 37,680,941** as on **December 31, 2020**.

32- Impact of the Corona Virus (Covid-19) outbreak on the company

In light of the continuing impact of the Corona virus (Covid-19) on the global economy and various business sectors, and the accompanying restrictions and measures imposed by the Jordanian government. The extent and duration of these effects is not specified and depends on future developments that cannot be accurately predicted at the present time, such as the rate of spread of the virus and the effectiveness of the measures taken to contain it. In light of the current economic turmoil, it is not possible to make reliable estimates about the impact of the virus until the date of approving the financial statements. Future developments may affect the company's future results, cash flows and financial position.

33- Comparative figures

Some comparative figures have been reclassified and classified to match the classification and classification of the figures for the current financial period, and the reclassification and classification did not have any effect on the profit or equity for the previous year.