جوردإنفست
شركة الثقة للإستثمارات الأردنية

السادة هيئة الاوراق المالية المحترمين
السادة بورصة عمان المحترمين

To: Jordan Securities Commission
Amman Stock Exchange

التاريخ: ٢٠٢٣/٤/٥

Date: 5/4/2023

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في ٣١كانون الاول ٢٠٢٢

Subject: Audited financial statements for the fiscal year ended 31st Dec 2022

مرفق طيه نسخة من البيانات المالية المدققة لشركة الثقة للاستثمارات الأردنية عن السنة المالية المنتهية في ٣١ كانون الاول ٢٠٢٢ باللغة الانجليزية.

Please find attached the audited financial statements of Jordan Investment Trust for the fiscal year ended 31st Dec 2022 in English.

وتفضلوا بقبول فائق الاحترام،،،

Regards

شركة الثقة للاستثمارات الأردنية
ضابط الامتثال
بشرى اعليوه

Compliance Officer
Bushra I'laiweh

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

JORDAN INVESTMENT TRUST COMPANY

(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordan Investment Trust Public Shareholding Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the Consolidated financial statements of Jordan Investment Trust Public Shareholding Company (the Company), and its subsidiaries (the Group) which comprise the Consolidated statement of financial position as at 31 December 2022, 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 a summary of significant accounting policies.

In our opinion, the accompanying Consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2022, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

1. Revenue recognition: Share of loss from associate	**How the key audit matter was addressed in the audit**
At 31 December 2022, the Group has associate investments amounting to JD 9,949,207 with share of loss recorded during the year 2022 amounting to JD 178,079. Importance was given to this matter given the fact its relative importance in the financial statements. Refer to notes (2) and (6) in the consolidated financial statements.	Our audit procedures included, amongst others, obtaining the financial statements from associate as of 31 December 2022 and audit the implementation of the equity method of accounting related to the investment in associate including the recalculation of the Group's share of income or loss and net assets from the associate based on their financial statements.
2. Impairment of investment properties	**How the key audit matter was addressed in the audit**
Impairment of investment properties is considered a key audit matter as it represents a significant judgment area. Also, investment properties are a significant part of the total assets of the Group. Refer to notes (2) and (9) in the consolidated financial statements.	The Group performs impairment property test annually by obtaining valuations from external independent valuators. Our audit procedures included obtaining the valuations performed by independent valuators to ensure that management properly recorded any impairment in value.

Other information included in the Group's 2022 annual report

Other information consists of the information included in the Group's 2022 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2022 Annual Report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

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 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

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could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

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

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

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

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

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

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

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

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

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

Amman – Jordan
15 March 2023

ERNST & YOUNG
Amman - Jordan

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2022

	Notes	2022	2021
ASSETS		JD	JD
Cash on hand and at banks	3	201,136	1,058,203
Financial assets at fair value through profit or loss	4	2,557,897	2,526,233
Financial assets at fair value through other comprehensive income	4	5,883,176	5,493,436
Accounts receivable - net	5	88,459	117,821
Investment in associate	6	9,949,207	10,127,286
Other debit balances	7	481,664	449,323
Property and equipment	8	2,092,044	2,129,259
Investment properties	9	10,313,203	10,393,681
Total Assets		31,566,786	32,295,242
LIABILITIES AND EQUITY			
Liabilities -			
Loans	10	235,354	255,420
Brokerage customers payables		59,743	45,141
Other credit balances	11	726,378	725,653
Income tax provision	17	636	146
Total Liabilities		1,022,111	1,026,360
Equity -			
Shareholders' equity			
Paid in capital	1	27,270,078	27,270,078
Statutory reserve	12	1,452,237	1,452,237
Fair value reserve	4	654,166	507,087
Other reserves		(19,447)	-
(Accumulated losses) Retained earnings		(343,586)	325,530
Shareholders' equity		29,013,448	29,554,932
Non-controlling interests	13	1,531,227	1,713,950
Total Equity		30,544,675	31,268,882
Total Liabilities and Equity		31,566,786	32,295,242

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

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2022

	Notes	2022	2021
		JD	JD
Revenues -			
Share of Loss from associate	6	(178,079)	(235,826)
Profit from financial assets	14	191,540	635,882
Other income	15	63,595	24,700
Rent income		226,715	151,921
Interest income		3,700	57,560
Brokerage commissions		16,706	20,912
Net revenue		324,177	655,149
Expenses -			
Administrative expenses	16	950,132	955,099
Provision for expected credit losses	5	(260)	(77,292)
Interests and commissions		51,472	53,679
Total expenses		1,001,344	931,486
Loss before income tax		(677,167)	(276,337)
Income tax expense	17	(490)	-
Loss for the year		(677,657)	(276,337)
Attributable to:			
Shareholders of the company		(669,116)	(253,591)
Non-controlling interests		(8,541)	(22,746)
		(677,657)	(276,337)
		Fils /JD	Fils /JD
Basic and diluted earnings per share from loss of the year	18	(0/025)	(0/009)

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

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2022

	2022	2021
	JD	JD
Loss for the year	(677,657)	(276,337)
Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Change in fair value of financial assets at fair value through other comprehensive income	147,079	479,445
Total comprehensive income for the year	(530,578)	203,108
Attributable to:		
Shareholders of the company	(522,037)	190,978
Non-controlling interests	(8,541)	12,130
	(530,578)	203,108

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

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2022

	Paid in capital	Statutory reserve	Fair value reserve	Other reserve	(Accumulated losses) Retained Earnings	Total	Non-controlling interests	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD
For the year ended 31 December 2022								
Balance as at 1 January 2022	27,270,078	1,452,237	507,087	-	325,530	29,554,932	1,713,950	31,268,882
Total comprehensive income for the year	-	-	147,079	-	(669,116)	(522,037)	(8,541)	(530,578)
Acquisition of non-controlling interest	-	-	-	(19,447)	-	(19,447)	(174,182)	(193,629)
Balance as of 31 December 2022	27,270,078	1,452,237	654,166	(19,447)	(343,586)	29,013,448	1,531,227	30,544,675
For the year ended 31 December 2021								
Balance as at 1 January 2021	27,270,078	1,342,748	67,118	-	684,010	29,363,954	1,751,912	31,115,866
Total comprehensive income for the year	-	-	444,569	-	(253,591)	190,978	12,130	203,108
Transferred to statutory reserve	-	109,489	-	-	(109,489)	-	-	-
Acquisition of non-controlling interest	-	-	-	-	-	-	(50,092)	(50,092)
Gain on sale of financial assets through other comprehensive income	-	-	(4,600)	-	4,600	-	-	-
Balance as of 31 December 2021	27,270,078	1,452,237	507,087	-	325,530	29,554,932	1,713,950	31,268,882

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

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

	Notes	2022	2021
OPERATING ACTIVITIES		JD	JD
Loss for the year before tax		(677,168)	(276,337)
Adjustments -			
Interest Income		(3,700)	(57,560)
Recovered from provision for expected credit losses	5	(260)	(77,292)
Dividends from financial assets	14	(217,810)	(186,986)
Depreciation	9,8	154,344	151,008
Bank interest expense		51,472	53,679
(Gain) loss on revaluation of financial assets at fair value through profit and loss	14	25,244	(440,976)
Share of loss from associate	6	178,079	235,826
Provision for impairment of investment properties		2,544	-
Gain on sale of property and equipment		(47,905)	-
Changes in working capital -			
Financial assets at fair value through profit or loss		(56,908)	(311,177)
Accounts receivable and other debit balances		(2,719)	(4,011)
Accounts payable and other credit balances		15,327	(199,288)
Net cash used in operating activities		(579,460)	(1,113,114)
INVESTING ACTIVITIES			
Purchase of property and equipment	8	(43,769)	(29,844)
Proceeds from sale of property and equipment		57,000	-
Purchase of investment property	9	(4,521)	(100,211)
Dividends received on financial assets	14	217,810	186,986
Sale of financial assets at fair value through other comprehensive income		-	6,503
Purchase of financial assets at fair value through other comprehensive income		(242,660)	(99,143)
Interest income received		3,700	57,560
Net cash (used in) from investing activities		(12,440)	21,851
FINANCING ACTIVITIES			
Interest paid		(51,472)	(53,679)
Acquisition of non-controlling interest		(193,629)	(50,092)
Loans repayments		(20,066)	(146,743)
Net cash used in financing activities		(265,167)	(250,514)
Net decrease in cash and cash equivalents		(857,067)	(1,341,777)
Cash and cash equivalents at beginning of the year		1,058,203	2,399,980
Cash and cash equivalents at end of the year	3	201,136	1,058,203

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

(1) GENERAL

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

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

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

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

The consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 15 February 2023. These consolidated financial statements require the General Assembly's approval.

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

(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES

Basis of preparation

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

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

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

Basis of consolidation

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

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

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

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

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

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

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

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

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

Use of Estimates

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

Useful lives of property and equipment and investment properties

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

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2021 except for the adoption of new amendments on the standards effective as of 1 January 2022 shown below:

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

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

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

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

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

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

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

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

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

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

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

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

The amendments is not applicable to the Group.

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

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

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

IAS 41 Agriculture – Taxation in fair value measurements

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

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts receivable

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

Investments in associates

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

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

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

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

The Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss 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 recognize an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognizes the loss as 'Share of profit of an associates in the consolidated statement of profit or loss.

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

Financial assets at fair value through other comprehensive income

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

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

Financial assets at fair value through profit or loss

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

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

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

Operating lease

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

Property and equipment

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

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

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

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

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

Property and equipment are excluded when disposed or when it's use has no expected future benefits.

Investment property
Investment properties are measured at cost less any accumulated depreciation.

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

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

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

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

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

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

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

Other revenues are recognized on an accrual basis.

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

Expenses are recognized on an accrual basis.

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

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

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

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

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

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

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

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

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

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

Fair value

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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

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

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

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

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

Impairment of financial assets

The Group recognizes an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if any). The Group has established a provision matrix that is based on its historical credit loss experience, market available specific credit default ratios of counterparties, adjusted for forward-looking factors specific to the debtors and the economic environment. These ratios are applied to trade receivables, refundable deposits, restricted cash, and bank balances.

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

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

Impairment of non-financial assets

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

(3) CASH ON HAND AND AT BANKS

This item represents the following:

	2022 JD	2021 JD
Cash on hand	159	242
Time deposits *	6,538	750,000
Current accounts	194,439	307,961
	201,136	1,058,203

(4) FINANCIAL ASSETS AT FAIR VALUE

A. Financial assets at fair value through profit or loss

	2022 JD	2021 JD
Investments in shares of listed companies	2,557,897	2,526,233

B. Financial assets at fair value through other comprehensive income

	2022 JD	2021 JD
Investments in shares of listed companies	4,472,631	4,306,263
Investments in shares of unlisted companies	1,410,545	1,187,173
	5,883,176	5,493,436

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

Movement on fair value reserve is as follows:

	2022 JD	2021 JD
Balance as of January 1	507,087	67,118
Change in fair value during the year	147,079	444,569
Gain on sale of financial assets through other comprehensive income	-	(4,600)
Balance as of December 31	654,166	507,087

(5) ACCOUNTS RECEIVABLE - NET

This item represents the following:

	2022	2021
	JD	JD
Brokerage receivables	300,818	600,723
Employees' receivables	10,422	9,857
Less: provision for expected credit loss	(222,801)	(492,759)
	88,459	117,821

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

	2022	2021
	JD	JD
Balance as of January 1	492,759	570,051
Reversal of provision for expected credit loss	(260)	(77,292)
Written off during the year	(269,698)	-
Balance as of December 31	222,801	492,759

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

	Past due not impaired		
	181-360 days	Over 360 days	Total
	JD	JD	JD
2022	-	88,459	88,459
2021	-	117,821	117,821

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

(6) INVESTMENT IN ASSOCIATE

This item represents the following:

	Ownership percentage	Country of incorporation	Nature of activity	2022	2021
	%			JD	JD
First Education Holding	31.6	Bahrain	Education	9,949,207	10,127,286

The following illustrates the movement on the investments in associate:

	2022	2021
	JD	JD
Balance as of 1 January	10,127,286	10,363,112
Group net share from associates' results	(178,079)	(235,826)
Balance as of December 31	9,949,207	10,127,286

Summary of financial position Statement:

	2022	2021
	JD'000	JD'000
Current assets	24,662	24,110
Non current assets	18,443	18,970
Current liabilities	(9,234)	(8,471)
Non current liabilities	(2,368)	(2,562)
Net assets	31,503	32,047
Group's Share from net assets	9,949	10,127
Book Value of Investment	9,949	10,127

Summary of Income statement:

	2022	2021
	JD'000	JD'000
Revenues	4,813	5,051
Expenses	(5,377)	(5,798)
Loss for the year	(564)	(747)
Group's share of Loss	(178)	(236)

(7) OTHER DEBIT BALANCES

This item consists of the following:

	2022	2021
	JD	JD
Income tax deposits	67,101	64,904
Prepaid expenses	43,781	38,115
Refundable deposits	77,274	77,574
Deferred tax assets	10,000	10,000
Securities Depository Center reconciliation	12,319	-
Accrued revenue	27,727	27,846
Others	243,462	230,884
	481,664	449,323

(8) PROPERTY AND EQUIPMENT

This item consists of the following:

	Land *	Buildings	Equipment	Furniture, Fixtures and decorations	Vehicles	Total
2022	JD	JD	JD	JD	JD	JD
Cost -						
Balance as of 1 January 2022	895,953	1,660,985	1,330,983	1,219,903	146,004	5,253,828
Additions	-	-	11,769	-	32,000	43,769
Disposals	-	-	-	-	(97,000)	(97,000)
Balance as of 31 December 2022	895,953	1,660,985	1,342,752	1,219,903	81,004	5,200,597
Accumulated Depreciation -						
Balance as of 1 January 2022	-	607,735	1,309,043	1,093,359	114,432	3,124,569
Deprecation for the year	-	28,970	16,828	7,781	18,310	71,889
Disposals	-	-	-	-	(87,905)	(87,905)
Balance as of 31 December 2022	-	636,705	1,325,871	1,101,140	44,837	3,108,553
Net Book Value						
as at 31 December 2022	895,953	1,024,280	16,881	118,763	36,167	2,092,044

	Land *	Buildings	Equipment	Furniture, Fixtures and decorations	Vehicles	Total
2021	JD	JD	JD	JD	JD	JD
Cost -						
Balance as of 1 January 2021	895,953	1,660,985	1,309,959	1,218,983	138,104	5,223,984
Additions	-	-	21,024	920	7,900	29,844
Balance as of 31 December 2021	895,953	1660,985	1,330,983	1,219,903	146,004	5,253,828
Accumulated Depreciation -						
Balance as of 1 January 2021	-	578,765	1,295,386	1,085,864	95,785	3,055,800
Deprecation for the year	-	28,970	13,657	7,495	18,647	68,769
Balance as of 31 December 2021	-	607,735	1,309,043	1,093,359	114,432	3,124,569
Net Book Value						
as at 31 December 2021	895,953	1,053,250	21,940	126,544	31,572	2,129,259

* This item includes mortgaged land in an amount of JD 900,000 against the bank loan obtained from the Bank of Jordan (Note 10) as at 31 December 2022 (2021: 900,000).

(9) INVESTMENT PROPERTIES

This item consists of the following:

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

2021	Land JD	Buildings JD	Projects under construction JD	Total JD
Cost -				
Balance as of 1January 2021	3,718,236	5,641,200	1,944,013	11,303,449
Additions	-	100,211	-	100,211
Balance as of 31 December 2021	3,718,236	5,741,411	1,944,013	11,403,660
Accumulated Depreciation -				
Balance as of 1January 2021	-	927,740	-	927,740
Deprecation for the year	-	82,239	-	82,239
Balance as of 31 December 2021	-	1,009,979	-	1,009,979
Net Book Value				
as at 31 December 2021	3,718,236	4,731,432	1,944,013	10,393,681

- The fair value of the investment properties as assessed by the real estate evaluators equals an amount of JD 13,768,804 as of 31 December 2022 (31 December 2021: JD 13,821,399).

(10) LOANS

This item consists of the following:

	Loan installments			
	Short term	Long term	2022	2021
	JD	JD	JD	JD
The Bank of Jordan (1)	8,264	2,090	10,354	12,420
The Bank of Jordan (2)	72,000	153,000	225,000	243,000
			235,354	255,420

The Bank of Jordan Loan (1)
On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 9%. The loan is payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017 until the last payment. The loan was used to finance the purchase of a new vehicle. During 2022 the group has rescheduled the (10 remaining installments) so that the payment of the first installment will be on 31 May 2023 until full payment.

The Bank of Jordan Loan (2)
On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. The loan is payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019 until the last payment. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2022 the group has rescheduled the (14 remaining installments) so that the payment of the first installment will be on 21 April 2024 until full payment.

(11) OTHER CREDIT LIABILITIES

This item consists of the following:

	2022	2021
	JD	JD
Portfolios payables	57,708	53,516
Withholding deposits	40,810	40,540
Provision for employees' vacation allowance	56,268	56,536
Accrued expenses	38,069	30,869
Due to shareholders	115,209	115,867
Contingent liabilities	362,931	362,931
Others	55,383	65,394
	726,378	725,653

(12) EQUITY

Legal Reserves-

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

(13) NON-CONTROLLING INTERESTS

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

	Ownership %		2022	2021
	2022	2021	JD	JD
Al - Ihdathiat Real Estate Company	41,42%	41,42%	1,531,227	1,510,664
Imcan for Financial Services	0%	20,27%	-	203,286
			1,531,227	1,713,950

(14) GAINS FROM FINANCIAL ASSETS

	2022	2021
	JD	JD
Realized (losses) gains	(1,026)	7,920
Dividends income	217,810	186,986
Change in fair value of financial assets through profit or loss	(25,244)	440,976
	191,540	635,882

(15) OTHER INCOME

	2022	2021
	JD	JD
Gain on sale of property and equipment's	47,905	-
Other	15,690	24,700
	63,595	24,700

(16) ADMINISTRATIVE EXPENSES

	2022	2021
	JD	JD
Salaries, wages, and employees' benefits	344,456	346,710
Bonuses and incentives	1,031	36,519
Travel and transportation	78,055	58,713
Legal and professional fees	114,778	97,421
Insurance	6,019	2,896
Mail and telephone	12,560	13,131
Stationery and publications	4,572	5,028
Advertisement	1,320	2,906
Hospitality	28,075	13,652
Government fees and licenses	75,785	86,104
Cleaning and maintenance services	38,607	47,018
Subscriptions	17,818	13,911
Donations	11,088	33,983
Depreciation	154,344	151,008
Training	15,027	5,954
Board of Directors transportation	17,500	15,750
Water and electricity	6,907	6,042
Non-refundable income tax	4,300	-
Others	17,890	18,353
	950,132	955,099

(17) INCOME TAX

Movement on income tax provision is as follows:

	2022	2021
	JD	JD
Balance as of 1 January	146	146
Income tax provision	490	-
Balance as of 31 December	636	146

Income tax provision for the years ended 31 December 2022 and 2021 was calculated in accordance with the income tax law No. (34) of 2014 and its amendments.

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

(18) LOSSES PER SHARE

	2022	2021
	JD	JD
Loss for the year attributable to shareholders (JD)	(669,116)	(253,591)
Weighted average number of shares (share)	27,270,078	27,270,078
	Fils /JD	Fils /JD
Basic and diluted losses per share	(0/025)	(0/009)

(19) CONTINGENT LIABILITIES

Bank Guarantees:

As of the date of the consolidated financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,440,000 as of 31 December 2022 (2021: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to other bank letters of guarantee for the benefit of the Securities Depository Center amounting to JD 150,000 as of 31 December 2022 (2021: JD 150,000) with security deposits of JD 67,000 as of 31 December 2022 (2021: JD 67,000).

Litigations held against the group:

There are no lawsuits raised against the group.

(20) OFF-BALANCE SHEET ITEMS

The Group holds investments for others amounting to JD 772,969 as at 31 December 2022 (2021: JD 784,627).

(21) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Subsidiaries

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

Company's name	Country of incorporation	Ownership percentage	Company's capital 2022	Company's capital 2021
		%	JD	JD
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	100	1,332,719	1,332,719
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham For Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality For Financial Investments*	Jordan	-	-	50,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	50,000	50,000

* The General Assembly of Trust and Hospitality Financial Investments for Financial Investments decided during the year 2022 at its extraordinary meeting to liquidate the Company in voluntary liquidation on 18 July 2022. the liquidation process resulted in losses amounting to JD 4,653. which were recorded in the Comprehensive Income Statement in the separate financial statements of the Jordan Investment Trust Company as on 31 December 2022.

Executive management's Compensations and remunerations

The remuneration of executive management was as follows:

	2022	2021
	JD	JD
Salaries and remunerations	219,196	264,279

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

	2022	2021
	JD	JD
Account receivables	4,101	32

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

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

	2022	2021
	JD	JD
Brokerage commissions income	175	1,618

(22) MATERIAL SUBSIDIARIES AND PARTIALLY OWNED BY THE GROUP

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

Company's name	Country of incorporation	Nature of activity	Ownership percentage 2022	Ownership percentage 2021
Al-Ihdathiat Real Estate Company	Jordan	Property Investments	58,58%	58,58%
Imcan for Financial Services	Jordan	Brokerage	100%	79,73%

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

a. Summary of financial position statement

	Imcan for Financial Services Company		Al-Ihdathiat Real Estate Company	
	2022	2021	2022	2021
	JD	JD	JD	JD
Current assets	327,361	369,389	9,166	12,366
Non- current assets	860,027	869,546	3,836,954	3,770,273
Current Liabilities	(89,379)	(85,939)	(148,984)	(134,860)
Net equity	1,098,009	1,152,996	3,697,146	3,647,779
Non- controlling interest	-	203,286	1,531,227	1,510,664

b. Summary of income statement

	Imcan for Financial Services Company		Al-Ihdathiat Real Estate Company	
	2022	2021	2022	2021
	JD	JD	JD	JD
Total revenues	30,299	139,235	3,935	3,744
Total expenses	(75,661)	(83,197)	(24,557)	(86,096)
(Loss) gain for the year	(45,362)	56,038	(20,622)	(82,352)

c. Summary of cash flow statement

	Imcan for Financial Services Company		Al-Ihdathiat Real Estate Company	
	2022	2021	2022	2021
	JD	JD	JD	JD
Cash flows				
Operating activities	(33,538)	(116,669)	347	1,150
Investing activities	8,438	18,940	-	-
Financing activities	(3,049)	87,677	-	-
Net (decrease) increase in cash and cash equivalents	(28,149)	(10,052)	347	1,150

(23) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets and financial liabilities.

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

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

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

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

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

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

	First level	Third level	Total
	JD	JD	JD
2022 -			
Financial assets			
Financial assets at fair value through profit or loss	2,557,897	-	2,557,897
Financial assets at fair value through other comprehensive income	4,472,631	1,410,545	5,883,176
2021 -			
Financial assets			
Financial assets at fair value through profit or loss	2,526,233	-	2,526,233
Financial assets at fair value through other comprehensive income	4,306,263	1,187,173	5,493,436

(24) RISK MANAGEMENT

Interest rate risk

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

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

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

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

2022-	Increase in basis points (Point)	Effect on loss JD
Currency		
JD	100	2,288

2021-	Increase in basis points (Point)	Effect on profit JD
Currency		
JD	100	4,946

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

Liquidity risk

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

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

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

	Less than 3 months	3 to 12 months	1 to 5 years	Total
	JD	JD	JD	JD
31 December 2022				
Loans	5,737	128,141	133,817	267,695
Brokerage payable	59,743	-	-	59,743
Other Credit Balances	670,110	-	-	670,110
Total	735,590	128,141	133,817	997,548
31 December 2021				
Loans	30,720	97,772	146,138	274,630
Brokerage payable	45,141	-	-	45,141
Other Credit Balances	669,117	-	-	669,117
Total	744,978	97,772	146,138	988,888

Equity price risk

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

	Change in equity price	Effect on loss	Effect on equity
2022 -	%	JD	JD
Index			
Amman Stock Market	+5	127,895	223,632

	Change in equity price	Effect on loss	Effect on equity
	%	JD	JD
2021 -			
Index			
Amman Stock Market	+5	126,312	215,313

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

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

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

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

(25) SEGMENTAL INFORMATION

Segmental information for the basic sectors:

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

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

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

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

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
2022 -				
Segment revenues	34	227	63	324
Distributed expenses	(721)	(103)	(177)	(1,001)
Loss before income tax	(687)	124	(114)	(677)
Income tax expense				-
Loss for the year after tax				(677)
2021 -				
Segment revenues	478	152	25	655
Distributed expenses	(710)	(108)	(113)	(931)
Loss before income tax	(232)	44	(88)	(276)
Income tax expense				-
Loss for the year after tax				(276)

	Financial Investments	Investment properties	Others	Total
2022-	JD'000	JD'000	JD'000	JD'000
Assets and Liabilities				
Segment assets	20,683	10,313	570	31,566
Segment liabilities	371	65	586	1,022
2021 -				
Assets and Liabilities				
Segment assets	21,334	10,394	567	32,295
Segment liabilities	367	71	588	1,026

Secondary segment information:

Assets, liabilities and revenues were distributed geographically as follows:

	Local	Foreign	Total
	JD	JD	JD
2022 -			
Assets	20,508,677	11,058,109	31,566,786
Liabilities	1,022,111	-	1,022,111
Revenues	502,256	(178,079)	324,177
2021 -			
Assets	21,312,399	10,982,843	32,295,242
Liabilities	1,026,360	-	1,026,360
Revenues	890,975	(235,826)	655,149

(26) MATURITIES ANALYSIS OF ASSETS AND LIABILITIES

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

	Within one year	More than one year	Total
	JD	JD	JD
2022 -			
Assets			
Cash on hand and at banks	201,136	-	201,136
Financial assets at fair value through profit or loss	2,553,553	4,344	2,557,897
Financial assets at fair value through other comprehensive income	-	5,883,176	5,883,176
Accounts receivable – net	88,459	-	88,459
Investments in associate	-	9,949,207	9,949,207
Other debit balances	481,664	-	481,664
Property and equipment	-	2,092,044	2,092,044
Investment properties	-	10,313,203	10,313,203
Total assets	3,324,812	28,241,974	31,566,786
Liabilities			
Loans	80,264	155,090	235,354
Brokerage payable	59,743	-	59,743
Other credit balances	726,378	-	726,378
Income tax provision	636	-	636
Total liabilities	867,021	155,090	1,022,111
Net	2,457,791	28,086,884	30,544,675
2021 -			
Assets			
Cash on hand and at banks	1,058,203	-	1,058,203
Financial assets at fair value through profit or loss	2,526,233	-	2,526,233
Financial assets at fair value through other comprehensive income	-	5,493,436	5,493,436
Accounts receivable – net	117,821	-	117,821
Investments in associate	-	10,127,286	10,127,286
Other debit balances	449,323	-	449,323
Property and equipment	-	2,129,259	2,129,259
Investment properties	-	10,393,681	10,393,681
Total assets	4,151,580	28,143,662	32,295,242
Liabilities			
Loans	120,420	135,000	255,420
Brokerage payable	45,141	-	45,141
Other credit balances	725,653	-	725,653
Income tax provision	146	-	146
Total liabilities	891,360	135,000	1,026,360
Net	3,260,220	28,008,662	31,268,882

(27) CAPITAL MANAGEMENT

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

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

The underlying items in capital structure are represented in share capital, statutory reserve, and retained earnings (accumulated losses) measured at JD 28,359,282 as at 31 December 2022 (2021: JD 29,047,845).

(28) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

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

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to the Group.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

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

The amendments are not expected to have a material impact on the Group.

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

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

The amendments are not expected to have a material impact on the Group.

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

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

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

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