Philadelphia Int'l Educational Investments Company

Public Shareholding Company

Financial Statements

31 December 2023

Philadelphia Int'l Educational Investments Company
Public Shareholding Company

Arab Professionals
The Home of Excellence

Arab Professionals
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INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Philadelphia Int'l Educational Investments Company
Public Shareholding Company
Amman – Jordan

Opinion

We have audited the financial statements of **Philadelphia Int'l Educational Investments Company**, which comprise the statement of financial position as at 31 December 2023, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the Hashemite Kingdom of 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.

Emphasis of Matters

- The Company's current liabilities exceeded its current assets by JOD (2,839,714), this requires obtaining additional financing to pay its obligations and continue its operations.

- As disclosed in note (21), the Company received a letter from the Directorate of Urban Planning and Villages containing the imposition of general regulatory returns in the amount of JOD (5) and fils (250) for each square meter of the entire area of the company's land on which the university building are located, with a total amount of JOD (1,740,613). The Company objected the decision and offered to settle the claim with an amount of JOD (300,000). The Company has not received a response from the responsible authority to date, noting that any amounts that will be paid as regulatory returns will be capitalized by the company as part of the cost of the lands.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

(1) Provision for Expected Credit Loss
Included in the accompanying financial statements at the end of the year 2023 financial assets totaling JOD (2,968,725), as the provision for expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

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 financial statements and our auditor's report thereon.
Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.
In preparing the 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.

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.

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

- 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, 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 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements
Philadelphia Int'l Educational Investments Company maintains for the year ended 31 December 2023 proper accounting records and the accompanying financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report, and we recommend the General Assembly to approve it.

26 March 2024
Amman - Jordan

Arab Professionals
Ibrahim Hammoudeh
License No. (606)

Arab Professionals Public Accountants

Philadelphia Int'l Educational Investments Company
Public Shareholding Company
Statement of financial position
As at 31 December 2023

(In Jordanian Dinar)

	Notes	2023	2022
Assets			
Non - current assets			
Property and equipment	3	26,132,170	26,561,498
Financial assets measured at fair value through other comprehensive income	4	1	1
Total non – current Assets		26,132,171	26,561,499
Current assets			
Other assets	5	315,855	286,879
Accounts receivable	6	2,078,394	1,575,076
Checks under collection		25,048	23,716
Cash and cash equivalents	7	251,761	162,416
Total current assets		2,671,058	2,048,087
Total assets		**28,803,229**	**28,609,586**
Equity and liabilities			
Equity	8		
Paid – in capital		15,000,000	15,000,000
Statutory reserve		3,750,000	3,750,000
Cumulative change in fair value		(99,660)	(99,660)
Retained earnings		3,446,686	1,708,483
Total equity		22,097,026	20,358,823
Liabilities			
Non – current liabilities			
Credit facilities – long term	9	1,195,431	375,000
Current liabilities			
Credit facilities – short term	9	694,476	3,870,304
Accounts payable	10	1,562,357	1,401,951
Other liabilities	11	2,089,729	1,656,366
Unearned revenues	12	1,093,229	947,142
Postdated checks		70,981	-
Total current liabilities		5,510,772	7,875,763
Total liabilities		6,706,203	8,250,763
Total equity and liabilities		**28,803,229**	**28,609,586**

"The accompanying notes from (1) to (25) are an integral part of these financial statements"

Philadelphia Int'l Educational Investments Company
Public Shareholding Company
Statement of comprehensive income
For the year ended 31 December 2023

(In Jordanian Dinar)

	Notes	2023	2022
Revenues			
Net tuition revenues and other fees	22	13,498,454	11,223,465
Other revenues	13	412,275	361,755
Buses rental revenues		64,516	-
Total revenues		**13,975,245**	**11,585,220**
Expenses			
Operating and administrative expenses	14	(10,430,957)	(10,293,136)
Depreciation	3	(808,953)	(614,577)
Finance expenses		(284,712)	(296,331)
Provision for expected credit losses	6	(75,283)	-
Other revenues & expenses, net		48,564	114,381
Losses from termination of finance lease agreement		-	(300,662)
Board of Directors remunerations		(22,500)	(8,529)
Total expenses		**(11,573,841)**	**(11,398,854)**
Profit for the year before income tax		**2,401,404**	**186,366**
Income tax for the year	17	(495,337)	(52,672)
National Contribution tax for the year	17	(24,767)	(2,634)
Prior years income tax	17	(143,097)	(54,304)
Profit for the year		**1,738,203**	**76,756**
Basic and diluted earnings per share	15	**0.116**	**0.005**

"The accompanying notes from (1) to (25) are an integral part of these financial statements"

Philadelphia Int'l Educational Investments Company
Public Shareholding Company
Statement of changes in equity
For the year ended 31 December 2023

(In Jordanian Dinar)

	Paid - in Capital	Statutory Reserve	Cumulative Change in Fair Value	Retained Earnings	Total
Balance at 1 January 2023	**15,000,000**	**3,750,000**	**(99,660)**	**1,708,483**	**20,358,823**
Total comprehensive income for the year	-	-	-	1,738,203	**1,738,203**
Balance at 31 December 2023	**15,000,000**	**3,750,000**	**(99,660)**	**3,446,686**	**22,097,026**
Balance at 1 January 2022	**15,000,000**	**3,750,000**	**(99,660)**	**1,631,727**	**20,282,067**
Total comprehensive income for the year	-	-	-	76,756	**76,756**
Balance at 31 December 2022	**15,000,000**	**3,750,000**	**(99,660)**	**1,708,483**	**20,358,823**

"The attached notes from (1) to (25) form an integral part of these financial statements"

Philadelphia Int'l Educational Investments Company
Public Shareholding Company
Statement of cash flows
For the year ended 31 December 2023

(In Jordanian Dinar)

	2023	2022
Operating activities		
Profit for the year before income tax	2,401,404	186,366
Depreciation	808,953	614,577
Provision for end of service indemnity	48,021	87,956
Board of directors remunerations	22,500	8,529
Provision for expected credit losses	75,283	-
Losses from termination of finance lease agreement	-	300,662
Gain from sale of property and equipment	(49)	(2,802)
Changes in working capital		
Checks under collection	(1,332)	975
Accounts receivable	(578,601)	(440,770)
Other assets	(28,976)	(36,549)
Accounts payable	160,406	169,027
Unearned revenues	146,087	23,302
Postdated checks	70,981	-
Other liabilities	(96,898)	(149,441)
Paid income tax	(203,461)	(127,842)
Net cash flows from operating activities	2,824,318	633,990
Investing activities		
Property and equipment	(379,576)	(268,707)
Financing activities		
Credit facilities	(2,355,397)	(376,747)
Changes in cash and cash equivalents	89,345	(11,464)
Cash and cash equivalents, beginning of year	162,416	173,880
Cash and cash equivalents, end of year	**251,761**	**162,416**

"The accompanying notes from (1) to (25) are an integral part of these financial statements"

1 . General

Philadelphia Int'l Educational Investments Company was established during the year 1990 as a limited liability company under the number (2240), the legal entity of the firm was converted to a public shareholding company at the year 2004 under the number (352). The company head office is in the Hashemite Kingdom of Jordan.

The Company's main objectives are the following:
- Acceptance and preparing higher education students.
- Establishing scientific research centers and cooperating with other National and Arabic universities.
- Renting and investing Real Estate to the favor of the company.

The Company shares are listed in Amman Stock exchange-Jordan.

The accompanying financial statements were authorized for issue by the Company's board of directors in their meeting held on the 20 March 2024, and it is subject to the General assembly approval.

2 . Summary of significant accounting policies

Basis of preparation

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

The financial statements have been prepared on a historical cost basis except for financial assets at fair value.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year.

Adoption of new and revised IFRS standards

The following amendments to standards have been published that are mandatory for accounting periods beginning on or after 1 January 2023.

New IFRS and amendments	Effective Date
The amendments aim to improve accounting policy disclosures and to help users of the financial statements to differentiate between changes in accounting estimates and changes in accounting policies. (Amendments to IAS 1 & IAS 8)	1 January 2023
These amendments require companies to recognize deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences. (Amendments to IAS 12).	1 January 2023

The adoption of these amendments has no material impact on the financial statements of the Company for the current and past year.

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, 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.

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

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).
- Inventories (educational supplies) are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made of their net 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 ageing or obsolescence, based on historical selling prices.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of profit or loss.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of brining the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Buildings and infrastructure	1%
Equipment, machines and furniture	5 – 20%
Solar system	4%
Transportation vehicles	7.5 – 15%
Computers and software	20%
Others	5 – 15%

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is booked in the statement of profit or loss for the year.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of deprecation are consistent with the expected pattern of economic benefits from items of property and equipment.

Financial assets measured at fair value through other comprehensive income
These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.
Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.
Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. In statement of comprehensive income within owners' equity and the reserve for the sold assets is directly transferred to the retained earnings and not through the statement of profit or loss.
These assets are not subject to impairment testing.
Dividends are recorded in the statement of profit or loss on a separate line item

Fair value
For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

Trading and settlement date
Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Accounts receivables
Accounts receivable are carried at original invoice amount less an estimate made for expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Cash and cash equivalents
Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the Cash flows statement, cash and cash equivalents comprise of cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

Accounts payable and accrued expenses
Accounts payable and accrued expenses are recorded when goods are received and services are rendered.

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

Short-term-leases and leases of low-value assets
The company applies the short-term lease recognition exemption to some of its short-term leases (I.e., those leases that have lease terms of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

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 of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Revenue recognition
Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rending services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

Rent revenue is recognized on the straight-line method over the contract period.

Interest revenue is recognized on a time proportion basis that reflects the effective yield on the assets.

Other revenues are recognized according to accrual basis.

Income taxes
Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.
Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

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

3 . Property and equipment

	Lands	Buildings & infrastructure	Equipment, machines & furniture	Solar system	Transportation vehicles	Computer & software	Others	Total
Cost								
Balance at 1/1/2023	4,951,792	20,553,748	6,279,828	1,601,954	2,691,298	2,580,718	2,667,846	**41,327,184**
Additions	-	9,139	255,464	-	-	93,529	21,497	**379,629**
Disposals	-	-	-	-	-	(2,064)	-	**(2,064)**
Balance at 31/12/2023	4,951,792	20,562,887	6,535,292	1,601,954	2,691,298	2,672,183	2,689,343	**41,704,749**
Accumulated depreciation								
Balance at 1/1/2023	-	4,905,546	4,970,794	316,173	192,756	2,437,379	1,943,038	**14,765,686**
Depreciation	-	205,577	210,936	64,078	191,465	52,431	84,466	**808,953**
Disposals	-	-	-	-	-	(2,060)	-	**(2,060)**
Balance at 31/12/2023	-	5,111,123	5,181,730	380,251	384,221	2,487,750	2,027,504	**15,572,579**
Net book value at 31/12/2023	**4,951,792**	**15,451,764**	**1,353,562**	**1,221,703**	**2,307,077**	**184,433**	**661,839**	**26,132,170**
Cost								
Balance at 1/1/2022	4,951,792	20,530,628	6,087,662	1,592,170	274,222	2,521,740	2,655,955	**38,614,169**
Additions	-	23,120	192,166	9,784	2,467,976	60,161	11,891	**2,765,098**
Disposals	-	-	-	-	(50,900)	(1,183)	-	**(52,083)**
Balance at 31/12/2022	4,951,792	20,553,748	6,279,828	1,601,954	2,691,298	2,580,718	2,667,846	**41,327,184**
Accumulated depreciation								
Balance at 1/1/2022	-	4,700,147	4,760,449	252,322	209,594	2,396,118	1,857,973	**14,176,603**
Depreciation	-	205,399	210,345	63,851	8,284	41,633	85,065	**614,577**
Disposals	-	-	-	-	(25,122)	(372)	-	**(25,494)**
Balance at 31/12/2022	-	4,905,546	4,970,794	316,173	192,756	2,437,379	1,943,038	**14,765,686**
Net book value at 31/12/2022	**4,951,792**	**15,648,202**	**1,309,034**	**1,285,781**	**2,498,542**	**143,339**	**724,808**	**26,561,498**

4 . Financial assets measured at fair value through other comprehensive income

	2023	2022
Cost of investment in unlisted shares	99,661	99,661
Cumulative change in fair value	(99,660)	(99,660)
	1	**1**

5 . Other assets

	2023	2022
Prepaid expenses	213,949	201,050
Educational supplies	82,542	61,012
Refundable deposits	19,353	19,353
Others	11	5,464
	315,855	**286,879**

6 . Accounts receivable

	2023	2022
Students receivable	2,308,333	1,820,799
General receivables	330,732	260,088
Employees and shareholders receivable	304,612	284,189
	2,943,677	**2,365,076**
Provision for expected credit loss	(865,283)	(790,000)
	2,078,394	**1,575,076**

The movement on the provision for expected credit loss was as follows:

	2023	2022
Balance at the beginning of the year	790,000	790,000
Additions	75,283	-
	865,283	**790,000**

Company's management believes that all past due not impaired accounts receivable are collectable in full.

7 . Cash and cash equivalents

	2023	2022
Current bank accounts	**251,761**	**162,416**

8 . Equity

Paid-in capital

The Company's authorized and paid up capital is JOD (15) Million divided equally into (15) Million shares with par value of JOD (1) each as at 31 December 2023 and 2022.

Statutory reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders. The deduction was stopped when the accumulated amount reached 25% of the Company's capital.

Cumulative change in fair value

This item represents the cumulative change in fair value of financial assets measured at fair value through other comprehensive income owned by the Company.

9 . Credit facilities

Credit type	Interest rate	Maturity date	Facility limit	Outstanding balance
Overdraft	8.5%	2025	2,000,000	1,195,431
Overdraft	9%	2024	2,000,000	313,387
Overdraft	8.4%	2024	2,000,000	6,089
Loan	9%	2024	375,000	375,000
				1,889,907

The above facilities were granted to the Company against endorsement of insurance policies with a value of JOD (3) million.

10 . Accounts payable

	2023	2022
General payables	864,738	819,102
Students payable	517,448	387,254
Employees payable	180,171	195,595
	1,562,357	**1,401,951**

11 . Other liabilities

	2023	2022
Refundable students' withholdings	620,408	539,253
Income tax provision (Note 17)	491,507	31,767
Accrued expenses	419,468	412,267
Other withholdings	227,768	167,709
End of service indemnity provision	174,861	268,813
Social security withholdings	85,078	112,511
General Withholdings	33,318	37,148
Board of directors' remunerations provision	22,500	8,529
Provident fund withholdings	14,821	78,369
	2,089,729	**1,656,366**

The movement on the end of service indemnity provision was as follows:

	2023	2022
Balance at the beginning of the year	268,813	301,312
Payment during the year	(141,973)	(120,455)
Additions (Note 14)	48,021	87,956
	174,861	**268,813**

12 . Unearned revenues

	2023	2022
Unearned tuition fees	1,089,733	880,713
Other unearned revenues	3,496	66,429
	1,093,229	**947,142**

13 . Other revenues

	2023	2022
Placement exam revenues	95,160	119,900
Certificates revenues	60,910	64,805
Penalties for late registration revenues	49,262	27,712
Cafeteria rent revenues	47,398	11,715
Courses revenues and expenses, net	44,222	36,753
Net annual graduation revenues and expenses	41,987	48,275
Shops rent revenues	34,073	25,875
Miscellaneous	39,263	26,720
	412,275	**361,755**

14 . Operating and administrative expenses

	2023	2022
Salaries, wages and other benefits	5,572,593	5,829,512
Social security	645,245	671,729
Busses expenses	1,848,360	1,286,220
Scientific research support	492,983	459,245
Cleaning	284,899	260,198
Insurance and medication	268,035	293,319
Accreditation fees	201,000	204,535
Scholarship expenses	145,602	116,331
Licenses and subscriptions	116,473	149,527
Security	107,354	112,321
Marketing centers commissions	95,210	44,410
Database expenses	76,077	60,911
Board of directors' and trustees' transportation expense	73,800	74,642
Professional fees	73,743	86,311
Maintenance	63,440	66,620
Labs expenses	56,034	57,486
End of service indemnity (Note 11)	48,021	87,956
Employees provident fund expenses	38,098	120,010
Advertising expenses	27,788	27,970
Conferences and courses	26,408	27,359
Vehicles expenses	19,217	26,740
Utilities	18,052	18,665
Stationary and printings	17,720	20,702
Students' activities	17,415	6,057
Telephone and post	13,428	13,578
Fuel expenses	4,764	32,673
Agricultural expenses	3,327	8,788
Companies' controller fees	600	600
Work injury compensation	-	40,000
Educational sponsorship fund	-	18,430
Miscellaneous	75,271	70,291
	10,430,957	**10,293,136**

15 . Basic and diluted earnings per share

	2023	2022
Profit for the year	1,738,203	76,756
Weighted average number of shares	15,000,000	15,000,000
	0.116	**0.005**

16 . Contingent liabilities

The Company is contingently liable with bank guarantees amounted to JOD (20,000).

17 . Income tax

The movement on provision for the income tax during the year was as follows:

	2023	2022
Balance at beginning of the year	31,767	49,999
Prior years income tax	143,097	54,304
Income tax for the year	495,337	52,672
National Contribution tax for the year	24,767	2,634
Paid income tax	(203,461)	(127,842)
Balance at end of the year (Note 11)	**491,507**	**31,767**

The following is the reconciliation between declared income and taxable income:

	2023	2022
Declared income	2,401,404	186,366
Non – deductible expenses	75,283	87,956
Taxable income	**2,476,687**	**274,322**
Statutory Income and National Contribution tax rate	21%	21%
Effective Income and National Contribution tax rate	22%	30%

- The Company settled its tax liabilities with the Income Tax Department up to the year 2021.
- The income tax return for the year 2022 has been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income and National contribution tax provision for the year 2023 was calculated in accordance with the Income Tax Law.

18 . Executive management salaries and remunerations

The remuneration of executive management during the years 2023 and 2022 amounted to JOD (179,458) and JOD (189,977) respectively.

19 . Lawsuits

The Company is contingently liable against several lawsuits and Company’s Management and legal counsel believe that the potential results to their lawsuits will not materially affect the company’s financial position.

20 . Operating segment

The Company’s main operations are providing educational services inside the Hashemite Kingdom of Jordan.

21 . Regulatory returns

The Company received a letter from the Directorate of Urban Planning and Villages containing the imposition of general regulatory returns in the amount of JOD (5) and fils (250) for each square meter of the entire area of the company’s land on which the university building are located, with a total amount of JOD (1,740,613). The Company objected the decision and offered to settle the claim with an amount of JOD (300,000). The Company has not received a response from the responsible authority to date, noting that any amounts that will be paid as regulatory returns will be capitalized by the company as part of the cost of the lands.

22 . Segment analysis

The following is the breakdown of tuition fees revenues in 2023 classified by faculties:

Faculty	Morning program	Evening program	Total
Faculty of Pharmacy	2,804,461	-	**2,804,461**
Faculty of Engineering	1,383,484	45,105	**1,428,589**
Faculty of sciences	1,331,767	16,652	**1,348,419**
Faculty of literature	1,335,111	115,531	**1,450,642**
Faculty of Business	1,271,022	96,087	**1,367,109**
Faculty of Information technology	1,749,800	55,504	**1,805,304**
Faculty of Allied Medical sciences	902,598	-	**902,598**
Faculty of Nursing	1,117,513	-	**1,117,513**
Faculty of Law	376,240	103,101	**479,341**
Faculty of Architecture and Design	794,478	-	**794,478**
	13,066,474	**431,980**	**13,498,454**

23 . Fair value of financial instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, checks under collection, accounts receivables and financial assets measured at fair value through other comprehensive income. Financial liabilities of the Company include accounts payable, credit facilities and postdated checks.

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2023	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	1	-	**1**

2022	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income	-	1	-	**1**

24 . Financial risk management

Credit risk

Credit risks are those risks resulting from the default of counter parties to the financial instrument to repay their commitment to the company. The company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Interest rate risk

Interest rate risk is the risk that changes in interest rates will affect the company's income or the value of its holdings of financial instruments. As most of the company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the company's results or equity to movements in interest rates is not considered significant.

Currency risk

The management considers that the company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk and the company's results of operations or equity to movements in exchange rates are not considered significant.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligations. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities (not discounted) into relevant maturity groupings based on the remaining period at date of the statement of financial position to the contractual maturity date.

2023	Less than one year	More than one year	Total
Credit facilities	694,476	1,195,431	**1,889,907**
Accounts payable	1,562,357	-	**1,562,357**
Other liabilities	2,089,729	-	**2,089,729**
Unearned revenues	1,093,229	-	**1,093,229**
Postdated checks	70,981	-	**70,981**
	5,510,772	**1,195,431**	**6,706,203**

2022	Less than one year	More than one year	Total
Credit facilities	3,870,304	375,000	**4,245,304**
Accounts payable	1,401,951	-	**1,401,951**
Other liabilities	1,656,366	-	**1,656,366**
Unearned revenues	947,142	-	**947,142**
	7,875,763	**375,000**	**8,250,763**

25 . Capital management

The Company’s board of directors manages its capital structure with the objective of safeguarding the Company’s ability to continue as a going concern and providing an adequate return to shareholders by Investing the Company's assets commensurately with the level of risk and providing an adequate return to shareholders by keeping a balance between total debt and total equity. The table below shows the debt to equity ratio:

	2023	2022
Total Debt	1,889,907	4,245,304
Total Equity	22,097,026	20,358,823
Debt to Equity ratio	**8.6%**	**21%**