COMPREHENSIVE LEASING COMPANY
PUBLIC SHAREHOLDING COMPANY LIMITED

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024

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Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Comprehensive Leasing Company
Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Comprehensive Leasing Company (the Company), and its subsidiaries (the Group) which comprise the consolidated statement of financial position as at 31 December 2024, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

Basis for Qualified Opinion

As stated in note (15) and note (20) regarding the consolidated financial statements, the subsidiary (Comprehensive Vehicle Trading Limited Liability Company), transferred JD 900,000 from the special reserve item to the expected credit loss provision, instead of recording it as an expense in the consolidated statement of comprehensive income, If this provision had been recorded in the consolidated statement of comprehensive income, the Group's profits would have decreased by an amount of JD 900,000 for the year ended 31 December 2024.

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 qualified opinion.

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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 current year. In addition to the matters described in the Basis for Qualified Opinion section These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

Key Audit Matter	Audit Procedures
Provision for expected credit losses resulted from finance lease contracts and instalments sale receivables: Finance lease contracts and instalments sale receivables represents 76% (31 December 2023: 76%) of the Group's total assets. An estimated provision for expected credit losses of finance lease contracts and instalments sale receivables is recorded based on the management's judgement which is aligned to the requirements of IFRS (9). Management determines the provision for expected credit losses amount based on specific reviews of finance lease contracts and instalments sale receivables, individually or in groups, to determine whether there are any indicators of a decline in the customer's ability to repay for a certain period. Also, the management evaluates the expected credit losses based on its estimation of the recoverable amount from the assets pledged in favor of the Group. as well as experience with collection trends and historical default rates which is aligned to the requirements of IFRS (9).	**How the key audit matter was addressed** We evaluated the design and operating effectiveness of the controls over the accounting process of the provision for expected credit losses resulted from finance lease contracts and instalments sale receivables. We evaluated management's assumption and judgments by reviewing the historical collection trends and history of default. In addition, we performed ratio analysis on the Group's provision for expected credit losses of finance lease contracts and instalments sale receivables during prior periods. We tested the aging of trade receivables of finance lease contracts and instalments sale receivables where no provision was recognized to check that there were no indicators of impairment.

There is a risk in calculating provision for expected credit losses represented by the inaccuracy of the provision that is recognized whether from the use of inaccurate underlying data, or the use of unreasonable assumptions including the determination as to whether the receivables of finance lease contracts and instalments sale receivables are collectable. We focused on this area since it requires a high level of management's judgment as the expected credit losses, may have a significant impact on the Group's profit.	We selected a sample of the largest finance lease contracts and instalments sale receivables balances where a provision for impairment was recognized and understood the rationale behind management's judgment. We assessed also the adequacy of the Group's disclosures regarding provision for expected credit losses. Further disclosures related to the provision for expected credit losses from finance lease contracts and instalments sale receivables are disclosed in notes (14 & 15) to the consolidated financial statements.

Other information included in the 2024 annual report

Other information consists of the information included in the Group's 2024 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2024 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 do not express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), 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's or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

For and on behalf of Ernst & Young- Jordan

Amman – Jordan
27 January 2025

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Assets			
Non-current assets -			
Intangible assets – net	7	15,347	13,107
Property and equipment – net	8	2,701,363	2,777,317
Projects under construction	9	-	5,379,039
Investment properties – net	11	2,820,920	2,876,830
Assets seized for debts	12	4,249,570	4,395,920
Right-of-use assets	24	718,681	916,157
Investment in an associate	13	3,351,101	2,776,220
Non-current portion of investment in finance lease – net	14	21,207,903	20,558,715
Non-current portion of investment in instalment sale receivables – net	15	17,156,749	17,177,771
		52,221,634	56,871,076
Current assets -			
Current portion of investment in finance lease contracts	14	17,123,567	16,744,333
Current portion of investment in instalment sale receivables	15	13,428,844	13,252,867
Financial assets at fair value through statement of income	16	895,408	993,158
Inventory properties	10	5,562,593	-
Financial assets at amortized cost – net	17	-	201,143
Trade and other debit balances	18	1,693,466	1,245,834
Cash on hand and at banks	19	77,472	107,879
		38,781,350	32,545,214
Total assets		91,002,984	89,416,290
Shareholders' equity and liabilities			
Shareholders' equity -			
Share capital	1 & 20	15,000,000	15,000,000
Statutory reserve	20	3,727,782	3,296,900
Retained earnings		6,460,636	6,226,117
Total shareholders' equity		25,188,418	24,523,017
Liabilities			
Non-current liabilities -			
Long-term loans	21	38,831,903	38,867,154
Long-term lease liabilities	24	538,895	738,015
		39,370,798	39,605,169
Current liabilities -			
Current portion of long-term loans	21	15,858,563	15,370,024
Bank overdrafts	22	8,345,424	7,618,343
Trade and other credit balances	23	1,039,840	951,296
Short-term lease liabilities	24	236,801	231,140
Investment properties deferred income	33	211,758	214,938
Income tax provision	25	751,382	902,363
		26,443,768	25,288,104
Total liabilities		65,814,566	64,893,273
Total shareholders' equity and liabilities		91,002,984	89,416,290

COMPREHENSIVE LEASING COMPANY
PUBLIC SHAREHOLDING COMPANY LIMITED
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Revenues			
Revenues from finance lease contracts – net	26	6,531,749	6,871,774
Revenues from instalment sale – net	27	5,263,939	5,422,131
Revenue from the sale of residential apartments – net	10	231,054	-
Total revenues		12,026,742	12,293,905
Administrative expenses	28	(1,624,608)	(1,635,565)
Net revenues from investment properties	29	223,262	208,024
(Loss) Gain of financial assets through statement of income	16	(20,842)	54,990
Other income	31	661,029	133,038
Dividends income received		38,367	74,158
Expected credit losses (finance lease and Instalment sale receivables)	14 &15	(671,263)	(895,149)
Finance costs	30	(5,725,575)	(5,443,240)
Profit for the year before income tax		4,907,112	4,790,161
Income tax expense	25	(941,711)	(1,135,322)
Profit for the year		3,965,401	3,654,839
Add: other comprehensive income items		-	-
Total comprehensive income for the year		3,965,401	3,654,839
Earnings per share:			
Basic and diluted earnings per share from the profit for the year attributable to the Group's shareholders	36	26%	24%

The attached notes from 1 to 41 are an integral part of these consolidation financial statements

	Share capital	Statutory reserve	Special reserve	Retained earnings	Total
	JD	JD	JD	JD	JD
For the year ended 31 December 2024					
Balance as at 1 January 2024	15,000,000	3,296,900	-	6,226,117	24,523,017
Dividends distribution (note 35)*	-	-	-	(2,400,000)	(2,400,000)
Total comprehensive income for the year	-	-	-	3,965,401	3,965,401
Transferred to the statutory reserve	-	430,882	-	(430,882)	-
Transferred to special reserve (note 20)	-	-	900,000	(900,000)	-
Transferred from special reserve (note 20)	-	-	(900,000)	-	(900,000)
Balance as at 31 December 2024	15,000,000	3,727,782	-	6,460,636	25,188,418
For the year ended 31 December 2023					
Balance as at 1 January 2023	15,000,000	2,888,527	-	5,079,651	22,968,178
Dividends distribution (note 35)	-	-	-	(2,100,000)	(2,100,000)
Total comprehensive income for the year	-	-	-	3,654,839	3,654,839
Transferred to the statutory reserve	-	408,373	-	(408,373)	-
Balance as at 31 December 2023	15,000,000	3,296,900	-	6,226,117	24,523,017

* The General Assembly, in its extraordinary meeting held on 8 February 2024, decided to distribute cash dividends of JD 2,400,000 to shareholders, representing 16% of the share capital as at 31 December 2024.

COMPREHENSIVE LEASING COMPANY
PUBLIC SHAREHOLDING COMPANY LIMITED
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Notes	2024	2023
		JD	JD
Operating activities			
Profit for the year before income tax		4,907,112	4,790,161
Adjustments -			
Depreciation and amortization	7, 8 & 24	344,978	366,731
Depreciation of investment properties	11	55,910	55,910
Provision for expected credit loss (finance lease contracts and instalment sale receivables)	14 & 15	671,263	895,149
Finance costs	30	5,725,575	5,443,240
Dividends income		(38,367)	(74,158)
Gain on sale of financial assets at fair value through statement of income	16	(9,996)	(45,854)
Unrealized loss (gain) from valuation of fair value of financial assets through statement of income	16	30,838	(9,136)
Gain from sale of financial assets at amortized cost	17 & 31	(52,826)	-
Gain from valuation of investment in associate	31	(592,881)	(124,470)
Gain from disposal of lease liabilities		(4,582)	(7,435)
Gain on sale of property and equipment	8	(15,812)	(436)
Changes in working capital:			
Investment in finance lease contracts - net		(1,671,285)	(3,054,589)
Investment in instalment sale receivables - net		(1,083,355)	(4,636,320)
Inventory properties		852,567	-
Trade and other debit balances		(447,632)	(349,623)
Trade and other credit balances		88,544	(459,385)
Net cash flows before income tax paid		8,760,051	2,789,785
Income tax paid	25	(1,092,692)	(1,129,187)
Net cash flows from operating activities		7,667,359	1,660,598
Investing activities			
Purchase of financial assets at fair value through statement of income	16	(700)	-
Purchase of intangible assets	7	(9,559)	-
Projects under construction	9	(1,036,121)	(2,443,284)
Purchase of property and equipment	8	(52,056)	(80,820)
Investment properties deferred income		(3,180)	14,333
Proceeds from sale of assets seized for debts		146,350	747,614
Proceeds from sale of property and equipment		43,395	38,167
Proceeds from sale of financial assets at fair value through statement of income		77,608	471,356
Proceeds from financial assets at amortized cost		253,969	-
Investment in an associate		18,000	-
Dividends income received		38,367	74,158
Net cash flows used in investing activities		(523,927)	(1,178,476)
Financing activities			
Long-term loans		453,288	5,154,854
Finance costs paid		(5,651,117)	(4,780,551)
Dividends paid	35	(2,400,000)	(2,095,646)
Payments of lease liabilities	24	(303,091)	(303,448)
Net cash flows used in financing activities		(7,900,920)	(2,024,791)
Net (decrease) in cash and cash equivalents		(757,488)	(1,542,669)
Cash and cash equivalent as at 1 January		(7,510,464)	(5,967,795)
Cash and cash equivalents as at 31 December	19	(8,267,952)	(7,510,464)
Non-monetary transactions during the year:			
Right-of-use assets	24	106,643	48,974
Lease liabilities	24	(106,643)	(48,974)
Transferred from investment in finance lease contracts to assets seized for debts	12	816,850	1,368,000

(1) GENERAL

Comprehensive Leasing Company was established on 14 April 2004 as a limited liability company under No. (8730) with a capital of JD 1,000,000. On 12 September 2006, the legal status of the Company was changed into a public shareholding company and registered with the Ministry of Industry and Trade under No. (415). The Company's capital was increased during the previous years to become JD 10,000,000 as at 31 December 2019. The General Assembly decided in its extraordinary meeting held on 10 February 2022 to increase the capital by JD 5,000,000, so the Company's capital became JD 15,000,000 as at 31 December 2022 with a nominal value of JD 1 for each share, by distributing free shares to the shareholders, which constitute 50% of the capital from the retained earnings each according to their contribution to the Company's capital. The Company's capital increase procedures were completed with the Ministry of Industry and Trade on 28 February 2022.

The Company's main activities are represented in the following:

- Finance lease,
- Investment of the Company's funds in the economic, industrial, agricultural and real estate fields,
- Purchase, own, lease and manage movable and immovable funds for the purposes of the Company,
- Mortgage of movable and immovable funds,
- Development of lands by providing the necessary services and fragmentation of the lands,
- Import and export,
- Touristic investments,
- Obtain patents,
- Obtain contracts of rights and privileges from any government, entity, authority, Company, institution or individual concerned by the objectives of the Company, enter into commercial and governmental bids and tenders, both locally and internationally, and register the Company's trademarks.

On 24 July 2012, the Company established a branch in the Kurdistan Region of Iraq under No. (15297). According to the provisions of item No. (5 - third) of the Act of establishing branches of offices of foreign companies and economic institutions No. (5) of 1989 related to the Kurdistan Region of Iraq, the branch commenced its operational activities during the first quarter of 2013.

The Comprehensive Leasing Company is a public shareholding Company, and its shares are listed in Amman Stock Exchange. The registered address of the Company is 207 Zahran St. – Amman, the Hashemite Kingdom of Jordan.

These consolidated financial statements were approved by the Board of Directors during its meeting held on 26 January 2025.

(2) BASIS OF PREPARATION CONSOLIDATED FINANCE STATEMENTS

The consolidated financial statements of the Group have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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

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

(3) BASIS OF CONSOLIDATION OF FINANCIAL STATEMENTS

The consolidated financial statements include the financial statements of Comprehensive Leasing Company (the "Company") and the following subsidiaries (together referred as the "Group") as at 31 December 2024:

Name of the Company	Legal status	Share capital	Shareholding percentage
		JD	%
Comprehensive Vehicle Trading Company	Limited liability company	500,000	100
Comprehensive Global Financial Consulting Company	Limited liability company	10,000	100
Comprehensive Global Company for Residential and Commercial Projects	Limited liability company	100,000	100

Control is achieved when the group has rights to the variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Control over the investee company is achieved only when the following is achieved:

- Control of the Group over the investee (existing rights that give the Group the ability to direct the relevant activities of the investee);
- The Group's exposure or rights to the variable returns arising from its involvement with the investee; and
- The ability to exercise control over the investee company and affect its returns.

When the Group owns less than a majority of the voting or similar rights in an investee, the Group considers all relevant facts and circumstances to determine whether it controls an investee, including:

- Contractual arrangements with holders of voting rights of others in the investee company,
- Rights arising from other contractual arrangements,
- The current voting rights and potential voting rights of the Group.

The Group reassesses whether it controls the investee company when circumstances or facts indicate a change in one or more of the three elements of control.

The financial statements of the subsidiary are consolidated from the date on which control is exercised until such control ceases. Revenues and expenses of subsidiaries are consolidated in the consolidated statement of comprehensive income from the date the Group takes control of the subsidiaries until such control ceases.

Profits and losses and each item of other comprehensive income are charged to the equity holders of the parent company and the non-controlling interests even if this leads to a deficit in the balance of the non-controlling interests. If necessary, the financial statements of the subsidiaries are amended to align their accounting policies with the accounting policies of the Group. Assets, liabilities, equity, revenues, expenses, profits and losses relating to transactions between the Group and its subsidiaries are eliminated.

The effect of a change in the ownership percentage of the subsidiary that does not result in a loss of control is recorded in equity. Upon loss of control over a subsidiary, the Group derecognises the subsidiary's assets (including goodwill), liabilities, non-controlling interests and other items of equity, while the resulting gain or loss is recognized in the consolidated statement of comprehensive income. The investment is recognized at fair value.

(4) 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 2023 except for the adoption of new amendments on the standards effective as of 1 January 2024 shown below:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

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

The amendments had no impact on the Group's consolidated financial statements.

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

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

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

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

The amendments had no impact on the Group's consolidated financial statements.

(5) USE OF ESTIMATES

The preparation of the consolidated financial statements and the application of accounting policies require the Group's management to make estimates and judgments that affect the amounts of assets and liabilities and disclose contingent liabilities. These estimates and judgments also affect revenues, expenses and provisions, and in particular requires the Group's management to make important judgments and assumptions to estimate the amounts of future cash flows and their times resulting from the conditions and circumstances of those estimates in the future. The estimates are necessarily based on assumptions and various factors that have varying degrees of estimation and uncertainty, and the actual results may differ from estimates as a result of future changes in the status and conditions of these provisions. The following are the group's most important estimates:

The useful life of property, equipment and investment properties
The Group's management estimates the useful lives of property, equipment and investment properties for the purposes of calculating depreciation based on the expected use of these assets. The management reviews the residual value and useful lives on an annual basis, and the future depreciation expense is adjusted if the management believes that the useful lives differ from previous estimates.

Significant estimates related to determining the lease term for contracts that include an option to renew the lease
The Group determines the lease term as the non-cancelable term, taking into account the periods covered by the option to extend the lease if the option is certain to be exercised, or any periods related to the option to terminate the lease if the Group is certain not to exercise This option.

Under some lease agreements, the Group has the right to lease the assets for additional periods. The Group makes some judgment when assessing whether it is reasonable to exercise a renewal option.

That is, the Group considers all relevant factors that constitute an economic incentive to exercise the renewal option. Subsequently, the Group reassesses the lease term if a significant event or change in circumstances within its control occurs that may affect its ability to exercise (or not exercise) the renewal option (for example, a change in business strategy).

The Group has included the renewal period as part of the lease term due to the importance of these assets to its operations. The term of the non-cancelable contract for some of these assets is considered relatively short, and in the event of termination of these contracts, the operational processes will be negatively affected in the absence of alternatives to these assets.

Estimates related to the application of International Financial Reporting Standard No. (16)
The application of International Financial Reporting Standard No. (16) requires the Group's management to make estimates and assumptions that affect the measurement of the right to use assets and related liabilities. The Group's management takes into account all factors related to the option of extending or renewing lease contracts. Determining whether a contract is considered a lease requires testing. Management also uses estimates to determine the appropriate discount rate for measuring lease liabilities.

(5) USE OF ESTIMATES (CONTINUED)

Provision for expected credit losses from leasing contracts and instalment sales

The Group uses a matrix to calculate the expected credit loss provision for receivables. Provision ratios are calculated based on the aging of receivables due to groups of customer segments that contain common characteristics of loss patterns, taking into account the adjustment of these matrices in line with historical default rates and future expectations of these rates.

The expected credit loss provisions matrix is initially based on the Group's historical default rates. The Group evaluates how historical default rates correlate with economic conditions.

Income tax provision

The Group calculates the income tax for the year based on realistic estimates, so that it can be audited by the Income and Sales Tax Department. The financial period is charged with the income tax expense in accordance with the regulations, laws and accounting standards, and the necessary tax provision is calculated and recorded.

(6) SIGNIFICANT ACCOUNTING POLICIES

The following are the most significant accounting policies applied:

Intangible assets

Intangible assets are measured upon acquisition at cost or at fair value if they result from the acquisition of subsidiaries.

Intangible assets are classified on the basis of their lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortized during this lifetime and are recognised in the consolidated statement of comprehensive income. For intangible assets that have an indefinite lifetime, their impairment is reviewed in the consolidated financial statements and any impairment shall be recognised in the consolidated statement of comprehensive income.

Intangible assets arising from the Group's business are not capitalized and are recorded in the consolidated statement of comprehensive income in the same year.

Any indications of impairment of intangible assets are reviewed at the date of the consolidated financial statements. The age of those assets is also reviewed and any adjustments are made for subsequent years.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and equipment
Property and equipment are shown at cost less accumulated depreciation. Property and equipment (excluding land) are depreciated when ready for use on a straight-line basis after deducting the estimated residual value. The rates and period of depreciation used are as follows:

	Useful life Years
Buildings	25 - 50
Furniture and fixtures	10
Solar system	10
Computers	3
Electronics and electrical equipment	4 - 5
Decorations	4
Vehicles	6 - 7

The assets’ residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

The value of an item of property and equipment is written down to its recoverable amount if its net book value is greater than its recoverable amount. Decrease is recognised in the consolidated statement of comprehensive income.

Gain and loss arising on disposal of property and equipment are determined by comparing the proceeds with the carrying amount of the asset and are recognised in the consolidated statement of comprehensive income.

Projects under construction
Projects under construction are shown at cost and include the cost of construction, equipment and direct expenses. Projects under construction are not depreciated until they are completed and ready for use.

Investment properties
Real estate investments represent investments in land and buildings owned by the Company for the purpose of obtaining rents or until their value increases. Real estate investments do not include buildings used for the Company's normal activities or administrative purposes.

Real estate investments are shown at cost after deducting accumulated depreciation and any provision for impairment. Real estate investments are depreciated when they are ready for use using the straight-line method over their expected useful life using the following ratio:

	Useful life Years
Buildings	25 - 50

Properties reverted to the Company in settlement of due debts
Properties reverted to the Company are recognised in the consolidated statement of financial position within the "Assets Sezied for Debt" item at the lower of the value reverted to the Company or the fair value, and are revaluated at fair value separately. Any impairment is recorded as a revenue in the consolidated statement of comprehensive income and the increase is not recognised as revenue. Subsequent increase is included in the consolidated statement of comprehensive income to the extent that impairment value does not exceed the previously recorded value.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Lease contracts
The Group evaluates contracts at inception to determine whether the contract is or contains a lease. That is, if the contract transfers the right of control to use the asset for a period of time in exchange for payments.

The Group applies a standardized approach to recognition and measurement in respect of all lease contracts, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities for lease payments and right-of-use assets representing the right to use the leased assets.

Right-to-use the assets
The Group recognizes a right-of-use asset at the commencement date of the lease (i.e., the date the asset is usable). The right-of-use asset is recognized at cost, less accumulated depreciation and impairment losses, and the value is adjusted when lease liabilities are revalued.

The cost of the right-of-use asset includes the value of the lease liabilities recognised, plus initial direct costs incurred, and lease payments made on or before the lease commencement date, less any lease incentives received. In the event that the group is not certain of obtaining ownership of the leased asset at the end of the contract period, the value of the right-to-use the recognized asset is depreciated on a straight-line basis over the useful life of the asset or the lease term, whichever is less. Right-of-use assets are subject to impairment testing.

If the contract includes a transferring ownership of the leased asset to the Group at the end of the lease term, or if the rental cost reflects the right to exercise a purchase option at the end of the contract term, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are subject to impairment tests.

Lease liabilities
At the commencement date of the lease, the Group recognizes a lease liability at the present value of the lease payments to be made during the term of the lease. Lease payments include fixed payments (which includes payments that in substance are fixed lease payments) less lease incentives payable, variable lease payments that depend on agreed indicators or rates in accordance with the terms of the contract, and amounts expected to be collected under residual value guarantees. Lease payments also include the amount payable when a purchase option is exercised that the Group is certain to exercise and the amount of penalties for terminating the lease, if the Group intends to exercise the option to terminate in accordance with the terms of the contract.

Variable lease payments that do not depend on indicators or rates agreed upon in accordance with the terms of the contract are recognized as an expense in the period in which the event or condition that leads to the payment of those amounts occurs.

When calculating the present value of lease payments, the Group uses the borrowing rate at the lease starting date if the interest rate implicit in the lease is not determinable. After the start date, lease liabilities are increased to reflect the increased interest rate and lease payments paid. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in secured fixed lease payments, or a change in the purchase valuation of the asset.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Short-term contracts and leases of low-value assets

The Group applies the short-term lease recognition exemption to certain short-term leases (i.e., leases with a term of 12 months or less from the start date that do not contain a purchase option). It also applies to the recognition exemption for leases of low-value assets (less than $5,000 annually). Short-term lease payments and low-value leases are recognized as an expense on a straight-line basis over the lease term.

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

The Group has the option, under some leases, to lease the assets subject to additional terms. The Group applies judgment in assessing whether it is reasonably certain to exercise the option to renew.

That is, the group takes into account all relevant factors that create an economic incentive for the practice of renewal. After the start date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not exercise) the option to renew (for example, a change in business strategy).

The Group included the renewal period as part of the lease term for its property and equipment leases because of the importance of these assets to its operations. These leases are of short duration and are non-cancellable and there will be a significant negative impact on production if an alternative is not readily available.

Investments in associates

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

The considerations used to determine joint control are somewhat similar to the considerations used to determine control over subsidiaries.

The Group's investment in the associate company is recognized under the equity method.

Under the equity method, investments in associates are stated at cost. The book value of the investments in the associate company is adjusted to record the Group's share in the changes in the net assets of the associate company on the date of acquisition. The goodwill generated by the associate company is recorded as part of the investment account and is not amortized nor is an impairment test conducted for it individually.

The consolidated statement of comprehensive income reflects the group's share of the results of the operations of the associate company, any changes in the statement of comprehensive income for this investment, and it is classified in the statement of comprehensive income of the group. In the event of a change in the equity of the affiliate company, these changes, if any, are shown in the statement of changes in the consolidated equity of the group. Profits and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's interest in the associate company.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments in associates (continued)

The Group's share of the associate Group's profits or losses is shown in the consolidated statement of comprehensive income outside operating profits and represents profit or loss after tax and non-controlling interests in the affiliate company.

The financial statements of the associate are prepared for the same financial period as the Group and using the same accounting policies.

Investing in instalment sales and financial leasing contracts

Under the instalment sale contract, the Group purchases the asset and registers it in the name of the beneficiary against payments and mortgages the sold asset to the Group until all payments due are completed.

The investment in instalment sales contracts is initially recognized at its fair value and subsequently measured on amortized cost basis using the effective interest method and after deducting the provision for impairment in value. A provision for impairment of trade receivables is established when there is evidence that the Group will not be able to collect all amounts due according to the original debt terms. The debtor's encounter with significant financial difficulties, the possibility of bankruptcy, the debtor's financial restructuring, default or delay in payments are all indicators of impairment in the accounts receivable. The amount of the provision represents the difference between the asset's book value and the present value of the expected cash flows, discounted at the market interest rate. The carrying amount of the assets is reduced using an allowance account, and the loss is recognized in the consolidated statement of comprehensive income. Uncollectible trade receivables are written off in the provision for impairment of trade receivables account, and in the event that receivables that were previously written off are collected, they are recorded in other income in the consolidated statement of comprehensive income.

Leases are classified as finance leases when the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. Other types of leases are classified as operating leases. Rental income from operating leases is recognized on a straight-line basis based on the term of the relevant lease. Under a lease contract, the lessor, against payments, transfers to the lessee the right to use an asset for a limited period of time ending with the transfer of ownership to the lessee. Investments in finance lease contracts are shown at the net present value of finance lease payments after deducting the provision for doubtful receivables (if any).

All direct costs of finance leases are included in the net present value of investments in finance leases. The finance lease payments are divided between the lease revenues and the principal amount paid so that the finance lease income is distributed over the life of the contract so as to reflect a fixed periodic rate of return on the balance of the Group’s net investment outstanding during the lease period.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at fair value through consolidated statement of comprehensive income
These are the financial assets that the Group purchased with the aim of selling them in the near future and making profits from short-term market price fluctuations or trading profit margins.

These assets are recorded at fair value upon purchase (acquisition expenses are recorded on the consolidated statement of comprehensive income upon purchase) and are subsequently re-evaluated at fair value. The change in fair value appears in the consolidated statement of comprehensive income, including the change in fair value resulting from translation differences of non-monetary asset items in foreign currencies. In the event that these assets or part thereof are sold, the resultant profits or losses are included in the consolidated statement of comprehensive income.

Dividends distributed or interest earned are recorded in the consolidated statement of comprehensive income.

Financial assets at amortized cost
They are the financial assets that the company's management, according to its business model, aims to keep in order to collect contractual cash flows, which are represented by payments of principal and interest on the outstanding debt balance.

Financial assets are recorded upon purchase at cost plus acquisition expenses, and the premium / discount is amortized using the effective interest method, debited to or in the interest account, and any provisions resulting from impairment are deducted in accordance with the calculation of the expected credit loss, and the expected credit loss is recorded in the consolidated statement of comprehensive income.

The amount of impairment in the value of financial assets at amortized cost represents the expected credit loss for financial assets at amortized cost.

It is not permissible to reclassify any financial assets from / to this item except in the cases specified in the International Financial Reporting Standards (and in the event that any of these assets is sold before its maturity date, the result of the sale is recorded in the consolidated statement of comprehensive income in a separate item and disclosed in accordance with the requirements of the reporting standards international finance in particular).

Financial assets recognization date
Purchases and sales of financial assets are recognized on the trade date.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for expected credit losses. The Group has applied a simplified approach to calculating expected credit losses.

The Group's management calculates the provision based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. A receivable is written off when the Group cannot reasonably expect to recover the contractual cash flows.

Cash and Cash equivalent

Cash and bank balances appearing in the consolidated statement of financial position represent cash on hand and at banks with maturities not exceeding three months, which do not include the risk of change in value.

Loans

Loans are recognized at fair value, less direct costs attributable to the loans. They are subsequently carried at amortized cost using the effective interest method.

Loan interests are charged to the consolidated statement of comprehensive income in the period in which these interests are realised, which includes the grace period, if any.

Finance costs

Finance costs are recognized as an expense in the consolidated statement of comprehensive income when incurred. Finance costs attributable to the acquisition, construction or production of qualifying assets are capitalized.

Accounts payable and accruals

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

Provisions

Provisions are recognized when the company has a present obligation (legal or actual) resulting from a past event, and settlement of the obligations is probable and their value can be measured reliably.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income tax

Tax expense represents the amount of tax owed and deferred tax.

The tax expenses are calculated on the basis of the taxable profits, and the taxable profits differ from the profits declared in the financial statements because the declared profits include non-taxable revenues or expenses that are not deductible in the fiscal year but rather in subsequent years or the accumulated losses that are taxable or items that are not subject to or Acceptable for tax purposes.

Taxes are calculated according to the tax rates established in accordance with the income tax law in the countries in which the group companies operate.

Deferred taxes are taxes that are expected to be paid or recovered as a result of temporary time differences between the value of assets or liabilities in the financial statements and the value on which the tax profit is calculated. Deferred taxes are calculated using the statement of financial position liability method. Deferred taxes are calculated according to the tax rates that are expected to be applied when settling the tax liability or realizing the deferred tax assets.

The balance of deferred tax assets is reviewed on the date of the consolidated financial statements and is reduced in the event that it is expected that it is not possible to benefit from those tax assets partially or completely.

Revenue Recognition

The Group recognizes transaction costs directly related to obtaining new contracts at the beginning at their fair value and is recorded within the value of investment in finance lease contracts or instalment sale receivables, according to the nature of the transaction originating through them, and is distributed later during the life of the related contract using the effective interest method.

Interest income is recognized using the effective interest method.

Foreign currency

Transactions in foreign currencies during the year are recorded at the prevailing exchange rates on the date of the transactions, and balances of financial assets and financial liabilities in foreign currencies are translated at the prevailing exchange rates on the date of the consolidated financial statements. Gains and losses arising from foreign currency translation are recorded in the consolidated statement of comprehensive income.

Recognition of expenses

Expenses are recognized on an accrual basis.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment in the value of financial assets

The application of International Financial Reporting Standard No. (9) (Financial Instruments) resulted in changing the accounting treatment for the impairment of the Group's financial assets by replacing the accounting treatment from the incurred credit losses model to the expected credit losses model.

IFRS 9 requires the Group to record an allowance for expected credit losses on all debt instruments at amortized cost.

The Group applied the simplified method from the standard for recording expected credit losses on all debt instruments, and calculating expected credit losses over the entire life of the debt instruments. The Group has prepared a study based on the historical credit loss experience taking into account the forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is evidence that assets are impaired. If any 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 collectible amount is the higher of the asset's fair value or cash-generating unit less costs to sell and its value in use and is determined for individual assets, unless the assets do not generate cash inflows that are largely independent of those from other assets or group assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and written down to its recoverable amount.

In assessing the fair value in use, the future cash flows are discounted to their present fair 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, recent market transactions are taken into account if available. If it is not possible to identify such transactions, the appropriate valuation model is used. These calculations are corroborated by valuation multiples of traded subsidiaries' share prices or other available fair value indices.

Segment information

The business sector represents a group of assets and operations that jointly provide products or services that are subject to risks and returns that differ from those related to other business sectors, which are measured according to the reports that are used by the CEO and the main decision-maker of the Group.

The geographical sector is related to providing products or services in a specific economic environment subject to risks and returns that differ from those related to sectors operating in other economic environments.

(6) SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Current versus non-current classification

The Group presents assets and liabilities in the consolidated statement of financial position based on current/non-current classification.

An asset is classified as current when it is:

- Expected to be realized or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a

The Group classifies all other assets as non-current.

A liability is current when:

- It is expected to be settled in the normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- That there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

Offsetting

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

(7) INTANGIBLE ASSETS – NET

The details of this item are as follows:

	Computer Programs	
	2024	2023
	JD	JD
Cost:		
Balance at 1 January	158,355	158,355
Additions	9,559	-
Balance at 31 December	167,914	158,355
Accumulated Amortization:		
Balance at 1 January	145,248	135,227
Amortization for the year	7,319	10,021
Balance at 31 December	152,567	145,248
Net book value as at 31 December	15,347	13,107

(8) PROPERTY AND EQUIPMENT – NET

	Land*	Buildings	Furniture and fixtures	Solar system	Computers	Electronics and electrical equipment	Decorations	Vehicles	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024 -									
Cost:									
Balance at 1 January	1,541,495	1,060,886	114,991	25,000	77,163	141,001	39,910	231,464	3,231,910
Additions	-	-	3,115	-	8,991	7,698	32,252	-	52,056
Disposals	-	-	(13,141)	-	(3,176)	(6,603)	(3,630)	(37,346)	(63,896)
Balance as at 31 December	1,541,495	1,060,886	104,965	25,000	82,978	142,096	68,532	194,118	3,220,070
Accumulated depreciation:									
Balance at 1 January	-	115,372	64,736	11,458	62,576	84,051	35,586	80,814	454,593
Depreciation for the year	-	21,218	10,415	2,500	8,561	13,648	3,175	40,910	100,427
Disposals	-	-	(11,231)	-	(2,635)	(5,190)	(2,550)	(14,707)	(36,313)
Balance as at 31 December	-	136,590	63,920	13,958	68,502	92,509	36,211	107,017	518,707
Book value as at 31 December	1,541,495	924,296	41,045	11,042	14,476	49,587	32,321	87,101	2,701,363

* The above is land mortgaged against a loan in favour of Arab Jordan Investment Bank (Note 21).

(8) PROPERTY AND EQUIPMENT – NET (CONTINUED)

	Land	Buildings	Furniture and fixtures	Solar system	Computers	Electronics and electrical equipment	Decorations	Vehicles	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023 -									
Cost:									
Balance at 1 January	1,541,495	1,060,036	112,379	25,000	82,752	140,877	39,910	220,464	3,222,913
Additions	-	850	3,642	-	3,739	589	-	72,000	80,820
Disposals	-	-	(1,030)	-	(9,328)	(465)	-	(61,000)	(71,823)
Balance as at 31 December	1,541,495	1,060,886	114,991	25,000	77,163	141,001	39,910	231,464	3,231,910
Accumulated depreciation:									
Balance at 1 January	-	94,168	55,421	8,958	64,544	69,741	33,041	49,921	375,794
Depreciation for the year	-	21,204	10,231	2,500	7,360	14,775	2,545	54,276	112,891
Disposals	-	-	(916)	-	(9,328)	(465)	-	(23,383)	(34,092)
Balance as at 31 December	-	115,372	64,736	11,458	62,576	84,051	35,586	80,814	454,593
Book value as at 31 December	1,541,495	945,514	50,255	13,542	14,587	56,950	4,324	150,650	2,777,317

(9) PROJECTS UNDER CONSTRUCTION

The following is the movement of the projects under construction:

	2024	2023
	JD	JD
Balance at 1 January	5,379,039	2,935,755
Additions	1,036,121	2,443,284
Transfer to Inventory properties (Note 10)	(6,415,160)	-
Balance at 31 December	-	5,379,039

Projects under construction consist of three buildings which include 12 floor apartments, which are near the Fifth Circle on land No. (834) Basin (18/Wadi Saqra) located in Amman – Jordan. The land area is 2175 meters, The land on which the project was built is mortgaged according to an agreement signed with the Jordan Kuwait Bank (note 21).

The project was completed during September 2024 and transfered to inventory properties, with a total project cost of JOD 6,415,160 (Note 10).

(10) INVENTORY PROPERTIES – NET

This item represents the residential building project consisting of three buildings, which, upon completion, included 12 floor apartments. The project is located near the Fifth Circle on plot number (834), basin (18/Wadi Saqra) in Amman, Jordan, with a total land area of 2,175 square meters. The project was completed and transferred from projects under construction (Note 9) during September 2024. During 2024, the company sold two residential apartments for a total amount of JD 1,083,261, leaving a remaining inventory of 10 floor apartments. The sale resulted in a profit of JD 231,054, which was recorded in the consolidated comprehensive income statement.

The deatils of the movement of this item is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	-	-
Transferred from project under construction (Note 9)	6,415,160	-
Transferred to Cost of sale	(852,567)	-
Balance as at 31 December	5,562,593	-

(11) INVESTMENT PROPERTIES – NET

This item represents real estate owned by the Group, which includes land and buildings. The movement of the investment properties balance during the year is as follows:

	2024	2023
	JD	JD
Cost		
Balance as at 1 January	3,938,554	3,938,554
Revaluation of investment properties	-	-
Balance as at 31 December	3,938,554	3,938,554
Accumulated depreciation		
Balance as at 1 January	1,061,724	1,005,814
Depreciation for the year (Note 29)	55,910	55,910
Balance as at 31 December	1,117,634	1,061,724
Net book value as at 31 December	2,820,920	2,876,830

The management estimated the fair value of the investment properties as at 31 December 2024, by appointing a licenced appraiser independent form the Group. The fair value of the investment properties of JD 3,619,000 exceeds its book value as at 31 December 2024.

(12) ASSETS SEIZED FOR DEBTS

The following is the summary of the movement of assets seized for debts:

	2024	2023
	JD	JD
Cost		
Balance as at 1 January	4,395,920	4,347,270
Additions	816,850	1,368,000
Disposals	(963,200)	(1,319,350)
Balance as at 31 December	4,249,570	4,395,920

The Group valued these properties during 2024, and there was no impairment in the value of seized properties as at 31 December 2024.

(13) INVESTMENT IN AN ASSOCIATE

During the year 2022, the Group, in cooperation with the National Bank of Iraq (private shareholding company), established Al-Ahly Iraqi Company for Trading, Selling and Buying Cars, Machinery, Machinery and Equipment (a limited liability company in Iraq "Associate Company"). The Group's share percentage of the total capital is 49% against 51% for the National Bank of Iraq. The capital of the Associate Company was determined at 10,000,000,000 Iraqi Dinars, divided into 10,000,000,000 shares, with a nominal value of one Iraqi Dinar per share, which was equivalent to JD 3,712,121.

The Company has a significant influence on the Associate, as two out of five members of the Associate's board of directors are representatives of the Company. Accordingly, the investment was recorded as an investment in an associate using the equity method. The Company's share of the Associate's results for the year ended 31 December 2024 amounted to JD 592,881 (31 December 2023: JD 124,470) and was recorded under other income in the consolidated statement of comprehensive income (Note 31).

(13) INVESTMENT IN AN ASSOCIATE (CONTINUED)

The table below summarizes the percentage of investment in an associate:

	Country of incorporation	Ownership percentage		Investment value	
		2024	2023	2024	2023
		%	%	JD	JD
Al-Ahly Iraqi Company for Trading, Selling and Buying Cars, Machinery and Equipment (Limited Liability)	Iraq	49%	49%	3,351,101	2,776,220

(14) INVESTMENT IN FINANCE LEASE CONTRACTS – NET

This item represents investments in finance lease contracts relating to vehicles and real estate. The details of this item are as follows:

	2024	2023
	JD	JD
Total investment in long-term finance lease contracts (over one year)	23,477,981	22,759,103
Total investment in short-term finance lease contracts	23,108,414	22,472,366
Total	46,586,395	45,231,469
Deferred revenues	(5,694,461)	(5,593,821)
Total before provision	40,891,934	39,637,648
Provision for expected credit losses in finance lease contracts	(2,560,464)	(2,334,600)
	38,331,470	37,303,048
Less: Net investment in long-term finance lease contracts	(21,207,903)	(20,558,715)
Net investment in finance lease contracts that are due in a year	17,123,567	16,744,333

The movement of the provision for finance lease contracts during the year is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	2,334,600	1,568,451
Provision for the year	642,863	895,149
Written-off debts	(416,999)	(129,000)
Balance as at 31 December	2,560,464	2,334,600

The total investment in finance leases contracts is distributed according to geographical distribution and asset type as follows:

	Outside Jordan	Inside Jordan	31 December 2024	31 December 2023
	JD	JD	JD	JD
Vehicles	1,421,965	40,452,071	41,874,036	39,764,796
Real estate	3,200,229	1,512,130	4,712,359	5,466,673
	4,622,194	41,964,201	46,586,395	45,231,469

(15) INVESTMENT IN INSTALMENT SALE RECEIVABLES – NET

This item represents investments in instalment sale contracts relating to vehicles and properties. The details of this item are as follows:

	2024	2023
	JD	JD
Total investment in long-term instalment sale contracts (over one year)	19,174,721	19,185,366
Total investment in short-term instalment sale contracts	18,116,351	17,466,045
Total	37,291,072	36,651,411
Deferred revenues	(4,694,838)	(4,802,787)
Total before provision	32,596,234	31,848,624
Provision for expected credit loss in instalment sale contracts	(2,010,641)	(1,417,986)
	30,585,593	30,430,638
Less: Net investment in long-term instalment sale contracts	(17,156,749)	(17,177,771)
Net investment in instalment sale contracts that are due in a year	13,428,844	13,252,867

The movement of the provision for instalment sale contracts during the year is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	1,417,986	1,435,087
Provision for the year *	928,400	-
Written-off debts	(335,745)	(17,101)
Balance as at 31 December	2,010,641	1,417,986

* Comprehensive Vehicle Trading Company (Limited Liability) decided during the year 2024 to transfer the special reserve amounting to JD 900,000 from the special reserve item to the expected credit loss provision (Note 20) instead of recording it as an expense in the consolidated statement of comprehensive income.

The total investment in instalment sale contracts is distributed according to geographical distribution and asset type as follows:

	Outside Jordan	Inside Jordan	31 December 2024	31 December 2023
	JD	JD	JD	JD
Vehicles	2,859,754	33,398,866	36,258,620	35,200,567
Real estate	662,236	370,216	1,032,452	1,450,844
	3,521,990	33,769,082	37,291,072	36,651,411

(16) FINANCIAL ASSETS AT FAIR VALUE THROUGH STATEMENT OF INCOME

Financial assets at fair value through statement of income represents shares in public shareholding companies listed in Amman Stock Exchange. The details of this item are as follows:

	2024	2023
	JD	JD
Shares of listed companies	895,408	993,158

The movement on financial assets at fair value through statement of income is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	993,158	1,409,524
Purchase of financial assets at fair value through statement of income	700	-
Sale of financial assets at fair value through statement of income	(67,612)	(425,502)
Unrealized (loss) gain of financial assets at fair value through statement of income	(30,838)	9,136
Balance as at 31 December	895,408	993,158

The following are the details of the (losses) gains of financial assets at fair value through statement of income that appear in the consolidated statement of comprehensive income:

	2024	2023
	JD	JD
Gain on sale of financial assets at fair value through statement of income	9,996	45,854
Unrealized (loss) gain of financial assets at fair value through statement of income	(30,838)	9,136
	(20,842)	54,990

(17) FINANCIAL ASSETS AT AMORTIZED COST – NET

Financial assets at amortized cost represent bonds in international markets. The details of this item are as follows:

	2024	2023
	JD	JD
Government Bonds (outside Jordan)	-	201,143

The movement of financial assets at amortized cost is as follows:

	2024	2023
	JD	JD
Balance as at 1 January	201,143	201,143
Sale of Government Bonds	(253,969)	-
Gain on sale of Government Bonds (note 31)	52,826	-
Balance as at 31 December	-	201,143

(18) TRADE AND OTHER DEBIT BALANCES

	2024	2023
	JD	JD
Due from Ahli Iraqi Company for installments (note 33)	904,355	232,281
Deposits of sales of mortgaged assets	415,981	735,590
receivables from sale of seized assets	164,770	-
Prepaid expenses	110,405	231,788
Employees' receivables	13,327	13,861
Refundable deposits	21,198	13,128
Other	63,430	19,186
	1,693,466	1,245,834

(19) CASH AND BANK BALANCES

	2024	2023
	JD	JD
Cash on hand	4,869	9,531
Cash at banks	72,603	98,348
	77,472	107,879

For the purposes of preparing the consolidated statement of cash flows, cash and cash equivalent includes the following:

	2024	2023
	JD	JD
Cash on hand and at banks	77,472	107,879
Bank overdrafts (Note 22)	(8,345,424)	(7,618,343)
Cash and cash equavilant	(8,267,952)	(7,510,464)

(20) SHAREHOLDERS' EQUITY

Paid-in capital

The authorized and paid-in capital of the Company amounted to 10,000,000 dinars as on 31 December 2019. The General Assembly decided, in its extraordinary meeting held on 10 February 2022, to increase the capital by an amount of JD 5,000,000, so that the Company's capital became JD 15,000,000 as at 31 December 2022, with a nominal value of JD 1 per share, through distributing free shares to shareholders, which constitute 50% of the capital, from the retained earnings, each in proportion to their contribution of the Company's capital. The Company's capital increase procedures were completed with the Ministry of Industry and Trade on 28 February 2022.

Statutory reserve

According to the Jordanian Companies Act, 10% of annual net income before tax is transferred to the statutory reserve, the Group can stop this annual transfer if the statutory reserve reaches 25% of the Group's capital. This reserve is not available for distribution to shareholders.

(20) SHAREHOLDERS' EQUITY (CONTINUED)

Special reserve

Comprehensive Vehicle Trading Company, in its extraordinary general assembly meeting held on 27 June 2024, decided to transfer an amount of JD 900,000 from the retained earnings account to the special reserve account as a precautionary measure to address any potential unforeseen circumstances the Company may face. The subsidiary (Comprehensive Vehicle Trading Limited Liability Company), decided to transfer the special reserve amounting to JD 900,000 from the special reserve item to the expected credit loss provision.

(21) LOANS

	31 Decmber 2024			31 Decmber 2023		
	Interest rate	Credit limit	Balance	Interest rate	Credit limit	Balance
	%	JD	JD	%	JD	JD
Capital Bank of Jordan	10.00%	14,050,000	7,180,944	10.00%	16,550,000	9,967,640
Jordan Commercial Bank	9.80%	8,200,000	6,888,556	9.800%	8,200,000	7,729,224
Housing Bank for Trade And Finance	9.50%	12,016,000	10,848,263	9.75%	12,016,000	8,782,660
Jordan Kuwait Bank*	9.25%	11,930,000	5,784,254	9.00%	3,500,000	3,500,000
Jordan Kuwait Bank	9.25%	3,166,670	3,166,670	10.25%	11,930,000	5,241,859
Arab Jordan Investment Bank	9.50%	14,010,000	12,963,360	10.00%	11,910,000	10,126,093
Arab Jordan Investment Bank**	8.00%	2,202,778	2,202,778	8.50%	2,880,556	2,880,556
Egyptian Arab Land Bank	9.50%	3,250,000	2,828,074	9.50%	3,250,000	3,006,459
Arab Banking Corporation	9.25%	3,300,000	2,827,567	9.50%	3,300,000	3,002,687
Total borrowings		72,125,448	54,690,466		73,536,556	54,237,178
Less: Current portion			(15,858,563)			(15,370,024)
Long-term portion			38,831,903			38,867,154

* This loan was granted against pledged land No. (834) Basin (18/Wadi Saqra) located in Amman – Jordan in accordance with the agreement signed with the Jordan Kuwait Bank (Note 9).

** This loan was granted against pledged land No. (74) Basin (21/Um Uthaina) located in Amman – Jordan according to the agreement signed with the Arab Jordan Investment Bank (Note 8).

The distribution of loans in short- and long-term installments is as follows:

	31 December 2024	31 December 2023
	JD	JD
Loan instalments due within a year	15,858,563	15,370,024
Long-term instalments	38,831,903	38,867,154
	54,690,466	54,237,178

The annual repayments amounts for long-term loans that mature after more than one year are as follows:

	JD
2026	14,911,421
2027	13,880,945
2028	10,039,537
	38,831,903

(22) BANK OVERDRAFTS

	31 Decmber 2024			31 Decmber 2023		
	Interest rate	Credit limit	Balance	Interest rate	Credit limit	Balance
	%	JD	JD	%	JD	JD
Capital Bank of Jordan	10.00%	2,850,000	2,409,535	10.00%	3,350,000	966,835
Jordan Commercial Bank	9.80%	1,800,000	1,552,145	9.80%	1,800,000	1,361,528
Housing bank for trade and finance	9.50%	1,963,000	1,737,703	9.75%	1,963,000	1,122,899
Jordan Kuwait Bank	9.25%	1,763,000	1,552,693	10.25%	1,763,000	747,798
Arab Jordan Investment Bank	9.50%	1,105,000	729,111	10.00%	3,205,000	2,756,144
Egyptian Arab Land Bank	9.50%	750,000	218,335	9.50%	750,000	499,786
Arab Bank corporation	9.25%	250,000	145,902	9.50%	250,000	163,353
Total Overdrafts		10,481,000	8,345,424		13,081,000	7,618,343

(23) TRADE AND OTHER CREDIT BALANCES

	2024	2023
	JD	JD
Payments received in advance – finance lease contracts	352,750	388,235
Payments received in advance – instalment sale contracts	299,839	320,036
Trade payables	277,838	142,835
Shareholders' payable	14,831	5,915
Accrued expenses	22,890	13,300
Sales tax payable	12,497	16,466
Social security payable	13,969	12,738
Employees' payable	40,699	35,994
Income tax payable	4,317	4,299
Social committee payable	57	159
Post-dated cheques	-	3,063
Other	153	8,256
	1,039,840	951,296

(24) LEASE CONTRACTS

The Group recognized the right-to-use assets against lease liabilities according to the long-term lease contracts signed between the Group and other parties.

According to the agreements signed between the Group and other parties, the long-term lease contracts are represented in nine contracts, which are contracts for the Group's branches in Jordan and Kurdistan, as the Group carries out all its operations in Jordan and Kurdistan. The duration of these contracts ranges between 5-10 years. The Group has the option to extend the duration of the contracts, but it is not mandatory and not guaranteed. Annual rental instalments are JD 303,091 and were paid during the year, the interest rate used is 9% included in the lease as a discount rate, which represents the interest rate adopted for late lease payments.

(24) LEASE CONTRACTS (CONTINUED)

The table below shows the book value of the right-to-use assets and lease liabilities and their movement during the year ended on 31 December 2024:

	Right-of-use Assets	Lease liabilities
	JD	JD
Balance as at 1 January 2024	916,157	969,155
Additions	106,643	106,640
Disposals	(66,887)	(71,466)
Depreciation of right-of-use assets (note 28 & 29)	(237,232)	-
Interests on lease liabilities (note 29 & 30)	-	74,458
Payments of lease liabilities	-	(303,091)
Balance as at 31 December 2024	718,681	775,696

The table below shows the book value of the right-to-use assets and lease liabilities and their movement during the year ended on 31 December 2023:

	Right-of-use Assets	Lease liabilities
	JD	JD
Balance as at 1 January 2023	1,154,534	1,183,643
Additions	48,974	48,974
Disposals	(43,532)	(50,967)
Depreciation of right-of-use assets (note 28 & 29)	(243,819)	-
Interests on lease liabilities (note 29 & 30)	-	90,953
Payments of lease liabilities	-	(303,448)
Balance as at 31 December 2023	916,157	969,155

The details of the lease liabilities as at 31 December 2024 and 31 December 2023 are as follows:

	2024	2023
	JD	JD
Short-term	236,801	231,140
Long-term	538,895	738,015
	775,696	969,155

(25) INCOME TAX

(A) Reconciliation of the accounting profit with the taxable profit

Jordan:

	2024	2023
	JD	JD
Accounting profit	4,556,766	4,553,316
Non-taxable income	(592,881)	(124,470)
Non-deductible tax expenses	(76,068)	355,098
Taxable income	3,887,817	4,783,944
Income tax for the year	889,158	1,103,545
Statutory tax rates	21% - 28%	21% - 28%
Effective tax rate	23%	23%

Kurdistan - Iraq:

	2024	2023
	JD	JD
Accounting profit	350,346	236,845
Non- taxable income	-	(25,000)
Taxable income	350,346	211,845
Income tax for the year	52,553	31,777
Statutory tax rates	15%	15%
Effective tax rate	15%	15%

(B) Income tax provision:

The movement of income tax in Jordan is as follows:

	2024	2023
	JD	JD
Balance at 1 January	870,586	866,888
Income tax paid	(1,060,915)	(1,099,847)
Income tax on the profit of the year	889,158	1,103,545
Balance at 31 December	698,829	870,586

The movement in the income tax of the Company's branch in Kurdistan - Iraq is as follows:

	2024	2023
	JD	JD
Balance at 1 January	31,777	29,340
Income tax paid	(31,777)	(29,340)
Income tax on the profit of the year (note 32)	52,553	31,777
Balance at 31 December	52,553	31,777

(25) INCOME TAX (CONTINUED)

Therefore, the total income tax expense for the current year and the income tax provision as at 31 December are as follows:

	2024	2023
	JD	JD
Income tax expense	941,711	1,135,322
Income tax provision	751,382	902,363

The income tax provision was calculated for the years ended 31 December 2024 and 31 December 2023 in accordance with the Income Tax Act No. (34) of 2014 and its amendments. The statutory income tax rate on Comprehensive Leasing Company is 28% and on Comprehensive Vehicle Trading Company, Comprehensive Global Financial Consulting Company and Comprehensive Global Company for Residential and Commercial Projects is 21%. In relation with the Company's branch in Kurdistan-Iraq region, the statuary income tax reached 15%.

The Company obtained a final clearance from the Income and Sales Tax Department until the end of 2019. The self-assessments for the years 2020 until 2023 were submitted and has not been audited nor a final decision was issued by the Income and Sales Tax Department until the date of these consolidated financial statements.

Comprehensive Vehicle Trading company (subsidiary) obtained a final clearance from the Income Tax Department until the end of 2023 excluding year 2021. The self-assessment for the year 2021 was submitted and has not been audited nor a final decision was issued by the Income and Sales Tax Department until the date of these consolidated financial statements.

In respect of the Comprehensive Global Financial Consulting Company (subsidiary), the Company obtained a final clearance from the Income and Sales Tax Department until the end of 2022. The self-assessments for the year 2023 was submitted and has not been audited nor a final decision was issued by the Income and Sales Tax Department until the date of these consolidated financial statements.

In respect of the Comprehensive Global Company for Residential and Commercial Projects (subsidiary), The self-assessment for the year 2023 was submitted and has not been audited nor a final decision was issued by the Income and Sales Tax Department until the date of these consolidated financial statements.

As for the Kurdistan Region branch, the Group obtained a final clearance from the Income Tax Department until the end of 2023.

(26) INCOME FROM FINANCE LEASE CONTRACTS – NET

	2024	2023
	JD	JD
Total income from finance lease contracts	6,638,781	6,995,516
Less: Fees, licenses, stamps and commissions	(107,032)	(123,742)
	6,531,749	6,871,774

(27) REVENUE FROM INSTALMENT SALE – NET

	2024	2023
	JD	JD
Revenue from instalment sale	5,323,215	5,507,865
Less: cost of insurance, stamps, commissions and transfer of the ownership of instalment sale assets	(59,276)	(85,734)
	5,263,939	5,422,131

(28) ADMINISTRATIVE EXPENSES

	2024	2023
	JD	JD
Salaries and wages	960,409	944,262
Depreciations and amortizations (note 7 & 8)	107,746	122,912
Company's contribution in social security	106,005	102,402
Advertising and promotion	105,871	109,631
Depreciation the rights-of-use assets (note 24)	74,008	80,595
Maintenance	40,219	27,165
Governmental fees	37,009	46,329
Professional and consultation fees	33,938	39,150
Board of directors' remuneration (note 33)	25,000	25,000
Telephone and postage	20,852	19,503
Medical insurance	19,888	15,441
Electricity and water	15,943	14,175
Stationary	13,302	14,867
Travel expenses	12,635	20,936
Rent	12,497	10,545
Transportation	6,299	7,903
Hospitality	6,149	9,832
Training courses	2,438	5,493
Donations	300	1,100
Other	24,100	18,324
	1,624,608	1,635,565

(29) NET REVENUE FROM INVESTMENT PROPERTIES

This item represents net income from investment properties as follows:

	2024	2023
	JD	JD
Rental income	488,263	485,918
Less cost:		
Depreciation of investment properties (note 11)	(55,910)	(55,910)
Depreciation of rights-of-use assets (note 24)	(163,224)	(163,224)
Interest of lease liabilities (note 24)	(45,148)	(58,180)
Insurance fees	(719)	(580)
	223,262	208,024

(30) FINANCE COSTS

	2024	2023
	JD	JD
Interest on loans and other commissions	5,696,265	5,410,467
Interest of lease liabilities (note 24)	29,310	32,773
	5,725,575	5,443,240

(31) OTHER INCOME

	2024	2023
	JD	JD
Company's share of the Associate's results	592,881	124,470
Gains on sale of government bonds (Note 17)	52,826	-
Other	15,322	8,568
	661,029	133,038

(32) GEOGRAPHIC SEGMENT

The Group's activities are focused in Jordan and Iraq. The financial information of Iraq which are included in the Group's consolidated statement of financial position as at 31 December are as follows:

	2024	2023
	JD	JD
Assets		
Property and equipment	496	33,768
Rights-of-use assets	-	39,864
Investment in finance lease contracts – net	4,054,114	4,264,127
Investment in instalment sale receivables – net	2,727,273	2,980,783
Trade and other debit balances	911,671	4,951
Cash on hand and at banks	13,327	32,936
Total assets	7,706,881	7,356,429
Equity and liabilities		
Equity		
Head office account	(2,142,726)	(2,377,313)
Total equity	(2,142,726)	(2,377,313)
Liabilities		
Loans	9,090,480	8,956,218
Bank overdrafts	627,972	621,606
Lease liabilities	-	39,147
Trade and other credit balances	78,602	84,994
Income tax provision	52,553	31,777
Total liabilities	9,849,607	9,733,742
Total equity and liabilities	7,706,881	7,356,429

(32) GEOGRAPHIC SEGMENT (CONTINUED)

The financial information of Iraq which are included in the Group's consolidated statement of comprehensive income is as follows:

	2024	2023
	JD	JD
Revenue from finance lease contracts – net	683,019	675,716
Revenue from instalment sale – net	679,054	570,009
Total profit	1,362,073	1,245,725
Administrative expenses	(199,835)	(211,994)
Other income	15,612	117
Operating profit	1,177,850	1,033,848
Finance costs	(827,504)	(797,010)
Profit for the year before tax	350,346	236,838
Income tax expense (note 25)	(52,553)	(31,777)
Profit for the year	297,794	205,061
Add: Other comprehensive income items	-	-
Total comprehensive income for the year	297,794	205,061

Below is the financial information for Iraq which represents the details of administrative expenses:

	2024	2023
	JD	JD
Salaries and wages	90,323	104,317
Provision for expected credit losses	28,400	-
Advertising and promotion	14,079	25,344
Rent	12,497	10,545
Depreciation of rights-of-use assets	10,755	18,438
Travel expenses	8,518	9,842
Professional fees and consultation	7,388	8,264
Depreciation and amortisation	6,852	7,835
Company’s contribution in social security	3,996	5,209
Electricity and water	3,551	5,390
Governmental fees	2,027	2,495
Telephone and postage	1,587	2,491
Transportation	1,774	2,502
Hospitality	1,367	1,473
Stationary	369	1,055
Others	6,352	6,794
	199,835	211,994

(33) RELATED PARTIES TRANSACTIONS

Related parties transactions represent transactions with subsidiaries, major shareholders, and key management personnel of the Group and companies of which they are principal shareholders. Pricing and policies and terms of These transactions are approved by the Group’s management.

(33) RELATED PARTY TRANSACTIONS (CONTINUED)

The following transactions were carried out with related parties represented by companies owned by some of the major shareholders during the year ended 31 December:

Below are the balances resulted from transactions with related parties:

	2024	2023
	JD	JD
Due from related parties (within net investment from finance lease contracts item)		
Jordan River Company for Car Trade (Sister Company)	68,082	185,544
	68,082	185,544
Due from related parties (within Trade and other debit balances item)		
Ahli Iraqi from installments (Associate) (note 18)	904,355	232,281
Motor Vehicles Trading Company (Sister Company)	-	1,862
Nicola Abu Khader Company (Sister Company)	2,652	-
Mr. Nicola George Abu Khader	14,593	14,493
	921,600	248,636
Due to related parties (within Trade and other credit balances item):		
Nicola Abu Khader Company (Sister Company)	-	1,909
Vehicles Trade Company (Sister Company)	123	1,800
Mr. Elia Jad Wakeleh	39,829	35,534
The Leading Vehicles Company (Sister Company)	75	-
Kina for Trading Auto Spareparts (Sister Company)	1,081	-
	41,108	39,243
Investment properties deferred income	211,758	214,938

The following is a summary of transactions with subsidiaries shown in the consolidated statement of comprehensive income:

	2024	2023
	JD	JD
Revenue from finance lease contracts	62,865	39,461
Rental income	479,450	485,918

During the year, the Group recognised the following remuneration, allowances and benefits for the directors and general manager:

	2024	2023
	JD	JD
Board of directors' remunerations (Note 28)	25,000	25,000
Salaries, bonuses and remunerations paid to the General Manager	104,600	104,100

(34) CONTINGENT LIABILITIES

Bank guarantees:
As at 31 December 2024, the Group has no bank guarantees (31 December 2023: JD 8,000).

Lawsuits raised against the Group:
The Group has outstanding litigations filed against them as at 31 December 2024 amounted to JD 34,840 (31 December 2023: JD 7,637).

(35) DIVIDENDS DISTRIBUTION

The General Assembly resolved in its extraordinary meeting held on 8 February 2024 to distribute JD 2,400,000 as cash dividends to the shareholders equivalent to 16% of the share capital as at 31 December 2024 (31 December 2023: JD 2,100,000).

(36) EARNINGS PER SHARE FROM THE PROFIT FOR THE YEAR

	2024	2023
Profit for the year attribute to shareholders / JD	3,965,401	3,654,839
Weighted average of shares during the year (share)	15,000,000	15,000,000
Basic and diluted earnings per share from profit for the year attribute to shareholders	26%	24%

The basic earnings per share from the net profit for the year equals the diluted earnings per share as the Group did not issue any financial instruments that may have an impact on the basic earnings per share.

(37) RISK MANAGEMENT

Prices risk
The Group is exposed to risks resulting from changes in share prices within the financial assets portfolio at fair value through statement of income. The Group manages such risks by analysing the value that is exposed to losses and diversifying investment portfolios. The following table shows the impact of any increase/decrease in the index of Amman Stock Exchange, in which the Group invests, on the profit for the year and shareholders' equity before income tax, assuming that the change is by 5%:

	The effect of the change on the consolidated statement of comprehensive Income	Effect on consolidated Shareholders' equity
	JD	JD
2024		
Amman Stock Exchange	44,770	44,770
2023		
Amman Stock Exchange	49,658	49,658

The financial effect of a decrease in the market index by the same percentage is expected to be equal and opposite to the effect shown above.

(37) RISK MANAGEMENT (CONTINUED)

Currency risk
Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar exchange rate is fixed against the U.S. Dollar (US $ 1.41 for JD 1).

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

The following table demonstrates the sensitivity of the consolidated statement of comprehensive income of the effect of the possible changes in interest rates, with all other variables held constant as at 31 December 2024 and 2023.

Currency	Change in interest rate	Effect on Profit of the year
	Point	*JD*
2024		
JD	100	(630,395)
2023		
JD	100	(618,555)

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or a damage to the Group's reputation.

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

The table below summarizes the maturities of the Group's financial liabilities at 31 December 2024 and 2023, based on contractual undiscounted payment.

	Less than 12 months	More than 12 months	Total
	JD	JD	JD
2024-			
Trade and other credit balances	1,039,840	-	1,039,840
Lease liabilities	258,113	587,396	845,509
Bank overdrafts	9,138,239	-	9,138,239
Loans	17,339,577	42,458,371	59,797,948
Total	27,775,769	43,045,767	70,821,536
2023-			
Trade and other credit balances	951,296	-	951,296
Lease liabilities	303,448	838,323	1,141,771
Bank overdrafts	8,231,236	-	8,231,236
Loans	16,590,024	41,387,154	57,977,178
Total	26,076,004	42,225,477	68,301,481

(37) RISK MANAGEMENT (CONTINUED)

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations to the Group.

The Group believes that it is not exposed to a large degree of credit risk, as it sets a credit limit for clients, and this is monitored constantly. The Group also maintains balances with leading banking institutions.

(38) FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at banks, financial assets at fair value through statement of income, financial assets at amortized cost, trade receivables and other current assets. Financial liabilities consist of trade payables, bank overdraft, loans, Lease liabilities and other current liabilities.

The Group uses the following arrangement of valuation methods and alternatives in determining and presenting fair value of financial instruments:

Level 1: Quoted market prices in active markets for the same assets and liabilities.
Level 2: Other techniques where all inputs that have an important impact on fair value can be observable, directly or indirectly, from market information.
Level 3: Other techniques where inputs are used that have an important impact on fair value but are not based on observable market information.

The following table shows the analysis of financial instruments recorded at fair value and in the above hierarchy:

	Level 1	Level 2	Level 3	Total
	JD	JD	JD	JD
31 December 2024 -				
Financial assets at fair value through statement of income	895,408	-	-	895,408
Investments properties (note 11)	-	-	3,619,000	3,619,000
31 December 2023 -				
Financial assets at fair value through statement of income	993,158	-	-	993,158
Investments properties (note 11)	-	-	3,619,000	3,619,000

(39) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current year and prior year.

Capital comprises of share capital, statuary reserve and retained earnings amounting to JD 25,188,418 as at 31 December 2024 against JD 24,523,017 as at 31 December 2023.

(40) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

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

Amendments to the Classification and Measurement of Financial Instruments— Amendments to IFRS 9 and IFRS 7

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only. The Bank is currently not intending to early adopt the Amendments.

(40) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (continued)

Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions. The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

The amendments are not expected to have a material impact on the Company's financial statements.

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

The amendments are not expected to have a material impact on the Company's financial statements.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

(40) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (continued)

IFRS 18 Presentation and Disclosure in Financial Statements (continued)

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

As the Company's equity instruments are publicly traded, it is not eligible to elect to apply IFRS 19.

(41) COMPARATIVE FIGURES

Some of the consolidated financial statements figures for the year 2023 have been reclassified to match the classification of the consolidated financial statements figures for the year ended as at 31 December 2024. The reclassification did not result in any impact on the profit and equity for the year 2023.