DARAT JORDAN HOLDINGS COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Darat Jordan Holdings - Public Shareholding Company (the Company) and its subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020 and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2020 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended 31 December 2020. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

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

Revenue recognition	**Audit procedures**
Total recognized revenues for the year ended 31 December 2020 amounted to JD 44,500. We focus on revenue recognition because it is an important determinant of the Group's performance and profitability. In addition, there is a risk of improper revenue recognition, particularly with regards to revenue recognition in the correct reporting period.	Our audit procedures included considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of applicable International Financial Reporting Standards. Furthermore, since the Group has limited number of sales transactions, we obtained the full list of sales transactions during the year, substantiated to supporting documents, and tested proper recording and recognition. Refer to note 6 to the consolidated financial statements for significant accounting policies and significant judgements and estimates applicable to revenue account.

Other information included in The Group's 2020 Annual Report

Other information consists of the information included in the Group's 2020 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2020 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts, which are in agreement with the financial statements.

The partner in charge of the audit resulting in this auditor's report was Waddah Isam Barkawi; license number 591.

Amman – Jordan
22 March 2021

Ernst + Young

DARAT JORDAN HOLDINGS - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020	2019
ASSETS		JD	JD
Non-Current Assets			
Properties and equipment	7	12,102	13,361
Investments in lands	8	2,581,749	3,163,136
Properties under development	9	2,093,170	1,272,431
Investments in associates	10	2,356,056	2,016,118
Financial assets at amortized cost	11	139,160	262,787
Financial assets at fair value through other comprehensive income	13	600,500	-
		7,782,737	6,727,833
Current Assets			
Financial assets at amortized cost	11	323,627	200,000
Inventory properties	12	316,158	352,402
Financial assets at fair value through profit or loss	13	724,570	626,081
Other current assets	14	347,448	120,605
Cheques under collection		19,082	13,082
Due from related parties	23	22,584	18,971
Restricted cash	15	20,791	132,651
Cash and bank balances	16	1,411,802	2,354,794
		3,186,062	3,818,586
Total Assets		10,968,799	10,546,419
EQUITY AND LIABILITIES			
Equity-			
Paid in capital	1, 17	10,250,000	10,250,000
Statutory reserve		116,075	57,934
Retained earnings		548,658	230,390
Net Equity		10,914,733	10,538,324
Liabilities-			
Current Liabilities-			
Accounts payable and other current liabilities	18	20,780	8,095
Dividends payable		33,286	-
Total Liabilities		54,066	8,095
Total Equity and Liabilities		10,968,799	10,546,419

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

DARAT JORDAN HOLDINGS - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
		JD	JD
Residential apartments' sales		44,500	90,000
Cost of sales residential apartments'	12	(42,327)	(79,750)
Operating profit		2,173	10,250
Depreciation	7	(5,047)	(4,447)
Gain on financial assets at fair value through profit or loss	19	225,883	120,597
Administrative expenses	20	(267,228)	(249,676)
Other income		26,150	31,884
Interest income		135,166	181,364
Group's share of profit from associates	10	464,312	196,287
Profit before tax		581,409	286,259
Income Tax expense	22	-	-
Profit after tax		581,409	286,259
Add: Other comprehensive income		-	-
Total comprehensive income for the year		581,409	286,259
		JD/Fils	JD/Fils
Basic and diluted earnings per share of profit for the year	21	0/057	0/028

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

DARAT JORDAN HOLDINGS
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

			Retained earnings			
	Paid in capital	Statutory reserve	Realized losses	Unrealized losses	Total	Total
For the year ended 31 December 2020 -	JD	JD	JD	JD	JD	JD
Balance at 1 January 2020	10,250,000	57,934	268,079	(37,689)	230,390	10,538,324
Total comprehensive income for the year	-	-	575,816	5,593	581,409	581,409
Transfer to statutory reserve	-	58,141	(58,141)	-	(58,141)	-
Dividends paid (note 17)	-	-	(205,000)	-	(205,000)	(205,000)
Balance at 31 December 2020	10,250,000	116,075	580,754	(32,096)	548,658	10,914,733
Balance at 1 January 2019	11,250,000	29,308	(293,070)	(734,173)	(1,027,243)	10,252,065
Total comprehensive income for the year	-	-	323,948	(37,689)	286,259	286,259
Share capital decrease (note 1)	(1,000,000)	-	265,827	734,173	1,000,000	-
Transfer to statutory reserve	-	28,626	(28,626)	-	(28,626)	-
Balance at 31 December 2019	10,250,000	57,934	268,079	(37,689)	230,390	10,538,324

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

DARAT JORDAN HOLDINGS
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
OPERATING ACTIVITIES		JD	JD
Profit for the year		581,409	286,259
Adjustments for:			
Depreciation	7	5,047	4,447
Interest income		(135,166)	(181,364)
Change in fair value of financial assets at fair value through profit or loss	19	(5,593)	37,689
Group share of profit from associates	10	(464,312)	(196,287)
Gain on sale of financial assets at fair value through profit or loss	19	(180,910)	(118,038)
Working capital changes:			
Cheques under collection		(6,000)	-
Other current assets		15,324	21,514
Accounts payable and other current liabilities		12,685	(4,310)
Inventory properties		36,244	68,166
Net cash flows used in operating activities		(141,272)	(81,924)
INVESTING ACTIVATES			
Financial assets at fair value through other comprehensive income		(600,500)	(389)
Proceeds from sales of financial assets at fair value through profit or loss		200,421	-
Financial assets at fair value through profit or loss		(112,407)	98,898
Purchase of properties and equipment	7	(3,788)	(2,745)
Net cash changes on related parties' balances		(3,613)	5,391
Changes in bank deposits		973,152	(250,000)
Interest received		141,499	110,630
Dividends from associates	10	124,374	97,870
Restricted cash		111,860	55,306
Properties under development		(239,352)	(4,743)
Advance payments on investments purchases	14	(248,500)	-
Net cash flows from investing activities		343,146	110,218
FINANCE ACTIVATES			
Dividends paid		(171,714)	-
Net cash flows used in finance activities		(171,714)	-
Net increase in cash and cash equivalents		30,160	28,294
Cash and cash equivalents at 1 January		84,794	56,500
Cash and cash equivalents at 31 December	16	114,954	84,794

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

(1) General

Darat Jordan Holdings Company was established as a public shareholding Company on 6 December 2007 with an authorized and paid in capital of JD 15,000,000 divided into 15,000,000 shares at a par value of JD 1 per share. The Group was granted the right to commence its operations on 10 April 2008. The Company's share capital was decreased during the previous years to become JD 10,250,000 divided into 10,250,000 shares at a par value of JD 1 per share as at 31 December 2020. The last share capital decrease was during 2019 to write off accumulated losses by JD 1,000,000 based on The General Assembly decision in its extraordinary meeting held on 15 June 2019. The Company completed the procedures with the Ministry of Industry and Trade and with the Jordan Securities Commission on 18 August 2019.

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

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

The financial statements were issued by the Group Board of Directors in on 17 March 2021.

(2) Basis of preparation

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

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

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

(3) Basis of consolidation

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

Group name	Paid in capital	Principle activities	Ownership percentage %		Group Nature
	JD		2020	2019	
Darat Al Reef Jordan Real estate Company	50,000	Real Estate Development	100	100	Private shareholding Company
Jordanian European Real Estate Management Company	5,000	Real Estate Management	100	100	Limited Liability Company
Altanfezeyoun for Real Estate Development	10,000	Real Estate Services Management	100	100	Limited Liability Company
Al Mashkah Company	10,000	Financial and educational consultations	100	100	Limited Liability Company
Al Marsa Alamen for Real Estate Development	1,000	Real Estate Services Management	100	100	Limited Liability Company
Al Hadas for development and investments Company	19,000	Real Estate Services Management	100	100	Limited Liability Company

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

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

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

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

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

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

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

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

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

(4) Use of estimates

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

Useful life of properties and equipment

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

(5) Changes in accounting policies

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2019 except for the adoption of new amendments effective as of 1 January 2020 shown below:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all of the inputs and processes needed to create outputs. These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter into any business combinations.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity. These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to, the Group.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.
The Group did not have any leases impacted by the amendment.

(6) Significant accounting policies

The significant accounting policies adopted are as follows:

Properties and equipment

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

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

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

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

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

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

Investments in lands

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

Properties under development

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

Trade receivables

Trade receivables are stated at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made applying IFRS 9 simplified approach to calculate and record allowance for expected credit loss ECL on all its trade receivables. Trade receivables are written off when there is no probability for collecting it.

Investments in associates

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

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

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

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

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

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

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

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

Financial assets at amortized cost

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

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

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

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

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

Financial assets at fair value through other comprehensive income

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

Real Estate Inventories

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

Costs include:

- Cost of lands.
- Construction costs paid to contractors.
- Borrowing, design, planning and site processing costs as well as professional fees for legal services, property transfer taxes and other direct and indirect construction costs.
- Commissions paid to sales agents are recognized as an expense when paid.
- Net realizable value represents the estimated selling price in the ordinary course of business of the Group based on market prices of the date of the consolidated financial statements discounted for the time value of money less costs to complete construction and estimated selling costs.

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

Financial assets at fair value through profit and loss

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

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

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

Cash and cash equivalents

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

Accounts payable and accruals

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

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

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

Interest income is recognized using the accrual basis of accounting.

Expenses are recognized on an accrual basis.

Leases
The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

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

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

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).
The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Income tax
Income tax provision is calculated in accordance with the income tax law no. (38) of the year 2018, and in accordance with IAS 12, which requires the recording of deferred tax resulting from the difference between the carrying value and the taxable value of the assets and liabilities.

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

Impairment of financial assets
The Group assesses at each balance sheet date whether there is any objective evidence to record allowance for expected credit loss on a financial asset or a group of financial assets.
Impairment is determined based on lifetime expected credit losses through establishing a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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

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

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

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

Fair Value

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

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

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

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

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

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

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

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

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 –Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

(7) Properties and equipment

	Tools and equipment	Furniture and fixtures	Vehicles	Computers and software	Total
2020-	JD	JD	JD	JD	JD
Cost:					
Balance at 1 January 2020	20,000	91,060	21,640	8,951	141,651
Additions	-	1,160	-	2,628	3,788
Balance as at 31 December 2020	20,000	92,220	21,640	11,579	145,439
Accumulated Depreciation:					
Balance at 1 January 2020	20,000	88,765	12,176	7,349	128,290
Depreciation for the year	-	722	3,246	1,079	5,047
Balance as at 31 December 2020	20,000	89,487	15,422	8,428	133,337
Net book value					
At 31 December 2020	-	2,733	6,218	3,151	12,102

	Tools and equipment	Furniture and fixtures	Vehicles	Computers and software	Total
2019-	JD	JD	JD	JD	JD
Cost:					
Balance at 1 January 2019	20,000	90,730	21,640	6,536	138,906
Additions	-	330	-	2,415	2,745
Balance as at 31 December 2019	20,000	91,060	21,640	8,951	141,651
Accumulated Depreciation:					
Balance at 1 January 2019	20,000	88,377	8,930	6,536	123,843
Depreciation for the year	-	388	3,246	813	4,447
Balance as at 31 December 2019	20,000	88,765	12,176	7,349	128,290
Net book value					
At 31 December 2019	-	2,295	9,464	1,602	13,361

(8) Investment in lands

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

	2020	2019
	JD	JD
Balance at 1 January	3,163,136	3,163,136
Transfer to properties under development (note 9)	(581,387)	-
Balance at 31 December	2,581,749	3,163,136

The market fair value of these lands is higher than their book value amounting to JD 2,581,749 according to land valuation reports performed by independent certified specialists.

(9) Properties under development

Movement on properties under development is as follows:

	Balance at 1 January 2020	Transferred from investment in lands (note 8)	Additions	Balance at 31 December 2020
	JD	JD	JD	JD
Amman Reef Project	1,267,688	-	-	1,267,688
Aqaba Hangers Project*	4,743	581,387	239,352	825,482
	1,272,431	581,387	239,352	2,093,170

* During the year 2019, Al-Hadas Development and Investment Company (a subsidiary) obtained approvals to start the construction of the Aqaba hangar project on the plot of land transferred from investments in lands amounting to JD 581,387. The Company paid JD 239,352 as design fees and contractor works during the year 2020. The cost expected to complete the project is JD 400 thousand, and it is expected to be completed by the end of 2021.

(10) Investments in associates

	Country of incorporation	Percentage of ownership	Nature of activity	2020	2019
				JD	JD
Jordan Cyprus for Logistic Services	Jordan	40%	Logistics Services	284,320	241,549
Ajiad Investments Company	Jordan	32.87%	Commercial	2,071,736	1,774,569
Al-Rokn Al-Italy Investment Company*	Jordan	40%	Commercial	-	-
				2,356,056	2,016,118

*The Company is under liquidation

Movements on investments in associates is as follows:

	2020	2019
	JD	JD
Balance at 1 January	2,016,118	1,917,701
Group's share of profit from associates	464,312	196,287
Dividends form associates	(124,374)	(97,870)
Balance at 31 December	2,356,056	2,016,118

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

	Jordan Cyprus for Logistic Services		Ajiad Investments Company		Al-Rokn Al-Italy Investments Company*		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
	JD	JD	JD	JD	JD	JD	JD	JD
Current assets	1,017,048	1,305,582	10,847,019	9,097,670	-	1,206	11,864,067	10,403,252
Non – current assets	11,511	118,396	99,927	213,284	-	865,593	111,438	1,197,273
Current liabilities	(224,048)	(655,455)	(5,705,261)	(4,973,185)	-	(1,638,041)	(5,929,309)	(7,266,681)
Net equity	804,511	768,523	8,241,685	4,337,769	-	(771,242)	6,046,196	4,333,844
Ownership percentage	40%	40%	32.87%	32.87%	40%	40%		
Group's share	284,320	241,549	1,723,230	1,425,845	-	-	2,007,550	1,667,394
Add: embedded goodwill	-	-	348,506	348,724	-	-	348,507	348,724
Book value of investment	284,320	241,549	2,071,736	1,774,569	-	-	2,356,056	2,016,118
Revenues	3,720,310	4,516,791	2,400,907	1,834,126	-	-	7,121,217	6,350,917
Operating expenses	(3,253,580)	(4,041,945)	-	-	-	-	(3,253,580)	(4,041,945)
Administrative expenses	(336,527)	(327,757)	(2,146,991)	(1,416,031)	-	-	(2,483,518)	(1,743,788)
Profit for the year	130,203	147,089	1,253,916	418,095	-	-	1,384,119	565,187
Group's share of profit (loss) of associates	52,081	58,836	412,231	137,451	-	-	464,312	196,287

*The Company is under liquidation.

(11) Financial assets at amortized cost

	2020		Total	
	Maturity within one year	Maturity within more than one year	2020	2019
	JD	JD	JD	JD
Islamic Sukuk*	123,627	-	123,627	123,627
Bonds**	200,000	139,160	339,160	339,160
	323,627	139,160	462,787	462,787

* This item represents Islamic Sukuk in EZDAN SUKUK with a nominal value of USD 870 (JD 618) per bond at 200 bonds as of 31 December 2020, with an annual interest rate of 4.375 % paid every six months. These Sukuk matures on 18 May 2021.

** This item represents the following:

Bonds due within one year:
Bonds in Bindar Company with nominal value of JD 50,000 per bond at 4 bonds as at 31 December 2020 with an annual interest rate of 5.85% paid every six months, these bonds matures on 10 June 2021.

Bond mature after one year:
Bonds in OTZL HLDG with a nominal value of USD 980 (JD 696) per bond at 200 bonds as of 31 December 2020 (2019: 200 bounds), with an annual interest rate of 6.625 % paid every six months. These bonds matures on 24 April 2028.

(12) Inventory properties

This item represents a building residential project – Swifieh. The cost of the project amounting to JD 490,459 was transferred from Properties under development, selling the apartments started in 2019. The Company sold one apartment in 2020 (2019: 2 apartments).

Movement in this account is as follows:

	2020	2019
	JD	JD
Balance as of 1 January	352,402	420,568
Additions	6,083	11,584
Transferred to cost of sales	(42,327)	(79,750)
Balance as of 31 December	316,158	352,402

(13) Financial assets

(13-1) Financial assets at fair value through profit or loss

	2020	2019
	JD	JD
Quoted shares in financial markets		
Amman stock exchange	426,385	462,897
Foreign stock exchange	298,185	163,184
	724,570	626,081

(13-2) Financial assets at fair value through other comprehensive income

	2020	2019
	JD	JD
Investment in European Fund*	210,000	-
Investment in American Fund**	390,500	-
	600,500	-

* This item represents the Group's investment in shares of a company that manages investment units in long-term leasing of real estate in United State of America through Qatar First Bank. The Group owns 300 shares with a value of USD 1,000 per share, and accordingly, the total investment value amounting to USD 300,000 (JD 210,000) as at 31 December 2020.

** This item represents the Group's investment in shares of companies that manage real estate portfolios in United State of America and Europe through Invest Corp. The Group owns two and a half shares in each company. The value of each share is USD 100,000 and EURO 100,000 respectively. The total investment value amounted to USD 250,000 (JD 177,500) and EURO 250,000 (JD 213,000) respectively, as at 31 December 2020.

(14) Other current assets

	2020	2019
	JD	JD
Advances on investments purchase*	248,500	-
Accrued revenues	-	45,000
Income tax deposits	32,425	36,375
Employee receivables	20,698	20,065
Accrued interest revenues	5,091	11,424
Prepaid expenses	5,324	4,103
Other debit balances	29,170	-
Others	5,700	3,638
	347,448	120,605

* The Group paid an amount of JD 248,500 at the end of 2020 on account to purchase new investments. The purchase process was completed in January 2021.

(15) Restricted cash

	2020	2019
	JD	JD
Refundable cash margins on guarantees*	20,791	1,423
Refundable deposits **	-	131,228
	20,791	132,651

* This item represents cash margins held against letter of guarantees including an amount of JD 20,791 as cash deposits for Jordan Cyprus for Logistic Services Company (Associate). (2019: JD 1,423)

** This item represents restricted cash refundable deposits against bank overdraft facilities for Jordan Cyprus for Logistic Services Company (Associate), which was settled during the year 2020.

(16) Cash and bank balances

	2020	2019
	JD	JD
Cash on hand	4,539	593
Current accounts	110,415	84,201
Deposits*	1,296,848	2,270,000
	1,411,802	2,354,794

* This item represents short-term deposits in Jordanian Dinars with maturities of one year and bearing an annual interest rate between 4% and 4.5% (2019: between 5.5% and 6.5%).

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

	2020	2019
	JD	JD
Cash on hand and at banks	1,411,802	2,354,794
Less: deposits at banks due within three months to a year	(1,296,848)	(2,270,000)
Cash and cash equivalents	114,954	84,794

(17) Shareholders equity

Paid in capital –

The company's capital was decreased during the year 2019 in accordance with the decision of the extraordinary general assembly meeting held on 15 June 2019, as indicated in note (1), and accordingly, the company's subscribed and paid up capital became JD 10,250,000 distributed over 10,250,000 shares with a nominal value of JD 1 per share as on December 31 The first 2020.

Statutory reserve –

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

Dividend distribution –

The Board of Directors in their meeting held on 14 March 2020 proposed to the General Assembly to distribute 2% of the Company's Share capital as dividend to shareholders amounting to JD 205,000 on 2019 results.

(18) Accounts payable and other current liabilities

	2020	2019
	JD	JD
Trade payables	5,512	4,760
Social security deposits	1,854	1,816
Contractors retention payable	11,016	-
Other	2,398	1,519
	20,780	8,095

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

	2020	2019
	JD	JD
Change in fair value	5,593	(37,689)
Dividends income	39,380	40,248
Gain on sale of financial assets	180,910	118,038
	225,883	120,597

(20) Administrative expense

	2020	2019
	JD	JD
Salaries and wages	123,131	106,485
Professional and consultants' fees	23,768	22,777
Group's contribution in social security	12,141	14,576
Farms' services expenses	27,357	28,044
Insurance	14,522	13,944
Rent	12,214	12,214
Travel and transportation expenses	12,000	12,000
Subscriptions	8,387	7,990
Vehicles expenses	3,201	3,931
Listing fees	5,000	5,000
Bank charges and brokerage fees	6,572	1,729
Water and electricity	2,680	3,138
General assembly meeting expenses	3,190	5,324
Mail, telephone and internet	1,757	2,949
Cleaning and hospitality fees	1,137	1,015
Maintenance expenses	851	1,262
Registration and license fees	576	972
Governmental expenses	151	190
Other	8,593	6,136
	267,228	249,676

(21) Earnings Per share

	2020	2019
	JD	JD
Profit for the year (JD)	581,409	286,259
Weighted average number of shares during the year (share)	10,250,000	10,250,000
	JD / Fils	JD / Fils
Basic and diluted earnings per share of profit for the year	0/057	0/028

(22) Income tax

Darat Jordan Holdings Company:

No income tax provision was calculated on the results of the operations of Darat Jordan Holding Company for the years ended 31 December 2020 and 2019, due to taxable accumulated losses in accordance with the Income Tax Law No. (38) for the year 2018.

The Company is subject to income tax rate of 20% in addition to 1% for national solidarity in accordance with the Income Tax Law No. (38) for the year 2018 effective on 1 January 2019.

	2020	2019
	JD	JD
Accounting profit for Darat Jordan Holdings Company	275,003	286,259
Less: Net non-taxable revenue and losses	(148,187)	(121,695)
Adjusted profit	126,816	164,564
Less: Accumulated taxable losses	(126,816)	(164,564)
Taxable income	-	-
Statutory income tax	21%	21%
Effective income tax	-	-

The Company submitted its annual income tax returns for the years 2017, 2018 and 2019 and the Income and Sale Tax Department has not reviewed these tax returns up to the date of these consolidated financial statements. The Company reached a final settlement with the Income and Sales Tax Department up to the year 2016.

Subsidiaries:

No income tax provision was calculated on the results of the operations of the subsidiaries for the years ended 31 December 2020 and 2019 according to Income Tax Law No. (38) of 2018 due to the excess of deductible expenses over taxable income.

Jordan European Real Estate Management Company:

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

Executives for real estate development:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2019.

Al Marsa Alamen for Real Estate Development:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2019.

Al Mashkah Company:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2019.

Al Hadas for Development and Investments Company:

The Company reached a final settlement with the Income and Sales Tax Department up to the year 2019.

Darat Al Reef Jordan Real Estate Company:

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

(23) Related party transactions

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

Balances and transactions with related parties are as follows:

Consolidated statement of financial positon:

	2020	2019
	JD	JD
Due from related parties		
Jordan Cyprus for Logistic Services Company (Associate)	4,833	7,036
Al Salam Security Company (Subsidiary of an associate)	1,809	5,967
Ajiad Investment Company (associate)	15,942	5,968
	22,584	18,971

Consolidated statement of comprehensive income:

Compensation of key management personnel:

	2020	2019
	JD	JD
Salaries and other benefits	81,548	70,155

(24) Fair value

Fair value of financial instruments

The following table shows the fair value of financial instruments that are not measured at fair value on an ongoing basis as of 31 December 2020 and 2019:

	Book value		Fair value	
	2020	2019	2020	2019
	JD	JD	JD	JD
Financial assets at amortized cost	462,787	462,787	462,787	462,787
Other current assets	347,448	120,605	347,448	120,605
Due from related parties	22,584	18,971	22,584	18,971
Other financial assets	39,873	145,733	39,873	145,733
Cash and bank balances	1,411,802	2,354,794	1,411,802	2,354,794
	2,284,494	3,102,890	2,284,494	3,102,890
Financial Liability				
Accounts payable and other current liabilities	54,066	8,095	54,066	8,095

The fair values of the financial assets and financial liabilities are shown according to the values at which the exchanges could take place between relevant parties, with the exception of forced sales or liquidation.
The fair value of financial instruments is not materially different from the carrying value of these instruments.

Fair value measurement

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

- Level 1 - Quoted market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1	Level 2	Total
2020 -	JD	JD	JD
Financial assets			
Financial assets of fair value through profit or loss	724,570	-	724,570
Financial assets of fair value through other comprehensive income	-	600,500	600,500
2019 -			
Financial assets			
Financial assets of fair value through profit or loss	626,081		626,081

(25) Segment information

Business segments information

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

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

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

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

	Lands Development	Financial investments	Other	Total
2020 -	JD	JD	JD	JD
Segment revenues	44,500	225,883	161,316	431,699
Cost of sales	(42,327)	-	-	(42,327)
Group's share of profit of associates	-	412,231	52,081	464,312
Depreciation	(2,087)	(2,960)	-	(5,047)
Other expenses	(156,116)	(83,436)	(27,676)	(267,228)
(Loss) profit for the year	(156,030)	551,718	185,721	581,409
Assets and liabilities				
Segment assets	5,060,443	1,187,357	2,364,943	8,612,743
Investments in associates	-	2,071,736	284,320	2,356,056
Segment liabilities	(15,132)	-	(38,934)	(54,066)
Net assets	5,045,311	3,259,093	2,610,329	10,914,733
2019 -				
Segment revenues	90,000	120,597	213,248	423,845
Cost of sales	(79,750)	-	-	(79,750)
Group's share of profit of associates	-	137,451	58,836	196,287
Depreciation	(2,081)	(2,366)	-	(4,447)
Other expenses	(183,912)	(65,414)	(350)	(249,676)
(Loss) profit for the year	(175,743)	190,268	271,734	286,259
Assets and liabilities				
Segment assets	4,869,567	1,088,868	2,571,866	8,530,301
Investments in associates	-	1,774,569	241,549	2,016,118
Segment liabilities	(3,743)	-	(4,352)	(8,095)
Net assets	4,865,824	2,863,437	2,809,063	10,538,324

(26) Risk management

Interest rate risk

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

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

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

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

2020-	*Increase in interest rate*	*Effect on loss for the year*
Currency	*(Basis Points)*	*JD*
JD	100	12,968

	Decrease in interest rate	*Effect on loss for the year*
Currency	*(Basis Points)*	*JD*
JD	(100)	(12,968)

2019-	*Increase in interest rate*	*Effect on loss for the year*
Currency	*(Basis Points)*	*JD*
JD	100	22,700

	Decrease in interest rate	*Effect on loss for the year*
Currency	*(Basis Points)*	*JD*
JD	100	(22,700)

Equity price risk

The following table demonstrate the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit or loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income) to reasonably possible changes in equity prices, with all other variables held constant:

2020-	Change in Index	Effect on loss for the year
	%	JD
Amman stock exchange	10	42,639
Foreign stock exchange	10	29,819

2019-	Change in Index	Effect on loss for the year
	%	JD
Amman stock exchange	10	46,290
Foreign stock exchange	10	16,318

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

Credit risk

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

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

Liquidity risk

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

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

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

Currency risk
Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar is fixed against the U.S Dollar (USD 1.41 for each Jordanian Dinar). Accordingly, the currency risk exposure is not material on the consolidation financial statements.

(27) Contingent liabilities

	2020	2019
	JD	JD
Letters of guarantees*	117,910	14,230

* Cash margins held against letter of guarantees amounted to JD 20,791 as at 31 December 2020 (2019: JD 1,423) (note 15).

(28) Capital management

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. During the previous year the Group decreased its share capital by JD 1,000,000 through write off of accumulated losses of the Company.

Capital comprises paid in capital, statutory reserve and retained earnings amounting to JD 10,914,733 as at 31 December 2020 (2019: JD 10,538,324).

(29) Standards issued but not yet effective

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

IFRS 17 Insurance Contracts
IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current
In January 2020, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:
- what is meant by a right to defer settlement,
- the 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,
- and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework – Amendments to IFRS 3
In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.
The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.
At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.
The amendments are not expected to have a material impact on the Group.

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.
The amendments are not expected to have a material impact on the Group.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37
In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.
The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.
General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.
The amendments are not expected to have a material impact on the Group.

IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities
As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.
The amendments are not expected to have a material impact on the Group.

IBOR reform Phase 2
IBOR reform Phase 2, which will be effective on 1 January 2021, includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Group’s hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Group to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Group may elect on a hedge by hedge basis to reset the cumulative fair value change to zero.

The Group may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives. For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Group reasonably expects the RFR to become separately identifiable within 24 months. For hedges of groups of items, the Group is required to transfer to subgroups those instruments that reference RFRs.

Any hedging relationships that prior to application of IBOR reform Phase 2, have been discontinued solely due to IBOR reform and meet the qualifying criteria for hedge accounting when IBOR reform Phase 2 is applied, must be reinstated upon initial application.
The amendments are not expected to have a material impact on the Group.

(30) The Spread of Corona Virus (COVID-19) and its impact on the Group

The global economy has been affected by the outbreak of the Coronavirus, which has led to fundamental disruption in the global economy and various business sectors. Consequently, this was reflected in most sectors that were affected by the suspension of business activities and the expanded quarantine that was imposed in addition to the impact of other government measures taken to combat the virus. The outbreak of this epidemic did not have a material impact on the Group's consolidated financial statements as at 31 December 2020. Management will continue to monitor future developments that may affect the Group's future results, cash flows, and financial position.

(31) Comparative figures

Some of 2019 balances were reclassified to correspond with those of 2020 presentation. The reclassification did not affect the financial position of the Group nor the Group’s performance for the year ended 31 December 2019.