Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated financial statements
and independent auditor's report
for the year ended December 31, 2021

Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

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Independent Auditor's Report

To Messrs. Shareholders
Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al-Quds Ready Mix Supplies (Public Shareholding Company), which comprise the consolidated statement of financial position as at December 31, 2021, 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 financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, 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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Expected credit losses allowance

The company has adopted the requirement of expected credit losses for International Financial Reporting Standard No. (9). The allowance for expected credit losses amounting to JD 1,427,435 as at December 31, 2021.

Scope of audit

We conducted comprehensive assessment to identify the key controls used to determine expected credit losses, data collection and completeness, and related estimates and assumptions used by management, and we have tested key control systems on the modeling process.

Investment property impairment

According to the requirements of the International Financial Reporting Standards, investment property is initially recorded at the cost that includes transaction costs, an impairment test is made for the value at which the investment property appears in the consolidated statement of financial position, when any events or changes in circumstances indicate that this value is not recoverable, impairment losses are recognized according to the asset's impairment policy.

Scope of audit

Our audit procedures included, among other things, obtaining an evaluation of certified real estate experts, to help us determine the market value, of these investment property at the date of the consolidated financial statements report.

Other Information

Management is responsible for the other information. The other information comprises the [information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.]

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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (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 International Standard on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate and its evidence regarding, the consolidated 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International

Aziz Abdelkader
(License # 867)

Amman, February 11, 2022

Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2021

	Note	2021	2020
ASSETS		JD	JD
Non-current Assets			
Property, plant and equipment	3	3,612,805	3,726,575
Investment property - lands	4	2,439,549	2,439,549
Investment in an associate	5	1	1
Investment in financial asset at fair value through other comprehensive income	6	3,211,819	168,792
Payments on purchase of investment in a subsidiary	7	-	2,954,524
Due from related parties - non-current	11	153,858	155,754
Total Non-current Assets		**9,418,032**	**9,445,195**
Current Assets			
Inventory	8	322,422	311,905
Other debit balances	9	84,842	54,830
Checks under collection and on hand	10	1,903,609	2,265,576
Due from related parties	11	134,219	3,283
Trade receivables	12	1,543,006	1,158,031
Cash and cash equivalents	13	91,620	7,495
Total Current Assets		**4,079,718**	**3,801,120**
TOTAL ASSETS		13,497,750	13,246,315

The attached notes form part of these financial statements

Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2021

	Note	2021	2020
EQUITY AND LIABILITIES		JD	JD
Equity			
Capital		7,460,026	7,460,026
Statutory reserve	14	245,113	225,747
Change in fair value of investments in financial assets at fair value through other comprehensive income		(276,765)	(355,424)
Retained earnings (accumulated losses)		45,141	(117,034)
Net Equity		7,473,515	7,213,315
Liabilities			
Current Liabilities			
Deferred checks		15,924	14,175
Deferred checks - related patries	11	757,683	1,546,300
Other credit balances	15	249,253	166,117
Banks overdraft	16	2,831,059	1,866,418
Trade payables	17	997,457	502,436
Due to related parties	11	1,172,859	1,937,554
Total Current Liabilities		6,024,235	6,033,000
TOTAL EQUITY AND LIABILITIES		13,497,750	13,246,315

The attached notes form part of these financial statements

Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income for the year ended December 31, 2021

	Notes	2021	2020
		JD	JD
Net sales		6,908,956	4,353,131
Cost of sales	18	(6,403,569)	(4,303,652)
Gross profit		**505,387**	**49,479**
Other revenues		1,705	1,462
Gain from sale of property, plant and equipment		346,941	431
Recovery of provision		-	50,000
Share of profit of an associate	5	(1,476)	(37,532)
Selling and distribution expenses	19	(61,404)	(53,219)
Administrative expenses	20	(385,415)	(338,840)
Bank interest and commission expenses		(194,197)	(186,728)
Expected credit losses		(30,000)	-
Profit (loss)		**181,541**	**(514,947)**
Other comprehensive income			
Change in fair value of investment in financial asset at fair value through other comprehensive income		78,659	(19,858)
Total comprehensive income		**260,200**	**(534,805)**
Earnings / loss per share	21	JD 0/024	JD (0/069)

The attached notes form part of these financial statements

Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of changes in equity for the year ended December 31, 2021

	Capital	Statutory reserve	Change in fair value of investments in financial assets at fair value through other comprehensive income	Retained earnings (accumulated losses)	Total equity
	JD	JD	JD	JD	JD
Balance as at January 1, 2020	7,460,026	225,747	(335,566)	397,913	7,748,120
Comprehensive income	-	-	(19,858)	(514,947)	(534,805)
Balance as at December 31, 2020	**7,460,026**	**225,747**	**(355,424)**	**(117,034)**	**7,213,315**
Comprehensive income	-	-	78,659	181,541	260,200
Statutory reserve	-	19,366	-	(19,366)	-
Balance as at December 31, 2021	**7,460,026**	**245,113**	**(276,765)**	**45,141**	**7,473,515**

The attached notes form part of these financial statements

Al-Quds Ready Mix Supplies
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of cash flows for the year ended December 31, 2021

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES	JD	JD
Profit (loss)	181,541	(514,947)
Adjustments for :		
Depreciation	279,265	301,682
Gains from sale of property, plant and equipment	(346,941)	(431)
Share of profit of an associate	1,476	37,532
Expected credit losses	30,000	-
Recovery of provision	-	(50,000)
Change in operating assets and liabilities:		
Inventory	(10,517)	29,235
Other debit balances	(30,012)	83,889
Checks under collection and on hand	361,967	1,722,861
Due from related parties	(130,516)	884,673
Trade receivables	(414,975)	330,104
Deferred checks	(786,868)	(1,086,996)
Other credit balances	83,136	(48,753)
Trade payables	495,021	17,770
Due to related parties	(764,695)	960,844
Net cash from operating activities	**(1,052,118)**	**2,667,463**
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(171,016)	(53,171)
Proceeds from sale of property, plant and equipment	352,463	431
Investment in financial asset at fair value through other comprehensive income	(9,845)	-
Payments on purchase of investment in a subsidiary	-	(2,954,524)
Net cash from investing activities	**171,602**	**(3,007,264)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Banks overdraft	964,641	336,124
Net cash from financing activities	**964,641**	**336,124**
Net change in cash and cash equivalents	**84,125**	**(3,677)**
Cash and cash equivalents - beginning of year	7,495	11,172
Cash and cash equivalents - end of year	**91,620**	**7,495**
Information about non cash transactions		
Acquisition of the entire shares of a subsidiary	2,954,524	-

The attached notes form part of these financial statements

Notes to the consolidated financial statements for the year ended December 31, 2021

1. General information

- The company registered as limited liability Company under number (4321) on February 27, 1996 under the name Al-Ramz for Concrete Manufacturing (RMC – Jordan). The General Assembly decided in its extraordinary meeting that was held on March 10, 2003 to change the name of the company to become Al-Quds Ready Mix for Concrete. The Legal status of the company changed to Public Shareholding Company on January 1, 2005 and registered under number (362) on April 28, 2005, the main objective of the company is manufacturing ready mix concrete and real estate investment.
- The financial statement was approved by board of directors February 10, 2022 and it requires the approval of the General Assembly.

2. Basis for preparation of financial statements and significant accountant policies

2-1 Basis for financial statement preparation

- <u>Financial statements preparation framework</u>

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting Standard Board.

- <u>Measurement bases used in preparing the financial statements</u>

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- <u>Functional and presentation currency</u>

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, inventory obsolescence, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Standards and Interpretations issued that became effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS 16 Covid-19-related Rent Concessions.	As a result of the COVID-19 pandemic, rent concessions have been granted to lessees. Such concessions might take a variety of forms, including payment holidays and deferral of lease payments. In May 2020, the IASB made an amendment to IFRS 16 Leases which provides lessees with an option to treat qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concessions as variable lease payments in the period in which they are granted. Main Changes : - Permit a lessee to apply the practical expedient regarding COVID-19-related rent concessions to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021); - Require a lessee applying the amendment to do so retrospectively, recognising the cumulative effect of initially applying the amendment as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of the annual reporting period in which the lessee first applies the amendment.	June 1, 2020 / April 1, 2021
Interest Rate Benchmark Reform Phase 2 Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39.	In August 2020, the IASB made amendments to IFRS 9, IAS 39, IFRS 7 IFRS 4 and IFRS 16 to address the issues that arise during the reform' of an interest rate benchmark rate, including the replacement of one benchmark with an alternative one. The Phase 2 amendments provide the following reliefs: - When changing the basis for determining contractual cash flows for financial assets and liabilities (including lease liabilities), the reliefs have the effect that the changes, that are necessary as a direct consequence of IBOR reform and which are considered economically equivalent, will not result in an immediate gain or loss in the income statement. - The hedge accounting reliefs will allow most IAS 39 or IFRS 9 hedge relationships that are directly affected by IBOR reform to continue. However, additional ineffectiveness might need to be recorded.	January 1, 2021

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
Amendments to IFRS 1 Subsidiary First-time Adoption of International Financial Reporting Standards.	Extension of an optional exemption permitting a subsidiary that becomes a first-time adopter after its parent to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. A similar election is available to an associate or joint venture.	January 1, 2022
IFRS (17) Insurance Contracts.	IFRS (17) was issued in May 2017 as replacement for IFRS (4) Insurance Contracts. It requires a current measurement model where estimates are remeasured in each reporting period. Contracts are measured using the building blocks of: • discounted probability-weighted cash flows • an explicit risk adjustment, and • a contractual service margin (CSM) representing the unearned profit of the contract which is recognised as revenue over the coverage period. IFRS (17) requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts	January 1, 2023 (deferred from January 1, 2021).
Amendments to IAS (16) Property, Plant and Equipment.	The amendments prohibit an entity 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 recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.	January 1, 2022.
Reference to the Conceptual Framework (Amendments to IFRS 3).	Minor amendments were made to IFRS 3 to update the references to the Conceptual Framework for Financial Reporting and add an exception for the recognition of liabilities and contingent liabilities within the scope of IAS 37 Provisions, Contingent Liabilities and Contingent Assets. The amendments also confirm that contingent assets should not be recognised at the acquisition date.	January 1, 2022.
Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).	The amendments specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract". Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).	January 1, 2022.
IFRS Standards 2018-2020.	Annual Improvements to IFRS 9, IFRS 16, IFRS 1 and IAS 41.	January 1, 2022.

Standard number or interpretation	Description	Effective date
Classification of Liabilities as Current or Non-Current Amendments to IAS (1).	The amendments to Presentation of Financial Statements clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date . The amendments in Classification of Liabilities as Current or Non-current (Amendments to IAS 1) affect only the presentation of liabilities in the statement of financial position – not the amount or timing of recognition of any asset, liability income or expenses, or the information that entities disclose about those items.	January 1, 2023 (deferred from January 1, 2022).
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2).	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, International Accounting Standards Board (IASB) has also developed guidance and examples to explain and demonstrate the application of the "four-step materiality process" described in IFRS Practice Statement 2. Once the entity applies the amendments to IAS 1, it is also permitted to apply the amendments to IFRS Practice Statement (2). The amendments are to be applied prospectively	January 1, 2023.
Definition of Accounting Estimates (Amendments to IAS 8).	On February 12, 2021, the International Accounting Standards Board (IASB) published "Definition of Accounting Estimates ". The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.	January 1, 2023
Deferred Tax related to Assets and Liabilities arising from a Single transaction (Amendments to IAS 12 Income Taxes)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences. They will typically apply to transactions such as leases of lessees and decommissioning obligations and affected entities would be require recognition of additional deferred tax assets and liabilities. That means the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.	January 1, 2023

2-4 Summary of significant accounting policies

- **Basis of consolidation**

–The financial statement for parent company consists (Al-Quds Ready mix supplies) and its subsidiary it controls:

Company name	Activity	Paid-in capital	Percentage of ownership
		JD	%
Raouche investment company	Commercial and general trading agencies	147,000	100
Al-Twaheen Real Estate LLC	Real estate investments	30,000	100

–Control is presumed to exist when the parent is exposed, or has rights, to variable returns from its involvement through its power over the investee, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.

–Intergroup balances, transactions, income and expenses shall be eliminated between the group (Parent and subsidiary entities) in full.

- **Business combinations**

–As of the acquisition date, the acquirer shall recognize, separately from goodwill, the identifiable assets acquired, the liabilities assumed and any non - controlling interest in the acquiree. The acquirer shall measure the identifiable assets acquired and liabilities assumed of their acquisition - date fair values, except certain limitations to recognition and measured principles according to IFRS (3). Acquisition - related costs are generally recognized as loss when incurred.

–Goodwill arising on acquisition is recognized as an asset and initially measured at cost, being the excess of the cost of the business combination over the entity's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities recognized.

–(If, after reassessment, the entity's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities exceeds the cost of the business combination, the excess is recognized immediately in profit or loss).

–The aquirer shall measure any non-controlling interest in the aquiree either at fair value or at the non-controlling interest's proportionate share of the acqiree's identifiable net assets.

- **Property plant and equipment**

– Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.

– After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.

– The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight-line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Depreciation rate
	%
Building	2
Pumps	7-15
Machinery and equipment	3-10
Vehicles	10-15
Other	10-20

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property, plant and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property, plant and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- **Investment property**

  - Investment property is property (land or building- or part of a building- or both):
    - Held by the entity to earn rentals,
    - For capital appreciation, or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
  - Investment property is measured initially at its cost, including transaction costs.
  - After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
  - Buildings depreciation charge for each period is recognized in the statement of comprehensive income. Depreciation is calculated on a straight-line basis, which reflects the pattern in which the buildings' future economic benefits are expected to be consumed by the entity over their estimated useful life of 25 years.
  - The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
  - The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
  - On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- **Investments in associates**

  - An associate is an entity over which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. 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, if the entity holds 20 - 50 percent of the voting power of the investee, it is presumed that the entity has signified influence.
  - The entity's investment in its associate is accounted for under the equity method of accounting. Under the equity method, the investment in an associate is initially recognized at cost and the carrying amount is increased or decreased to recognize the investor's share of the profit or loss of the investee after the date of acquisition. The investor' share of the profit or loss of the investee is recognized in the investor's profit or loss. Distributions received from an investee reduce the carrying amount of the investment. The investor's share of those changes is recognized in other comprehensive income of the investor.
  - Company's share of any changes in other comprehensive of the investee are presented as a component of other comprehensive income of the entity.
  - Intra-entity profit and loss transactions are eliminated to the extent of the investor's interest in the relevant associate.

- **Impairment of non-financial assets**

  - At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
  - If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
  - For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.
  - An impairment loss is recognized immediately as loss.
  - Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

- **Financial instruments**

  Financial instrument is any contract that gives rise to a financial asset of one entity and financial liability or equity instrument of another entity.

  - **Financial assets**

    - A financial asset is any asset that is:
      (a) Cash;
      (b) An equity instrument of another entity;
      (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
      (d) A contract that will or may be settled in the entity's own equity instruments.
    - Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
    - Financial assets are classified to three categories as follows:
      - Amortized cost.
      - Fair value through other comprehensive income.
      - Fair value through profit or loss.
    - A financial asset is measured at amortized cost if both of the following conditions are met:
      (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
      (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
    - Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
      - The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
      - The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.

- All other financial assets (excluding financial assets at amortized cost or at fair value though other comprehensive income) are subsequently measured at fair value in profit or loss.
- On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests' revenues or dividends, are recognized in profit or loss
Financial assets at amortized cost	Are subsequently measured at amortized cost using effective interest's method. - Amortized cost is reduced by impairment losses. - Interests income, gain and loss of foreign exchange and impairment loss are recognized in profit or loss. - Gain and loss from disposal are recognized in profit or loss.
Debts instruments at their value through other comprehensive income	Are subsequently measured at fair value - Interests income is calculated using effective interests' method, gains and losses from foreign exchange, impairment losses are recognized in profit or loss. - Other net gains or losses are recognized in other comprehensive income. - On derecognition, accumulated gains and losses in other comprehensive income are reclassified into profit or loss.
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value with recognition the valuation differences through other comprehensive income (OCI). - Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. - Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

Cash and cash equivalents

Cash comprises cash on hand, current accounts and short-term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoices amount net of allowance for expected credit losses, which represents the collective impairment of receivables.

Impairment of financial assets

- At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial asset is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.
- The entity recognizers loss allowance for expected credit loss (ECL) on:
  - Financial assets measured at amortized cost.
  - Debt investments measured at FVOCI.
  - Contract assets.
- The entity measures loss allowances at an amount equal to lifetime ECLs.
- Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.
- When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward-looking information.
- The entity considers a financial asset to be in default when:
  - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
  - The financial asset is more than 360 days past due.
- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
- A financial asset is written of when there is no reasonable expectation of recovering the contractual cash flows. The entity writes off the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.

- Financial liabilities

- A financial liability is any liability that is:
  (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or
  (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

Offsetting financial instruments

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

- Inventory
  - Inventories are measured at the lower of cost and net realizable value.
  - Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
  - Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.
  - The cost of inventory is assigned by using the weighted-average cost formula.

- Related parties
  - Transactions with related parties represent transfer of resources, services, or obligations between related parties.
  - Terms and conditions relating to related party transactions are approved by management.

- Provisions
  - Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
  - Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
  - If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
  - In the statement of comprehensive income, the expense relating to a provision may be presented net of the amount recognized for reimbursement.
  - Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.

- Revenue recognition
  - The entity recognize revenue from sale of good and rendering of service when control is transferred to the customer
  - Revenue is recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
  - Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.

Sale of ready mix concrete

The company sells ready mix concrete to customers through its own sales outlets. And revenue is recognized when the control is transferred and represents the point at which the ready concrete is delivered to the customers at the locations specified for them, and obtained approved receipt vouchers from them and issue the invoice.

Dividend and interest revenue

- Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
- Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Lease contracts

The entity assesses at the commencement date of the lease agreement whether the contract is a lease or includes a lease agreement. And if the contract is in whole or in part transfer the right to control the use of a specific asset from one party to another for a specified period of time in exchange for a consideration, the entity recognizes the right-of- use assets and lease liability with the exception of low value and for short term leases (i.e. those with a lease term of 12 months or less) in which the entity recognizes the lease payments as operating expenses on either a straight-line basis over the lease term or another systematic basis is more representative of the time period to depreciate the economic benefits of the leased assets

- Borrowing costs
  - Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
  - Borrowing costs are expensed in the period in which they are incurred.

- Income tax

  Income tax is calculated in accordance with Jordanian laws and regulations.

- Basic earnings per share is profit / loss

  Basic earnings per share is calculated by dividing profit or loss by the weighted are rage number of ordinary share outstanding during the year.

- Foreign currencies
  - In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions.
  - At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
  - Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

- Contingent liabilities
  - Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
  - Contingent liabilities are not recognized in the financial statements.

3. Property, plant and equipment

2021	Lands(*)	Buildings	Pumps	Machinery & equipment	Vehicles (**)	Other	Payment on purchasing pumps	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Cost								
Balance - beginning of year	1,161,533	650,962	4,578,213	1,679,954	267,772	978,403	-	9,316,837
Additions	-	-	-	22,238	58,643	-	90,135	171,016
Disposals	-	-	(1,790,869)	-	(27,600)	(114,918)	-	(1,933,387)
Balance - end of year	1,161,533	650,962	2,787,344	1,702,192	298,815	863,485	90,135	7,554,466
Accumulated depreciation and impairment								
Balance - beginning of year	-	196,280	3,317,846	1,076,570	188,350	811,216	-	5,590,262
Depreciation (***)	-	13,019	152,089	58,360	16,857	38,940	-	279,265
Disposals	-	-	(1,790,869)	-	(22,080)	(114,917)	-	(1,927,866)
Balance - end of year	-	209,299	1,679,066	1,134,930	183,127	735,239	-	3,941,661
Net	1,161,533	441,663	1,108,278	567,262	115,688	128,246	90,135	3,612,805
2020								
Cost								
Balance - beginning of year	1,161,533	650,962	4,526,382	1,687,306	267,772	978,403		9,272,358
Additions	-	-	51,831	1,340	-	-	-	53,171
Disposals	-	-	-	(8,692)	-	-	-	(8,692)
Balance - end of year	1,161,533	650,962	4,578,213	1,679,954	267,772	978,403	-	9,316,837
Accumulated depreciation and impairment								
Balance - beginning of year	-	183,261	3,150,486	1,024,249	171,926	767,350		5,297,272
Depreciation (***)	-	13,019	167,360	61,013	16,424	43,866	-	301,682
Disposals	-	-	-	(8,692)	-	-	-	(8,692)
Balance - end of year	-	196,280	3,317,846	1,076,570	188,350	811,216	-	5,590,262
Net	1,161,533	454,682	1,260,367	603,384	79,422	167,187	-	3,726,575

(*) Within the above item, lands with a net value of JD 966,502 are pledged against bank overdraft as stated in note (16).

(**) Within the above item, vehicles a forklift amounting to JD 91,338 registered in the name of a related party.

(***) Depreciation expense was allocated in the statement of comprehensive income as follows:

	2021	2020
	JD	JD
Manufacturing expenses	254,204	273,047
Administrative expenses	23,012	26,847
Selling and distribution expenses	2,049	1,788
Total	**279,265**	**301,682**

4. Investment property - Land

- Within investment property an amount of JD 1,839,921 represent cost of land that was obtained from a costumer in exchange for settlement of his accrued receivable, the land was recorded in company books with an average value that was obtained according to three real state valuators based on board of directors' decision.
- The estimated fair value of investment property (Lands) was JD 2,535,500 at 27 January of year 2019, based on the evaluation price that was obtained from the valuation expert.

5. Investments in an associate

- Movement of investment through the year was as the follows:

	2021	2020
	JD	JD
Balance - beginning of year	1	1
Share of profit of an associate	(1,476)	(37,532)
Closing the amount of the increase of the investment valuation in the company's receivable	1,476	37,532
Balance - end of year	**1**	**1**

- Following are summary of information related to the associate for the year ended December 31, 2021:

Company name	Active	Ownership percntage	Total Assets	Total liabilities	Revenue	Loss of the year
		%	JD	JD	JD	JD
Jerusalem Crushers and Quarrying L.L.C	Industrial	50	319,554	495,240	205,443	(3,069)

6. Investments in financial assets at fair value through other comprehensive income

	2021	2020
	JD	JD
Balance - beginning of year	168,792	188,650
Additions during the year	2,964,368	-
Change in fair value	78,659	(19,858)
Balance - end of year	**3,211,819**	**168,792**

7. Payments on purchase of investment in a subsidiary

- On December 24, 2020, the Board of Directors of Al-Quds Concrete Industries Co. approved the purchase of the Rawcheh Investment Trade Company's shares through its subsidiary Al- Twaheen real estate company. A memorandum of understanding was signed between the Raoucheh Investment Trade Company and Twaheen real estate company to purchase the full shares of Raoucheh. As mentioned in the statement of financial position for the year 2020 for the Raoucheh Investment and Trade Company, there is an investment in Qatrana Cement Company, whose cost amounted to JD 2,502,500, which constitutes 99.7% of the total assets of Raoucheh Investment Trade Company. Therefore, the management of the Tawaheen Company decided to valuate the Qatrana Cement Company. by two qualified valuers, where the fair value amounted to JD 2,931,818 according to one valuer's report submitted on February 2021, and an amount of 3,204,045 Jordanian dinars according to another valuer's report submitted on January 31, 2021, Al Twaheen real estate company ownership transfer procedures have been completed with competent authorities on March 24, 2021.
- On December 24, 2020, the company acquired 100% of the Raoucheh Investment Trade Company capital, and the fair value of the assets and liabilities of the company was on the date of acquisition and the book value immediately before the acquisition were as follows:

	Book value	Fair value
	JD	JD
Investment in financial asset at fair value through other comprehensive income	2,511,262	2,954,524
Due to related parties	(2,442,279)	-
Net assets	**68,983**	**2,954,524**

Cash paid to own the company	2,954,524
Acquired assets	(2,511,262)
Net assets	68,983
Net investment	**512,245**

8. Inventory

	2021	2020
	JD	JD
Spare parts	309,123	313,949
Raw material	169,496	154,153
Slow moving spare parts provision (*)	(156,197)	(156,197)
Total	**322,422**	**311,905**

(*) The following is the movement of slow moving spare parts provision during the year:

	2021	2020
	JD	JD
Balance - beginning of year	156,197	206,197
Recovery of provision	-	(50,000)
Balance - end of year	**156,197**	**156,197**

9. Other debit balances

	2021	2020
	JD	JD
Prepaid expenses	57,532	28,007
Refundable deposit	24,345	24,345
Employee receivable	2,965	2,478
Total	**84,842**	**54,830**

10. Checks under collection and on hand

Within checks under collection and on hand, checks with a value of JD 10,000 for Ready Mix Concrete and Construction Supplies - related party.

11. Due to related parties

- Related parties transaction consist of transaction with major shareholders and companies, which the shareholders have, control over them. Transaction with related parties are trading in nature.
- Due from related parties - noncurrent consist of:

	2021	2020
	JD	JD
Jerusalem Crushers and Quarrying - associate	153,858	224,085
Less: allowance of expected credit losses	-	(68,331)
Net	**153,858**	**155,754**

- Due from related party - current consist of the following:

	2021	2020
	JD	JD
Ready Mix Concrete and Construction Supplies	122,235	-
United ready mix concrete Co	8,546	-
International Brokerage & Financial Markets Co.	3,438	3,283
Total	**134,219**	**3,283**

- Related parties payables consist of the following:

	2021	2020
	JD	JD
Masafat for Specialized Transport Co	584,973	187,921
Qatrana Cement Company	437,658	271,978
Concrete Technology Company	150,228	121,903
Ready Mix Concrete and Construction Supplies	-	1,352,447
United Ready Mix Concrete	-	2,785
Assas for Concrete Products	-	520
Total	**1,172,859**	**1,937,554**

- Deferred checks - related parties consist of the following:

	2021	2020
	JD	JD
Qatrana Cement Company	687,683	1,330,300
Masafat for Specialized Transport Co.	70,000	216,000
Total	**757,683**	**1,546,300**

- Major transaction with associates stated in the statement of comprehensive income were as follows:

	2021	2020
	JD	JD
Purchasing	2,546,641	3,004,267
Sale of ready mix concrete	2,299,151	1,073,418

12. Trade receivable

	2021	2020
	JD	JD
Trade receivables (*)	2,970,441	2,555,466
Less: allowance for expected credit losses (**)	(1,427,435)	(1,397,435)
Net	**1,543,006**	**1,158,031**

(*) Receivables aging were as the following:

	2021	2020
	JD	JD
From 1 to 60 days	884,720	420,744
From 61 to 90 days	56,555	97,577
From 91 to 180 days	68,477	29,615
From 181 to 365 days	49,619	71,184
More than 365 days	1,911,070	1,936,346
Total	**2,970,441**	**2,555,466**

(**) Allowance for expected credit losses movement during the year:

	2021	2020
	JD	JD
Balance - beginning of year	1,397,435	1,458,437
Provided during the year	30,000	-
Incurred losses	-	(61,002)
Balance - end of year	**1,427,435**	**1,397,435**

13. Cash and cash equivalent

	2021	2020
	JD	JD
Cash on hand	90,197	4,824
Current accounts at banks	1,423	2,671
Total	**91,620**	**7,495**

14. Statutory reserve

- **Public Shareholding Company (Parent Company)**
  - Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.
  - For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

- **Limited liabilities Company (Subsidiary Company)**
  - Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.
  - For the general assembly after exhausting other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statuary reserve, and to rebuild it in accordance with the provisions of the law.

15. Other credit balances

	2021	2020
	JD	JD
Shareholders deposit	76,895	79,175
Other	67,638	22,728
Sales tax deposit	49,077	38,855
Accrued expenses	44,615	15,437
Social security deposit	9,167	9,334
Employees vacation provision	1,861	588
Total	**249,253**	**166,117**

16. Banks overdraft

Bank	Credit limit	Interest rate	2021	2020
	JD	%	JD	JD
Cairo Amman Bank (*)	500,000	9	558,575	281,352
Commercial Bank of Jordan (**)	1,750,000	8.75	1,572,543	1,585,066
Jordan Kuwait Bank (***)	700,000	8.5	699,941	-
Total			2,831,059	1,866,418

(*) The banking facilities granted to the company is guaranteed by a real estate pledge of a first degree on the plot No. (715) Al-Hamraniyah basin No. (45) as stated in note No. (3).
(**) The banking facilities granted to the company is guaranteed by a real estate pledge of a first degree on the plot No. (474) Al-Hamraniyah basin No. (45) as stated in note No. (3).
(***) The banking facilities granted to the company is guaranteed by a real estate pledge of a first degree on the plot No. (690 & 691) Al-Hamraniyah basin No. (45) as stated in note No. (3).

17. Trade payables

Trade payables are concentrated in three payables, which constitute 45% of the total payables.

18. Cost of sale

	2021	2020
	JD	JD
Raw material used in production	5,305,125	3,354,279
Manufacturing expenses (*)	1,098,444	949,373
Total	**6,403,569**	**4,303,652**

(*) Manufacturing expenses are as following:

	2021	2020
	JD	JD
Salaries, wages and related benefits	504,149	408,190
Depreciation	254,204	273,047
Fuel	169,086	118,938
Maintenance	63,012	48,510
Security expenses	33,600	29,160
Deposits	28,780	34,327
Electricity and water	22,395	21,081
Vehicles	15,936	11,745
Tests	3,175	1,516
Communications	2,349	2,859
Miscellaneous	1,758	-
Total	**1,098,444**	**949,373**

19. Selling and distribution

	2021	2020
	JD	JD
Salaries, wages and related benefits	28,732	27,524
Sales commission	27,750	21,478
Vehicles	2,873	2,119
Depreciation	2,049	1,788
Insurance	-	310
Total	**61,404**	**53,219**

20. Administrative expenses

	2021	2020
	JD	JD
Salaries, wages and related benefits (*)	243,062	206,097
Professional fees	28,656	19,449
Board of directors and audit committee transportation	26,100	27,000
Depreciation	23,012	26,847
Fees, license and subscriptions	19,641	18,347
Vehicles	13,411	10,356
Insurance	11,850	13,443
Tools and computer maintenance	8,603	7,110
Communications	5,348	4,523
Hospitality and staff meal	3,294	2,722
Stationery and printings	1,893	2,695
Miscellaneous	545	251
Total	**385,415**	**338,840**

(*) Within salaries, wages and related benefits an amount of JD 103,500 represents salaries and benefits for the higher management of company.

21. Earnings / loss per share

	2021	2020
	JD	JD
Profit (loss) of the year	181,541	(514,947)
Weighted average shares count	7,460,026	7,460,026
Profit /Loss per share	**JD 0/024**	**JD (0/069)**

22. Legal cases

According to the lawyer letters there are legal cases raised by the company against others, amounting to JD 1,904,791 these cases are still pending before the competent courts.

23. Contingent liabilities

On date of financial position statement there are contingent liabilities related to guarantees amounting to JD 453,270 and cash margin amounting to JD 90,445.

24. Contra accounts

There are guarantees margin checks amounting to JD 20,350 as at December 31, 2021 (JD 20,350 as at December 31, 2019).

25. Tax status

Parent company

The company's income and sales tax were completed until the end of 2018.

Subsidiary

The company's income and sales tax were completed until the end of 2020.

26. Risk management

a) **Capital risk:**

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) **Currency risk:**

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.

c) **Interest rate risk:**

- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- Interest rate risk arises from financial instruments as a result of changes in market interest rates resulting from borrowing or depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates received by the entity on its deposits with banks and on interest rates paid by the entity on borrowing from the banks:

As of December 31, 2021	Change in interest	Effect on profit (loss)
	%	JD
Banks overdraft	0.5	(14,155)

d) **Other price risk:**

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- Other price risks arising from financial instruments arise from investments in equity instruments.

e) **Credit risk:**

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) **Liquidity risk:**

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

	Less than 1 year		More than 1 year	
Description	2021	2020	2021	2020
	JD	JD	JD	JD
Financial assets:				
Investment in financial assets at fair value through other comprehensive income	-	-	3,211,819	168,797
Payments on purchase of investment in a subsidiary	-	-	-	2,954,524
Investments in an anassociate	-	-	1	1
Other debit balances	27,310	26,823	-	-
Checks under collection and on hand	1,903,609	2,265,576	-	-
Due from related parties	134,219	3,283	153,858	155,754
Trade receivables	1,543,006	1,158,031	-	-
Cash and cash equivalents	91,620	7,495	-	-
Total	3,699,764	3,461,208	3,365,678	3,279,076
Financial liabilities:				
Deferred checks	15,924	14,175	-	-
Deferred checks - related patries	757,683	1,546,300	-	-
Other credit balances	249,253	166,117	-	-
Trade payables	997,457	502,436	-	-
Banks overdraft	2,831,059	1,866,418	-	-
Due to related parties	1,172,859	1,937,554	-	-
Total	6,024,235	6,033,000	-	-

27. Fair value of financial instruments

- The table below represents the fair value of the financial instruments using valuation method. there are different levels as follows:
  - Level 1: listed prices (unadjusted) in active markets for identical assets or liabilities.
  - Level 2: inputs rather than prices listed in level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
  - Level 3: inputs for the asset or liability is not based on comparable market data that can be observed (non-observable inputs).

As at December 31, 2021	Levels		
	1	2	Total
Financial assets	JD	JD	JD
Investment in financial assets at fair value through other comprehensive income	116,936	3,094,883	3,211,819

As at December 31, 2020	Levels		
	1	2	Total
Financial assets	JD	JD	JD
Investment in financial assets at fair value through other comprehensive income	168,792	-	168,792

28. Financial statement for the subsidiary

The consolidated financial statement include financial statement of subsidiary at December 31, 2021 as follows:

Company name	Legal entity	Number of shares	Ownership percntage	Total Assets	Total liabilities	Accumulated losses
			%	JD	JD	JD
Al-Twaheen Real Estate	LLC	30,000	100	5,510,831	5,617,865	(15,109)

29. Covid-19 effects

As a result of the outbreak of the new Corona Virus (COVID-19) in early 2020, its spread in several geographical areas around the world, including the Hashemite Kingdom of Jordan, and its impact on the world economy, the Jordanian Cabinet's decision of 17 March 2020 imposed a curfew law and suspended all business and economic activities in whole or in part until further notice, part of the Government's precautionary measures to combat the spread of the Corona Virus. Consequently, the majority of business activities in the Hashemite Kingdom of Jordan were affected by this decision. COVID-19 created uncertainty in the global economic environment.

In preparing the financial statements, management conducted an assessment of a company's viability as a continuous enterprise and of other risk management practices to manage potential disruptions to the business's operations and financial performance that may have been caused by an outbreak (COVID-19) by assessing the implications of the business's operations. As a result of the potential effects of the Corona virus, the management of the entity has taken forward information for at least the 12 months following the reporting period, both with regard to the negative effects of the virus on the functioning of the business process and the ability to repay its debts in the event that things return to normal within a reasonable period of time.

The entity examined the potential effects of current economic fluctuations in determining the amounts declared for the financial and non-financial assets of the entity, which represent the best management estimates based on observable information. Markets remain volatile and recorded amounts continue to be sensitive to market fluctuations.

The company conducted a qualitative assessment of its investment in cash-generating units, taking into account the minimum impact of (Covid-19) on the operating entities in the ready-made concrete industry, and compared the actual results for the year ended December 31, 2021 against the budget and industry standards, and it concluded that the assessment of impairment does not require any change, and the company has also studied any indicators of impairment and any material uncertainties affecting its fixed assets and concluded that there is no material impact of Covid-19.

30. Reclassification

2020 balances have been reclassified to conform to the adopted classification in 2021.