

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

**Consolidated financial statements
As of December 31, 2023**

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

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Independent Auditors' Report

To general assembly

The Arab International Company for Education and Investment

Public Shareholder Company

Report on the Audit of the consolidated Financial Statements

Auditing scope

We have audited the accompanying Consolidated financial statements of **The company** which comprise:

- the consolidated statement of financial position as at 31 December 2023.
- Statement of consolidated comprehensive income at the end of that date.
- statement of consolidated changes in owners' equity at the end of that date.
- statement of consolidated cash flows for the year ended at the end of that date.
- notes, comprising significant accounting policies and other explanatory information.

the opinion

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

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 Auditors' Responsibilities for the Audit of the consolidated Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

the independency

We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements

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 of the current period. 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.



Continued - Independent auditors' Report for The Arab International Company for Education and Investment for the year ended on December 31, 2023

• **Legal Cases and Contingent Liabilities**

In the normal courses of business, contingent liabilities may arise from legal cases held against the company or from governmental fines.

The amounts involved are potentially significant and the application of IFRS to determine the amount, if any, to be provided as a liability, require from management judgments and estimates, accordingly the determination of liabilities is considered a key audit matter.

The disclosure relative to legal and contingent liabilities is summarized respectively in Notes (31, 32) to the consolidated financial statements.

• **Record of university tuition Fees**

• With reference to the accounting policy, revenue recognition the university fees revenue for the year ended December 31, 2023 amounted to JD 25,263,780.

• Revenue is one of the essential indicators to measure performance, and this entails the existence of risks inherent in the process of revenue recognition. By proving revenue more than its value, educational revenue is recognized when these services are provided.

• In view of the intrinsic value of the university income recorded as well as the risks inherent in the process of revenue recognition, the recognition of university and medical premium income was considered an important audit matter.

The audit procedures included the:

Our audit procedures include the assessment of the Company's internal controls to determine the liabilities and the review of correspondence with the regulatory parties and the Company's external legal consultants on all significant legal cases and discussions with the Company's external legal consultant when necessary.

In addition, we obtained formal opinion from the Company's external legal consultant for all significant litigation, analysed correspondence with regulators, and monitored the procedures followed to obtain information from third parties. We also assessed the disclosures made by the Company.

The audit procedures included the:

- Evaluate the suitability of the company's policy for revenue recognition based on IFRS 15 (Revenue from contracts with customers)
- Evaluate the design, implementation and testing of the operational efficiency of the internal control systems related to the management's procedures related to the control over revenue recognition. Test a sample of the recorded revenue transactions and compare it with the supporting documents to verify the presence of the registered revenue
- Testing a sample of the recorded revenue transactions and comparing it with the supporting documents to verify the existence of the recorded revenue and to assess whether the revenue recognition took place in the correct period. The suitability of the disclosures used in the financial statements
- Evaluation of discounts for major customers, by recalculating the discounts granted according to the contractual terms.
- Conducting an analytical review of revenue based on sales trends and profit margins.
- Conducting an analytical study of revenues based on the number of students and approved fees for the educational process and based on sales trends and profit margins for the medical science, to judge the reasonableness of the amount of revenue included in the attached financial statements.
- The appropriateness of the disclosures used in the financial statements.



Continued - Independent auditors' Report for The Arab International Company for Education and Investment for the year ended on December 31, 2023

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. We expected that we will give the annual report after our report.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when its 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. 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 Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, 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 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 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:



Continued - Independent auditors' Report for The Arab International Company for Education and Investment for the year ended on December 31, 2023

- 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 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Continued - Independent auditors' Report for The Arab International Company for Education and Investment for the year ended on December 31, 2023

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 consolidated financial statements, accordingly, we recommend approving these consolidated financial statements by the general assembly.

Obeidat & alsalih

Nabil M. Obeidat
License 877



Amman in
March 17, 2024

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated financial position
As of December 31, 2023**

	Note	2023	2022
		JD	JD
<u>Assets</u>			
<u>Non - current assets</u>			
Investments in associates	6	47,194,483	50,213,591
Property, plant & equipments - net	7	27,923,649	28,074,468
Projects under construction	8	6,677,343	3,279,575
Down payments on solar project account		2,826,556	1,821,430
Intangible assets - net	9	7,753	10,439
Cheques under collection -long term	10	2,100	10,500
Financial assets at fair value through comprehensive income st.	11	120,486	89,311
The right to use assets	12	55,208	-
Total non - current assets		84,807,578	83,499,314
<u>Current assets</u>			
Cash & cash equivalents	13	5,728,059	759,904
Accounts receivable - net	14	2,406,859	1,769,260
Cheques under collection - short term	10	102,775	131,307
Due from related parties - net	33 A	173,700	176,523
Financial assets at fair value through income statement	15	422,343	417,039
Warehouse supplies and other - net	16	495,478	409,534
Goods in the trust fee		7,518	-
Other debit balances - net	17	6,996,082	1,808,566
Total current assets		16,332,814	5,472,133
Total assets		101,140,392	88,971,447

The accompanying notes form from (1) To (39) is an integral part of these statements

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated financial position
As of December 31, 2023

	Note	2023 JD	2022 JD
<u>Owners' equity and liabilities</u>			
<u>Owners' equity</u>			
Authorized & paid up capital	18	40,500,000	40,500,000
Shares owned by a subsidiary	18	10,125,000	10,125,000
Statutory reserve	18	433,904	1,661,577
Retained earnings	18	25,429,009	25,334,819
Total owners' equity (due to shareholders)		76,487,913	77,621,396
Minority interests	18	1,635	-
Total owners' equity		76,489,548	77,621,396
<u>Non-current liabilities</u>			
Provision for end of service indemnity	19	357,966	399,789
Deffered cheques - long term	20	39,527	36,232
Rent contracts' liabilities - long term	22	32,288	-
Total non-current liabilities		429,781	436,021
<u>Current liabilities</u>			
Banks overdraft	21	8,302,792	206,690
Loans - short term	22	7,429,672	3,572,283
Accounts payable		533,364	479,454
Rent contracts' liabilities - short term	12	25,262	0
Deffered cheques - short term	20	39,609	249,233
Due to related parties	33 C	278,418	135,191
Unearned revenues	23	3,500,522	3,028,217
Students refundable deposits		351,702	288,158
Income tax provision	24	1,260,282	741,007
Other credit balances	25	2,499,440	2,213,797
Total current liabilities		24,221,063	10,914,030
Total owners' equity and liabilities		101,140,392	88,971,447

The accompanying notes form from (1) To (39) is an integral part of these statements

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan**

**Statement of consolidated comprehensive income
for the year ended December 31, 2023**

	Note	2023 JD	2022 JD
Net revenues	26	25,263,780	21,332,632
Operating expenses	27	(17,030,946)	(14,623,059)
Gross profit margin		8,232,834	6,709,573
General & administrative expenses	28	(998,763)	(1,010,407)
Company's share of associates (loss)	6 C	(744,779)	(945,819)
Finance expenses		(647,152)	(201,370)
Cases provision	32	(207,176)	(62,774)
Expected credit losses	14 + 17	(537,754)	(422,973)
Return on expected credit losses		198,220	-
Other revenues	29	1,099,570	1,104,120
Profit for the year before tax		6,395,000	5,170,350
Income tax	24	(1,591,930)	(1,403,857)
Profit for the year		4,803,070	3,766,493
<u>Due to</u>			
Shareholders		4,802,435	-
Minority interests		635	-
Total		4,803,070	3,766,493
<u>Add: other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income statement		(1,309,335)	(462,735)
Gains (losses) from selling financial assets - associates companies		11,986	2,525
Total comprehensive income for the year		3,505,721	3,306,283
<u>Due to</u>			
Shareholders		3,505,086	-
Minority interests		635	-
Total		3,505,721	3,306,283
		Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	30	0.119	0.093

The accompanying notes form from (1) To (39) is an integral part of these statements

Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated owners' equity
for the year ended December 31, 2023

Description	Retained earnings																		
	Capital		Statutory reserve		Fair value reserve *		Realized		Unrealized *		Total retained earnings		Total owners' equity (due to shareholders)		Minority interests		Total		
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
For the year ended December 31, 2023																			
Balance as of January 1, 2023	40,500,000	10,125,000	1,661,577	12,719,698	11,662,796	12,615,121	77,621,396	-	-	77,621,396	-	-	77,621,396	-	-	-	-	77,621,396	
Expenses and income tax for previous years	-	-	-	(593,873)	(270,389)	-	(593,873)	-	-	(593,873)	-	-	(593,873)	-	-	-	-	(593,873)	
Adjusted opening balances	40,500,000	10,125,000	1,661,577	12,125,825	11,392,407	12,615,121	77,027,523	-	-	77,027,523	-	-	77,027,523	-	-	-	-	77,027,523	
Profit for the year	-	-	-	4,802,435	581,870	-	4,802,435	-	-	581,870	-	-	4,802,435	635	-	-	-	4,803,070	
Changes in fair value for financial assets	-	-	(1,309,335)	-	-	-	-	-	-	-	-	-	(1,309,335)	-	-	-	-	(1,309,335)	
Transferred from fair value reserve to retained earnings	-	-	81,662	(81,662)	-	-	-	-	-	(81,662)	-	-	-	-	-	-	-	-	
Gains from selling financial assets - associates companies	-	-	-	-	-	2,525	-	-	-	2,525	11,986	11,986	-	-	-	-	-	11,986	
Total comprehensive income	-	-	(1,227,673)	4,720,773	565,711	11,986	3,505,086	-	-	565,711	11,986	3,505,086	635	-	-	-	-	3,505,721	
Changes in fair value for financial assets through income **	-	-	-	-	54,596	5,304	-	-	-	54,596	5,304	-	-	-	-	-	-	5,304	
Dividends paid to shareholders (note 18)	-	-	-	(4,050,000)	-	-	(4,050,000)	-	-	-	-	(4,050,000)	-	-	-	-	-	(4,050,000)	
Minority interests	-	-	-	-	-	-	-	-	-	-	-	-	1,000	-	-	-	-	1,000	
Earned dividends from associates (note 6 C)	-	-	-	339,958	(194,263)	(339,958)	-	-	-	(194,263)	(339,958)	-	-	-	-	-	-	-	
Balance as of December 31, 2023	40,500,000	10,125,000	433,904	13,136,556	11,818,451	12,292,453	76,487,913	-	-	11,818,451	12,292,453	76,487,913	1,635	-	-	-	-	76,489,548	
For the year ended December 31, 2022																			
Balance as of January 1, 2022	40,500,000	10,125,000	1,705,628	13,849,459	12,396,351	12,447,092	78,627,179	-	-	78,627,179	-	-	78,627,179	-	-	-	-	78,627,179	
Expenses and income tax for previous years	-	-	-	(26,107)	(739,454)	(290,555)	(316,662)	-	-	(316,662)	-	-	(316,662)	-	-	-	-	(316,662)	
Adjusted opening balances	40,500,000	10,125,000	1,705,628	13,823,352	11,656,897	12,156,537	78,310,517	-	-	11,656,897	12,156,537	78,310,517	-	-	-	-	-	78,310,517	
Profit for the year	-	-	-	3,152,083	349,068	614,410	3,766,493	-	-	349,068	614,410	3,766,493	-	-	-	-	-	3,766,493	
Changes in fair value for financial assets	-	-	(462,735)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transferred from fair value reserve to retained earnings	-	-	418,684	(400,000)	-	(18,684)	-	-	-	418,684	(18,684)	-	-	-	-	-	-	-	
Gains from selling financial assets - associates companies	-	-	-	-	(10,078)	2,525	-	-	-	(10,078)	2,525	2,525	-	-	-	-	-	2,525	
Total comprehensive income	-	-	(44,051)	2,752,083	338,990	598,251	3,306,283	-	-	338,990	598,251	3,306,283	-	-	-	-	-	3,306,283	
Changes in fair value for financial assets through income **	-	-	-	-	-	54,596	-	-	-	-	54,596	-	-	-	-	-	-	54,596	
Dividends paid to shareholders (note 18)	-	-	-	(4,050,000)	-	-	(4,050,000)	-	-	-	-	(4,050,000)	-	-	-	-	-	(4,050,000)	
Minority interests	-	-	-	-	(333,091)	-	-	-	-	(333,091)	-	-	-	-	-	-	-	-	
Earned dividends from associates (note 6 C)	-	-	-	194,263	(194,263)	(194,263)	-	-	-	194,263	(194,263)	-	-	-	-	-	-	-	
Balance as of December 31, 2022	40,500,000	10,125,000	1,661,577	12,719,698	11,662,796	12,615,121	77,621,396	-	-	11,662,796	12,615,121	77,621,396	1,635	-	-	-	-	77,621,396	

* According to the instructions of Securities Commission, it is prohibited to dispose fair value reserve & Unrealized retained earnings through dividends to shareholders or capitalization or loss amortization or anything else.

** According to the instructions for proving the value and disposing of the revaluation surplus for the year 2022, the change in the fair value of financial assets through income (for trading) was recorded in a separate item as unrealized profits in the statement of changes in owners' equity within the item of retained earnings, and it is prohibited to dispose of this balance.

The accompanying notes form from (1) To (39) is an integral part of these statements

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated cash flows
for the year ended December 31, 2023

	Note	2023 JD	2022 JD
<u>Cash flows from operating activities</u>			
Profit for the year before tax		6,395,000	5,170,350
Expenses and income tax for previous years (parent company & subsidiaries)		-	(26,107)
Depreciation & amortization	7 & 9	1,938,363	1,885,100
Depreciation of the right to use assets	12	27,604	29,389
Interests on rents contracts liabilities	12	7,453	704
Company's share of associates (profit)	6 C	744,779	945,819
Capital losses (gains)		(390)	2,001
Expected credit losses	14 & 17	537,754	422,973
Return for end of service indemnity provision		(68,906)	-
Additions for end of service indemnity provision	19	27,083	54,765
Return on expected credit losses		(198,220)	-
Associates impairment	6 C	-	40,000
Finance expenses		647,152	201,370
Operating income before changes in working capital		10,057,672	8,726,364
<u>(Increase) decrease in current assets</u>			
Accounts receivable		(439,379)	(448,175)
Due from related parties		2,823	(38,533)
Cheques under collection		36,932	92,707
Medical and non-medical supplies warehouse		(85,944)	(10,048)
Goods in the trust fee		(7,518)	-
Other debit balances		(5,725,270)	(163,486)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		53,910	44,047
Deffered cheques		(206,329)	(90,635)
Due to related parties		143,227	535,655
Unearned revenues		472,305	551,499
Students refundable deposits		63,544	34,293
Other credit balances		285,643	(1,523,569)
Net cash provided from operating activities before paid tax		4,651,616	7,710,119
Paid tax	24	(1,072,655)	(1,244,758)
Net cash provided from operating activities		3,578,961	6,465,361

The accompanying notes form from (1) To (39) is an integral part of these statements

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Statement of consolidated cash flows
for the year ended December 31, 2023

	Note	2023 JD	2022 JD
<u>Cash flows from investing activities</u>			
Acquisitions of property , plant & equipments	7	(1,788,820)	(457,935)
Acquisitions of intangible assets	9	-	(4,734)
Proceeds from sales of property , plant & equipments		3,962	1,534
Paid on projects under construction		(3,388,519)	(2,394,494)
Down payments on solar project account		(1,005,126)	(207,609)
Proceeds from associates	6 C	339,958	194,263
Proceeds from financial assets through comp. income		9,364	25,901
Acquisitions of associates investment	6 C	(45,532)	(40,000)
Paid on investment in subsidiaries		(550)	-
Received from investing in subsidiaries		39,833	-
Minority interests		1,000	-
Net cash (used in) investing activities		<u>(5,834,430)</u>	<u>(2,883,074)</u>
<u>Cash flows from financing activities</u>			
Dividends paid to shareholders	18	(4,050,000)	(4,050,000)
Banks overdraft		8,096,102	(4,898,769)
Loans		3,857,389	1,029,533
Rent contracts liabilities payments	12	(32,715)	(16,357)
Finance expenses		(647,152)	(201,370)
Net cash provided (used in) financing activities		<u>7,223,624</u>	<u>(8,136,963)</u>
Net increase (dcrease) in cash		4,968,155	(4,554,676)
Cash & cash equivalents at beginning of year		759,904	5,314,580
Cash & cash equivalents at end of year		<u>5,728,059</u>	<u>759,904</u>

The accompanying notes form from (1) To (39) is an integral part of these statements

**Arab International Company for
Education and Investment**
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the consolidated financial statements

1- Company's registration and objectives

The **Arab International Company For Education And Investment** was established & registered as a public shareholding company under number (208) on **November 20, 1991** , the company operates its educational activities through the **Applied Science University** , which started teaching as of **October 13, 1991**.

One of company's main objectives is to found and establish a private university to accommodate students from Jordan and abroad and prepare them as specialists at the university level in the technological fields mainly inlaid with human and social studies that can contribute to meet the needs of the Kingdom and neighbouring Arab countries .

It also aims to establish a number of centers and institutes for the rehabilitation of students enrolled to a leading positions in various scientific , training and performance fields .

The company may, in order to achieve its objectives directly , carry out all the investment activities required by its business and its interest in selling, buying, owning, brokering , lending , borrowing , pledging and lending . The company may also have an interest to participate in any way in the bodies and institutions that cooperate to achieve its objectives in The Hashemite Kingdom of Jordan or outside .

The financial statements were approved by the board of directors at their meeting held on **March 17, 2024**, these financial statements needs subject to the approval of the general assembly of shareholders .

2- Basis of preparation of financial statements

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

The financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value .

The financial statements are presented in Jordanian Dinars (JD) which is the company's functional and presentation currency .

**Arab International Company for
Education and Investment
Public shareholding company
Amman - The Hashemite Kingdom of Jordan
Notes to the consolidated financial statements**

3- Basis of consolidation of the financial statements

- The condensed consolidated interim financial statements consist of assets , liabilities , revenues & expenses of **The Arab International Company for Education and Investments** and 2 subsidiary as follows :

Company's name	Legal form	Date of control	Capital	Ownership rate	Company's share of	
					subsidiary's (losses) profit	Investment's net book value
		JD	JD	%	JD	JD
Modern University of Jordan Medical Company	L.L.C	December 22, 2021	50,000	98.000	107,412	305,876
Hardworking Student Company for Stationery	L.L.C	February 23,2023	1,000	55	(1,636)	550

- Summary for Subsidiary's Assets & Liabilities & Revenues & (Losses) Profits :

Company's name	Assets		Liabilities		Revenues		(Losses) profit for the period	
	JD		JD		JD		JD	
Modern University of Jordan Medical Company	5,184,449		4,753,208		138,182		109,604	
Hardworking Student Company for Stationery	55,647		57,623		25,333		(2,976)	

Pursuant to the meeting of the Board of Directors and the Critic on July 30, 2023, it was decided as follows:

The Board of Directors decided that the Arab International Company for Education and Investment sold 42,000 shares of Ibn Al-Haytham Hospital Company to the Arab International Factories Company for Food and Investment to become Ibn Al-Haytham Hospital Company an allied company.

The Board of Directors decided that the Arab International Company for Education and Investment sold 1,000 shares of its shares in the Modern Medical University of Jordan Company to the Arab International Factories Company for Food and Investment at a rate of one dinar for each share, bringing the total to 1,000 dinars, bringing the Arab International Company for Education and Investment to 98%.

Control realized when company has ability of control the financial and operation policies for subsidiaries for obtained benefets from its activities .

Subsidiaries' income results is being consolidated in statement of consolidated income from date of control up to stop that control on subsidiaries when the actual control on subsidiaries move to company or from company .

The financial statements for the mother company and subsidiaries are prepared for the period of the same accounting policies which used in the mother company (The Arab International Company for Education and Investments) , if subsidiary used different policies some adjusting must made on its financial statements to be applicable to the policies used in the mother company .

Minority interests represents part non owned by company from subsidiaries' owner's equity , minority interests stated in net company's assets as a separated item from shares owner's equity of the company .

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4- Use of estimates

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

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

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .

- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

5- Significant accounting policies

Below used accounting policies in preparation of financial statements, these policies is applying in the years appear in financial statements.

Changes in accounting policies

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year, except for the Company's application of the following Standards :

New standards, amendments and interpretations issued but not yet effective and not early applied:

It is valid for annual periods beginning on January 1, 2023.

- * Amendments to International Accounting Standard No. 1 - Presentation of Financial Statements - Classification of Liabilities.
- * Deferred tax assets and liabilities arising from a single transaction - Amendments to IAS 12.
- * Sale or contribution of assets between an investor and his subsidiary or joint venture - Amendments to International Financial Reporting Standard No. 10 and International Accounting Standard No. 28.
- * Amendments to IFRS 17 (Insurance Contracts)
- * Amendments to IAS 8 (Defining Accounting Estimates)
- * Amendments to International Accounting Standard No. 1 (Disclosure of Accounting Policies) and Statement of Practice No. 2 related to international financial reporting standards

In the opinion of the management, the new standards, amendments and interpretations did not have a material impact on the company during the current or future year and on the expected future transactions.

Accounts receivable

Accounts receivable and others are stated at their net realizable value net of a provision for expected credit losses, bad debts where written off when identified deduct of its stated provision and the collected amounts from debts which identified to revenues .

Expected credit losses

The company recognizes a provision for expected credit losses for all debt instruments that are not held at fair value through the statement of profit or loss. The expected credit losses are based on the difference between the contractual flows due in accordance with the contract and all the cash flows that the company expects to receive, it discounted when estimating the original effective interest rate. The expected cash flows include cash flows from the sale of collateral held or other credit improvements that are part of the contractual terms (if any). The management of the company calculates the provision based on its historical experience in credit loss adjusted according to future factors of debtors and the economic environment.

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Medical and non-medical supplies warehouse

Medical and non-medical supplies warehouse are stated at the lower of cost or net realizable value. The costs are stated accordance to the **Moving average** method .

Investments in associates

Associates companies are the companies which the company owned over **20%** to **50%** of its right to vote, the company has effect effective on its decisions bout financial and operation policeis.

Associates investments appear in financial statements at cost, in addition of company's share of changes in net assets according to equity method, the goodwill resulting of the associates investment record in account of associates investment and not amortize when exist of changes in associates owners' equity, that changes appear in owners' equity of the company.

When preparing separated financial statements for the company as independent establishment, the associates investment appear in fair value.

Financial assets at fair value through income

Variation of changes in fair value for financial assets is recording through income statements

Financial assets at fair value through income statement appear in fair value which had market prices in active markets.

Financial assets at fair value through comprehensive income

Financial assets at fair value through comprehensive income are non derivative financial assets, the purpose of the acquisition is to keep them available for sale and not to trade or keep them until maturity.

The differences in the change in fair value of financial assets carried at fair value are recorded through the statement of comprehensive income.

Financial assets at fair value through comprehensive income that is available to quoted market prices in active markets at fair value, net of accumulated impairment losses in the fair value appear.

Gains and losses arising from differences foreign currency debt instruments that bear interest within the specified financial assets at fair value through comprehensive income transfer register, while the registration of foreign exchange rate changes ownership of the tools included in the cumulative change in fair value in equity.

If the company did not adopt the recognition of the fair value changes of financial assets in equity instruments in the list of other comprehensive income must be an option then these assets are measured at fair value and recognize changes in fair value in the statement of comprehensive income.

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Offsetting

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legally enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

Property, plant & equipments

Property, plant & equipments are recorded at cost and depreciated (except lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates as follows:

Buildings & constructions	2-15	Educational & clarification tools	20
Laboratory equipment & office machines	15	Books & periodicals	5
Furniture & fixtures	2-15	Others	15-20
Tools & equipments	15	Irrigation networks	20
Cars & buses	10-15	Scientific research instrument - solar energy	10
Laboratory equipments	20	Power plant	10

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount , the impairment record in statement of comprehensive income .

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated , the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benefits from usage , that item will be written down immediately .

Intangible assets

Intangible assets, which have finite useful lives, are amortized over their useful lives. Amortization is recognized in the statement of income;however, intangible assets whithout define useful lives should not be amortized and are required to be tested for impairment as of the date the financial statement. Impairment loss shall be recognized in the statement of income.

Intangible assets arising from company operation are not capitalized and should be recognized in the statement of income when incurred.

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Intangible assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired as well as the useful lives of the intangible assets are annually reassessed and any adjustments raised are recognized in the subsequent events. The amortization expense is recognized in the statement of income on a straight line basis over the estimated useful life of each item of intangible assets. Intangible assets are stated at cost less accumulated amortization and any accumulated impairment loss. They are amortized annually of **20%**.

Projects under construction

Projects under construction are shown at cost and include land cost (if any), development cost and direct expenses. Projects under construction are not depreciated until they are completed and ready for use.

The right to benefit from the assets

The company recognizes the right to use the assets on the start date of the lease contract (the date on which the asset is usable), the right to use asset is recognized at cost, after deducting the accumulated depreciation and impairment losses, and the value is adjusted upon re-evaluation of the lease obligations.

The right-of-use principal cost includes the value of the recognized rental liability, in addition to the initial direct costs incurred, and lease payments made on or before the contract commencement date, less any incentives received related to the lease. In the event that the company is not certain of obtaining ownership of the leased asset at the end of the contract period, the value of the right to use the recognized asset is depreciated on a straight-line basis over the extent of the asset's productive work or the lease period, whichever is less. Right-of-use assets are subject to an impairment test.

Lease contract liabilities

On the commencement date of the lease, the company recognizes lease obligations at the present value of the lease payments to be made during the term of the lease. Rent payments include fixed payments (which include payments that are in substance considered fixed lease payments) minus rent incentives payable, variable lease payments based on agreed indicators or rates according to contract terms, and amounts expected to be collected under residual value guarantees. The lease payments also include the value owed upon exercising the purchase option that the company is certain to exercise and the value of the lease termination fines, if the company intends to exercise the termination option in accordance with the terms of the contract.

Variable lease payments that are not based on agreed indicators or rates in accordance with the terms of the contract are recognized as expenses in the period in which the event or condition that leads to the payment of those amounts.

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When calculating the present value of lease payments, for the purposes of discounting future lease payments, the company uses the borrowing rate at the commencement of the lease if the interest rate implicit in the lease is not determinable. Subsequently, the rental liability is increased by the amount of interest accrued and reduced by the amount of actual rental payments. In addition, the book value of the lease liability is re-measured if there is any amendment or change to the lease term, or when any change occurs to the payments in its content, which are considered fixed rental payments or when the valuation related to the purchase of the asset changes.

Short-term leases and low-value leases

The company applies the exemption related to the recognition of short-term leases to some short-term leases (contracts with a duration of 12 months or less from the start date and does not include the option to purchase the asset). The company also applies the exemption related to leases for low-value assets to some leases for assets deemed to be of low value. Lease payments for short-term leases and low-value assets leases are recognized as expenses on a straight-line basis over the term of the lease.

Accounts payable & accrued amounts

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

Fair value

The closing prices (purchase of assets / sale of liabilities) on the date of the financial statements in active markets represent the fair value of financial instruments and derivatives that have market prices.

In the event that declared prices are not available, or there is no active trading of some financial instruments and derivatives, or market inactivity, their fair value is estimated in several ways, including:

- Comparing it with the current market value of a financial instrument that is very similar to it.

- Analyzing future cash flows and discounting the expected cash flows at a rate used in a similar financial instrument.

- Options pricing models.

- Evaluation of long-term financial assets and liabilities that do not accrue interest according to the cash flow discount and according to the effective interest rate, and the discount / premium is amortized within the interest income received / paid in the statement of comprehensive income for the year.

Valuation methods aim to obtain a fair value that reflects market expectations and takes into consideration market factors and any expected risks or benefits when estimating the value of financial instruments. And in the event that there are financial instruments whose fair value cannot be measured reliably, they are shown at cost after deducting any impairment in their value.

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Date of financial assets recognized

Purchases and sales financial assets are recognized on the trade date (the date on which the company commits its self to purchase or sell the assets) .

Revenues recognition

The company generates revenue according to IFRS 15 using the following five-step model:

The first step: determining the contract with the customer

A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets standards for each contract that must be fulfilled.

The second step: define performance obligations

A performance obligation is a promise in a contract with a customer to transfer a good or perform service to a customer

Step Three: Determine the transaction price

The transaction price is the amount of the consideration that the company expects to receive in exchange for transferring the goods or services promised by the customer except for amounts collected on behalf of third parties.

The fourth step: allocating the transaction price

For a contract that contains more than a performance obligation, the company distributes the transaction price to each performance obligation in an amount that specifies the corresponding amount that the company expects to obtain in return for fulfilling each

The fifth step: recognition of revenue

The company generates revenue when or whenever it fulfills the performance obligation by transporting goods or implementing the services promised by the customer under the contract.

Educational services

Tuition fees are recorded on registration date and the educational services revenues are recognized when the services are rendered.

Medical services

Revenues from medical services are realized when medical services are provided and bills are issued.

Finance expenses & Interest revenues / expenses

Finance expenses comprise interest expenses on borrowing. All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying assets re recognized in the statemnet of income using the effective iterest method.

Interest revenues / expenses are taken to income statement according to accrual basis.

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Dividends of securities gains

The dividends of securities gains are recognized when declared by the general assembly of the companies invested in .

Provisions

Provisions are recognized when the company has a present legal or constructive obligation as a result of past events , it is probable that an outflow or resource will be required to settle the obligation , and a reliable estimate of the amount can be made . Where the company expect a provision to be reimbursed , for example under an insurance contract , the reimbursed is recognized as a separate asset but only when the reimbursement is virtually certain .

Income tax

Accrued taxes expenses are calculated according to taxable gains in accordance to law (38) for the year 2018, taxable gains are different from declared gains in income statement because declared gains include non-taxable revenues or non-reduction expenses at the current year but in coming years , or acceptable taxable accumulated loss , or non-taxable items or reducing for tax purposes .

Taxes are calculated according to decision tax rate in accordance with laws , systems and instructions .

foreign currency translation

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction . Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date . Exchange differences arising from these translations are included in the statement of income .

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6- Investments in associates

A. This item consists of :

	Number of shares Share	Ownership rate %	Market value		2023		2022	
			JD	JD	JD	JD		
<u>National</u>								
<u>Public shareholding companies (listed)</u>								
First Finance Co.	8,062,863	23	4,031,432	11,065,378	10,813,952			
Jordanian Real Estate Co. for Development ***	5,582,601	16.181	2,958,779	5,697,716	5,735,385			
Contempro Co. for Housing projects ***	580,924	8.334	429,884	667,959	666,173			
Ibn Al Haytham Hospital Company	9,998,123	49.89	9,198,273	7,200,297	9,282,984			
Total			16,618,368	24,631,350	26,498,494			
<u>Limited liability companies (unlisted)</u>								
Inernational Co. for Medical Investments	1,076,705	46	-	907,084	885,341			
Arab Int'l Food & Factories & Investments Co.	4,856,545	46.252	-	10,105,404	11,081,864			
Ettihad Schools Co.	6,246,489	41.643	-	7,235,361	7,396,959			
Alomana' for Investment & portfolio management	3,732,424	41.471	-	4,016,359	4,039,495			
Trans World Information Technology Co.	45,810	44.911	-	298,425	310,938			
Applied Energy Co. *	80,000	40	-	-	-			
Jordanian Consultative Center for Administrative Development & Capacity Building **	500	50	-	500	500			
Total			-	22,563,133	23,715,097			
Total			16,618,368	47,194,483	50,213,591			

* The company's share of associates business results is recorded, and the record stops when the investment's value become zero(in the company's records (the net equity of associate as of the last audited financial statements was negative).

** The investments representative at cost according to not issuing financial statements.

*** The investments were classified above as associates due to the presence of indicators from the investor in influencing the financial and operating decisions of these companies.

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6- Investments in associates - follow

B. The following summary of assets, liabilities, revenues and companys' share of associates P/L :

Activity	Assets		Liabilities		Revenues		Companys' share of associates P/L JD
	JD		JD		JD		
<u>National</u>							
<u>Public shareholding companies (listed)</u>							
First Finance Co.	51,514,095	3,971,802	3,186,141	313,660			
Jordanian Real Estate Co. for Development	36,900,831	1,689,430	1,253,894	45,985			
Contempro Co. for Housing projects	7,258,249	359,314	1,171,779	1,786			
Ibn Al Haytham Hospital Company	29,545,027	15,141,552	11,704,247	(1,302,458)			
Total	125,218,202	21,162,098	17,316,061	(941,027)			
<u>Limited liability companies (unlisted)</u>							
Inernational Co. for Medical Investments	2,507,002	535,640	42,212	16,972			
Arab Int'l Food & Factories & Investments Co.	21,948,877	100,782	699,169	211,511			
Ettihad Schools Co.	25,719,442	8,241,024	7,235,552	(87,433)			
Alomana' for Investment & portfolio management	10,497,344	764,904	366,977	50,961			
Trans World Information Technology Co.	666,898	2,429	15,511	4,237			
Applied Energy Co. *	-	-	-	-			
Jordanian Consultative Center for Administrative	-	-	-	-			
Total	61,339,563	9,644,779	8,359,421	196,248			
Total	186,557,765	30,806,877	25,675,482	(744,779)			

* There is no financial information because the financial statements were not issued.

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6- **Follow - Investment in associates**

C. **The movement of investment in associates during the period as follow :**

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	50,213,591	52,055,153
Company's share of associates profit	(744,779)	(945,819)
Net changes in fair value for associates	(1,340,510)	(437,711)
Dividends received from associates	(339,958)	(194,263)
Expenses and income tax for previous years	(593,873)	(250,222)
Associates impairment	-	(40,000)
Gains (losses) from selling financial assets - associates companies	11,986	2,525
Company's share of changes in fair value for financial assets through income	33,344	2,180
Company's share of transferred from fair value reserve to retained earnings	-	(18,252)
Acquisitions of associates investment	5,699	40,000
Transfer from affiliated investments to the allied	(51,017)	-
Balance ending of the year	<u>47,194,483</u>	<u>50,213,591</u>

D. For purposes of company's membership in the associates board of directors and other purposes for Security Depository Center , the number of share reserved as follows:

		<u>2023</u>	<u>2022</u>
	No. of shares	Market Value	
	Share	JD	JD
First Finance Co.	50,000	25,000	29,000
Jordanian Real Estate Co. for Development	5,000	2,650	2,650
Ibn Al Haytham Hospital Company	20,000	18,400	-
Total		<u>46,050</u>	<u>31,650</u>

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7- Property , plant & equipments - Net

A. This item consists of the following :

	Lands		Buildings & constructions		Medical & Laboratory equipment & office machines		Furniture & fixtures		Scientific research instrument - solar energy		Cars & buses		Books & yearicals		Tools & equipments		Laboratory equipments		Educational & clarification tools		Power plant		Others		Irrigation networks		Parking		Leasehold improvements		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Balance beginning of the year	10,145,305	41,892,757	15,065,212	4,607,873	2,984,405	2,762,144	3,341,158	292,859	198,071	325,636	151,191	55,752	20,582	112,828	54,050	82,009,823																
Additions for the year	-	155,825	726,848	233,912	1,916	650,336	12,233	2,610	-	300	-	-	-	-	4,840	1,788,820																
Disposals for the year	-	-	(5,031)	-	-	-	-	-	-	-	-	-	-	-	-	(5,031)																
Balance ending of the year	10,145,305	42,048,582	15,787,029	4,841,785	2,986,321	3,412,480	3,353,391	295,469	198,071	325,936	151,191	55,752	20,582	112,828	58,890	83,793,612																
Accumulated depreciations																																
Balance beginning of the year	-	27,332,195	13,839,128	4,473,906	1,944,898	2,559,293	2,718,344	266,143	159,508	324,958	151,184	54,283	15,104	74,791	21,620	53,935,355																
Depreciations for the year	-	1,005,874	402,116	66,013	268,346	77,595	60,261	6,880	18,999	55	-	600	1,100	16,924	10,914	1,935,677																
Disposals for the year	-	-	(1,069)	-	-	-	-	-	-	-	-	-	-	-	-	(1,069)																
Balance ending of the year	-	28,338,069	14,240,175	4,539,919	2,213,244	2,636,888	2,778,605	273,023	178,507	325,013	151,184	54,883	16,204	91,715	32,534	55,869,963																
Book value as of December																																
31, 2023	10,145,305	13,710,513	1,546,854	301,866	773,077	775,592	574,786	22,446	19,564	923	7	869	4,378	21,113	26,356	27,923,649																
Book value as of December																																
31, 2022	10,145,305	14,560,562	1,226,084	133,967	1,039,507	202,851	622,814	26,716	38,563	678	7	1,469	5,478	38,037	32,430	28,074,468																

B. Depreciated cost of property , plant & equipments and still in uses JD 33,677,582 as of December 31, 2023 (JD 31,743,019 as of December 31, 2022).

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8- Projects under construction

A. This item consists of the following :

	Date of expected completion	Completion rate	2023	2022
		%	JD	JD
Land scape project	May-24	62	392,960	337,151
Colleges laboratories equipping project	Jan-24	88	24,022	51,507
Other projects	Jan-24	89	18,493	5,989
Dentistry project	Jul-24	70	4,857,431	1,660,569
Electronic gates project	Jun-24	95	166,440	146,003
A control room project for the practical application of the nursing specialty	Mar-24	90	21,221	101,780
Gym isolation project	Mar-24	87	91,755	116,830
Maintaining the teaching halls in the gymnasium	Jan-24	87		47,583
University controlled camera project	Jan-24	-	211,642	-
Solar Power Project	May-24	39	893,379	812,163
Total			6,677,343	3,279,575

B. Total expected costs for projects under construction of JD **10,931,661** .

9- Intangible assets - Net

A. This item consists of the following :

	2023	2022
	JD	JD
<u>Computer software</u>		
<u>Cost</u>		
Balance beginning of the year	721,002	716,268
Additions for the year	-	4,734
Balance ending of the year	721,002	721,002
<u>Accumulated depreciations</u>		
Balance beginning of the year	710,563	708,507
Amortizations for the year	2,686	2,056
Balance ending of the year	713,249	710,563
Net book value	7,753	10,439

B. Amortized cost of intangible assets and still in use JD **710,091** as of **December 31, 2023**
(JD **707,405** as of **December 31, 2022**) .

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10- **Cheques under collection**

A. This Item Consists of :

	2023		2022	
	<u>Short term</u>	<u>Long term</u>	<u>Short term</u>	<u>Long term</u>
	JD	JD	JD	JD
Cheques under collection (10 B)	<u>102,775</u>	<u>2,100</u>	<u>131,307</u>	<u>10,500</u>

B. Cheques under collection maturity date extend to **January 3, 2025** .

11- **Financial assets at fair value through comprehensive income statement**

A. This item consists of :

	<u>2023</u>	<u>2022</u>
<u>Local</u>	JD	JD
<u>Public Shareholding Companies (listed)</u>		
Financial assets portfolio	708,089	708,089
Diduct: Fair Value Reserve for Financial Assets	<u>(587,603)</u>	<u>(618,778)</u>
Fair value	<u>120,486</u>	<u>89,311</u>

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12- The right to use assets & rent contracts liabilities

A- The movement of the right to use assets & rent contracts liabilities during the period as follow :

	The right to use assets	Rent contracts' liabilities
	JD	JD
Balance as of January 1, 2022	82,812	82,812
Depreciation of the right to use assets	(27,604)	-
Interests on rents contracts liabilities	-	7,453
Payments/ payable	-	(32,715)
Balance as of December 31, 2022	55,208	57,550

B- Classification of contracts liabilities

	2023	2022
	JD	JD
Rent contracts' liabilities - long term	25,262	-
Rent contracts' liabilities - short term	32,288	-
Total	57,550	-

13- Cash & cash equivalents

A. This Item Consists of :

	2023	2022
	JD	JD
Cash on hand	19,432	38,594
Current accounts at banks	702,922	715,886
Bank's deposits (note 13 B)	5,005,705	5,424
Total	5,728,059	759,904

B. The average interest rate on deposits with banks is 5.5 % , which is pegged on a monthly basis.

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14- **Accounts receivable - net**

A. This Item Consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Students receivable	4,181,519	3,654,386
Deduct: expected credit losses (note 14 C)	(1,774,660)	(1,885,126)
Net	<u>2,406,859</u>	<u>1,769,260</u>

C. **The movement of expected credit losses during the year as follow :**

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	1,885,126	1,662,153
Additions for the year	87,754	222,973
Return on expected credit losses	(198,220)	-
Balance ending of the year	<u>1,774,660</u>	<u>1,885,126</u>

15- **Financial assets at fair value through income statement**

This item consists of :

	<u>Number of shares</u>	<u>2023</u>	<u>2022</u>
	Share	JD	JD
<u>Local</u>			
<u>Public shareholding companies (Listed)</u>			
Al-Isra for education and investment Co.	106,081	397,804	392,500
<u>Public shareholding companies (Un-listed)</u>			
First national vegetable oil industries Co.	350,575	24,539	24,539
Fair value		<u>422,343</u>	<u>417,039</u>

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16- **Warehouse supplies and other - net**

This Item Consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Maintenance & Spare Parts Warehouse	164,837	156,063
Appliances & Electronics Warehouse	102,744	62,081
Stationery Warehouse	58,311	86,781
Different warehouses	151,769	93,188
Drug Warehouse	17,817	11,421
Total	<u>495,478</u>	<u>409,534</u>

17- **Other debit balances - net**

A. This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Prepaid expenses	319,848	203,740
Refundable deposits	251,063	244,716
Employees receivable	221,949	155,151
Advanced payments & others (note 17 B)	5,667,728	519,655
Employees receivable - scientific research	588,409	325,874
Employees receivable - scholarship (note 17 C)	284,338	352,216
Other debit accounts	703,167	517,634
Total	<u>8,036,502</u>	<u>2,318,986</u>
Deduct: expected credit losses (note 17 C)	(1,040,420)	(510,420)
Net	<u>6,996,082</u>	<u>1,808,566</u>

B. **Details of advanced payments & others**

	<u>2023</u>	<u>2022</u>
	JD	JD
Other advanced payments*	5,667,728	519,655
Total	<u>5,667,728</u>	<u>519,655</u>

* Represents batches on the Faculty of Medicine project and others

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C. Employees receivables - scholarships represent the value of students 'scholarships to study outside Jordan, which covers study bills, monthly salaries, travel tickets, health insurance, and others. These receivables are closed in scholarship and scientific research expenses based on the calculation of 2% of the university's revenues. Which were allocated by the Ministry of Higher Education for the purposes of scientific research, and these receivables are guaranteed by first-class mortgages in favor of the university, checks and bills of exchange covering the value of 150% of the value of the scholarships.

D. The movement of expected credit losses during the year as follow :

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	510,420	310,420
Additions for the year	450,000	200,000
Transfer from custom issues	80,000	-
Balance ending of the year	<u>1,040,420</u>	<u>510,420</u>

18- Owners' equity

- Authorized & paid up capital

Declared & Paid capital amounted of JD **40,500,000** distributed on **40,500,000** shares, of Nominal value for each share of one JD .

- Statutory reserve

This item represents the accumulated amounts appropriated at a rate of **10%** of annual income and prior years, the appropriation will stop when the statutory reserve amount equals the capital , it is not available for distribution to the shareholders, provided that deductions for statutory reserve account do not exceed **25%** of the paid up capital, and it can be used for amortization accumulated loss in accordance with the companies law. The board of directors in its meeting number **2/2013** held on **February 25, 2013** to stop deducting statutory reserve according to reached to **25%** of declared and paid up capital.

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- Fair value reserve

Fair value reserve represents of Decrease or increase of financial assets fair value as follows :

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance at beginning of the year	1,661,577	1,705,628
Change during the year	(1,309,335)	(462,735)
Transferred from fair value reserve to retained earnings	81,662	418,684
Balance at ending of the year	<u>433,904</u>	<u>1,661,577</u>

- Retained earnings

The movement of retained earnings during the year as follow :

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance at begginig of the year	25,334,819	26,296,551
Expenses and income tax for previous years	(593,873)	(316,662)
Adjusted opening balances	24,740,946	25,979,889
Profit for the year after tax	4,802,435	3,766,493
Transferred from fair value reserve to retained earnings	(4,050,000)	(4,050,000)
Gains (losses) from selling financial assets - associates companies	(81,662)	(418,684)
Changes in fair value for financial assets through income	5,304	54,596
Dividends paid to shareholders *	11,986	2,525
Balance at ending of the year	<u>25,429,009</u>	<u>25,334,819</u>
<u>It's distributed as follows:</u>		
Retained earnings from realized profit	13,136,556	12,719,698
Retained earnings from unrealized profit	12,292,453	12,615,121
Retained earnings at ending of the year	<u>25,429,009</u>	<u>25,334,819</u>

* The General Assembly of Shareholders decided, in its meeting held on **April 17, 2023**, to approve the distribution of cash dividends to shareholders for the year **2022**, at a rate of **10%** of the capital, at a value of **JD 4,050,000**

- Minority interests

This item represents the minority interests from the equity in the subsidiary company. The minority interests are shown in the consolidated income statement as a separate item and in the consolidated financial position as a separate item from the equity of the company's shares.

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19- **End of service idemnity**

The movement of end of service idemnity during the year as follow :

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	399,789	345,024
Additions for the year	27,083	54,765
Return to income statement	(68,906)	-
Balance ending of the year	<u>357,966</u>	<u>399,789</u>

20- **Deffered cheques**

A. This Item Consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Short term	39,609	249,233
Long term	39,527	36,232
Total	<u>79,136</u>	<u>285,465</u>

B. Deffered checks maturity date extend to **June 15, 2025** .

C. Deffered checks represent the value of payments to the associate company (Applied Energy Company) amounted of JD **1,022,483** to pay part of the company's share in the renewable energy project wick mentioned in projects under construction, and in the value of payments to the Income and Sales Tax Department at a value of JD **62,889** .

21- **Banks overdraft**

A. This item consists of :

	<u>Facilities limit</u>	<u>Interest rate</u>	<u>2023</u>	<u>2022</u>
	JD	%	JD	JD
<u>Parent company</u>				
Arab bank	3,250,000	10	3,273,821	196,836
Ittihad bank	5,000,000	8.75	5,028,971	9,854
Total			<u>8,302,792</u>	<u>206,690</u>

B. Arab Bank facilities are due on **May 27, 2024**

C. Bank al Etihad facilities are due on **December 31, 2024** .

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22- Loans

A. This Item Consists of :

	<u>2023</u>	<u>2022</u>
	Short term	Long term
	JD	JD
Al-Rajhi Bank (22B)	7,429,672	3,572,283
Total	<u>7,429,672</u>	<u>3,572,283</u>

B. The university obtained 4 loans from Al Rajhi Bank on August 15, 2023, October 28, 2023, November 8, 2023 and November 25, 2023 respectively, with a total value of JOD 7,429,672, in exchange for selling goods to the customer on time, the loans are due on February 26, 2024, May 16, 2024, July 29, 2024 and November 11, 2024 respectively, and profits of JOD 429,672 were calculated for the three loans. as deferred earnings.

23- Unearned revenues

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Tuition fees and others	2,363,857	2,044,418
Revenue of credit hours (note 26)	1,081,643	958,130
Rent & others	55,022	25,669
Total	<u>3,500,522</u>	<u>3,028,217</u>

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24- **Income tax provision**

A. **The movement of income tax provision during the period as follow :**

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	741,007	581,908
Tax of the year (note 24 C)	1,591,930	1,403,857
Paid tax during the year	(1,061,601)	(1,241,117)
Income tax to du Bank interest paid during the year	(11,054)	(3,641)
Balance ending of the year	<u>1,260,282</u>	<u>741,007</u>

- B. Tax for 2020 has also been submitted self-assessment statements for income tax for 2021 and 2022 and has not yet been reviewed by the Income and Sales Tax Department.

The income tax of the subsidiary company (Modern Medical University of Jordan Company) for the year 2022 was accepted within the sampling system.

C. **The following is the distribution of income tax for the year:**

	<u>2023</u>	<u>2022</u>
	JD	JD
The parent company (Arab International Company for Education and Investment)	1,565,698	1,395,207
Subsidiary company (Jordan University Medical Company)	26,232	8,650
Total income tax	<u>1,591,930</u>	<u>1,403,857</u>

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25- **Other credit balances**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Due to shareholders	252,479	430,166
Cases provision (note 32)	1,208,238	1,089,420
Due to social security, income tax & sales tax	256,689	163,831
Due to others	154,125	150,060
Provision for remuneration of members of the Board of Directors	59,521	60,000
Accrued expenses	311,621	41,310
Vacations provision	131,038	147,319
Provision for second yearly salary	6,094	3,731
Employees & resigned payable & others	112,718	121,326
Contractors retentions	5,288	6,634
Receivables of the members of the Board of Directors	1,629	-
Total	<u>2,499,440</u>	<u>2,213,797</u>

26- **Net revenues**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Credit hours fees	18,084,919	15,601,029
Services & students transfers fees	7,018,706	5,965,312
Registration fees & others	1,241,798	724,421
Total	<u>26,345,423</u>	<u>22,290,762</u>
Deduct: unearned revenues (note 23)	(1,081,643)	(958,130)
Net	<u>25,263,780</u>	<u>21,332,632</u>

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27- Operating expenses

A. This item consists of :	<u>2023</u>	<u>2022</u>
	JD	JD
Employees costs (note 27 B)	9,753,244	8,856,991
Teaching, research, scholarship and students activities needs	2,275,882	1,504,202
Depreciations & amortizations	1,891,071	1,839,080
Medical materials, printing and film development	165,506	92,901
Water, electricity & fuel	1,072,655	899,283
College accreditation fees	566,253	292,713
Maintenance	259,787	363,134
Insurance and licenses	244,546	236,021
Stationary, printing and computers' needs	183,830	84,021
Advertising, newspapers & magazines	216,195	96,632
Entertainment & donations	74,233	70,547
Cleaning services and cleaning materials	50,035	47,063
Communications and post & internet	35,098	35,093
Trustees board transportations	49,992	50,447
Professional fees & suits	121,321	102,637
Others	44,645	15,062
Agricultural expenses	26,653	37,232
Total	<u>17,030,946</u>	<u>14,623,059</u>

B. Employees costs (operating)

This item consists of :	<u>2023</u>	<u>2022</u>
	JD	JD
Salaries, wages and bonuses	8,584,580	7,813,943
Company's share of social security	1,026,183	921,945
Medical insurance	100,521	44,448
Clothes & protective materials	23,029	15,667
End of service indemnity	16,568	30,813
Third and fourteenth salaries and special contract bonuses	2,363	30,175
Total	<u>9,753,244</u>	<u>8,856,991</u>

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28- General and administrative expenses

A. This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Employees costs (note 28 B)	752,616	747,264
Depreciations & amortizations	59,521	60,000
Boards of director rewards provision	35,715	36,000
Transportations of members of the boards of directors	11,585	10,926
Maintenance	30,170	20,923
Governmental fees & licenses	1,635	1,252
Advertising, newspapers, magazines & travel	1,906	1,270
Stationary, printing and computers' needs	5,254	5,471
Communications and post & internet	2,426	1,993
Entertainment , cleaning & donations & others	2,640	1,940
Water, electricity & fuel	3,310	4,919
Insurance and licenses	47,293	46,020
Cleaning services and materials	27,604	29,389
Professional fees and cases	7,453	704
Depreciation of the right to use assets	-	40,000
Interests on rents contracts liabilities	3,166	2,327
Associates impairment	2,694	9
Consultations and studies	3,775	-
Total	<u>998,763</u>	<u>1,010,407</u>

B. Employees costs (administrative)

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Salaries , wages and bonuses	587,521	577,410
Company's share of social security	17,218	16,105
Medical insurance	15,862	8,268
Income tax	121,500	121,529
End of service indemnity	10,515	23,952
Total	<u>752,616</u>	<u>747,264</u>

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29- **Other revenues**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Booths rent revenues	85,117	40,457
Universitys' facilities net revenues	177,658	113,213
Cources net revenues	151,371	124,246
Others	431,132	233,800
Capital (losses) gains	390	(2,001)
End of scholarship revenues / claims	-	476,448
Returned from provision of second and special contracts	16,281	12,895
(Losses) from selling stagnant goods	-	22,456-
Dividends	30,533	40,120
Returned from the annual vacation provision	-	44,227
Return for end of service indemnity provision	68,906	-
Banks' interests revenues	138,182	43,171
Total	<u>1,099,570</u>	<u>1,104,120</u>

30- **Basic and diluted earning per share**

This item consists of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Profit of the period after tax (JD)	4,803,070	3,766,493
Weighted average shares (share)	40,500,000	40,500,000
Basic and diluted earning per share	<u>0.119</u>	<u>0.093</u>

The diluted earning per share is equal to the basic earning per share .

31- **Contingent liabilities**

At the date of financial statements there were contingent liabilities represented of :

	<u>2023</u>	<u>2022</u>
	JD	JD
Banks guarantees	439,212	1,191,808
Deduct: Banks' gurantees deposits	(43,921)	(119,280)
Total	<u>395,291</u>	<u>1,072,528</u>

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32- Legal situation

There are cases filed by the company against others with a value of 964,091 Jordanian dinars, and it includes cases filed against the Ministry of Higher Education and Scientific Research, and the number (2) and the subject of which is preventing a claim to pay an amount of 790,814 dinars, considering that this amount is in excess of the percentage allocated for the purposes of scientific research and delegation for previous years, and the company must transfer it to the Scientific Research Fund, which is still pending before the Court of Appeal and Cassation, and sufficient allocations have been formed for it. Within the financial statements, where a provision for cases of 1,208,238 dinars was allocated against the cases filed above

There are cases filed by third parties against the company with a value of **144,976** Jordanian Dinar. In the opinion of the company's legal advisor, the outcome of these cases will be in favor of the company.

33- Related parties transactions

Related parties include key shareholders , key management personnel , key managers , associates and subsidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

A. Details of due from related parties appear on financial position - net

	<u>Type of transaction</u>	<u>2023</u>	<u>2022</u>
		JD	JD
<u>Associates</u>			
Arab International Factories Company for Food & Investment	Expenses	-	6,569
International Co. for Medical Investments	Exp. & Assest	139,670	150,151
Ettihad Schools Co.	Finance	16,379	19,337
Jordanian Consultative Center for Administrative Development and Capacity Building	Finance	86,500	86,500
Al-Amana Investment & Portfolio Management Company	Exp. & insu.	5,429	467
Amana Company for Agricultural and Industrial Investments	Financial Brokerage	33,917	33,917
Jordan Real Estate Development Company	Expenses	3,746	-
Hassan Muhammad Hussein Momani	Withdrawals	8,477	-
Total		294,118	296,941
Deduct : expected credit losses (note 33 B)		(120,418)	(120,418)
Net		173,700	176,523

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B. The movement of end of expected credit losses during the year as follow :

	<u>2023</u>	<u>2022</u>
	JD	JD
Balance beginning of the year	120,418	120,418
Disposals for the year (closed to provision)	-	-
Balance ending of the year	<u>120,418</u>	<u>120,418</u>

C. Details of due to related parties appear on financial position

	<u>Type of transaction</u>	<u>2023</u>	<u>2022</u>
		JD	JD
<u>Associates</u>			
Trans World Information Technology Co.	S. wares & insu.	88,542	88,542
Jordan Real Estate Development Company	Expenses	-	14
Haman Real Estate Company	Rents	394	1,175
Ibn Al Haytham Hospital Company	Health ins. Revenues	189,482	45,460
Total		<u>278,418</u>	<u>135,191</u>

D. Details of related parties balances appear on statement of income

	<u>Type of transaction</u>	<u>2023</u>	<u>2022</u>
		JD	JD
<u>Associates</u>			
Ibn Al Haytham Hospital Company	Health ins. Revenues	260,876	136,614
Total		<u>260,876</u>	<u>136,614</u>

E. Wages , allowances and other benefits for senior excutive managements :

	<u>2023</u>	<u>2022</u>
	JD	JD
Wages & other benefits	<u>764,108</u>	<u>958,467</u>

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34- **Sectors classification**

The company has several sectors as described below and are strategic in the company. Strategic departments provide different products and services, and are managed separately because they require different technical and marketing strategies.

Information relating to the result of each sector is included in the report below. Performance is measured based on the profit segment before tax, as reported in internal management reports reviewed by the company's management. The profit of the segment is used to measure performance where management believes that this information is most important in evaluating the results of certain segments relating to other entities operating within these segments.

When providing information on geographical basis, segment revenue is based on the geographical location of the customers and the segment's assets are based on the geographical location of the assets.

The company operates its activities in major operating segments, which comprise of education and Medical & investments and others.

The company operated its activities inside of JORDAN.

	2023			
	<u>Main activity</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	25,263,780	(744,779)	1,297,790	25,816,791
<u>Assets & liabilities</u>				
Assets	47,675,021	47,737,312	5,728,059	101,140,392
Liabilities	-	-	24,650,844	24,650,844
<u>Other sectors informations</u>				
Capital expenses	-	-	1,788,820	1,788,820
Depreciations	-	-	1,938,363	1,938,363
	2022			
	<u>Main activity</u>	<u>Investments</u>	<u>Others</u>	<u>Total</u>
	JD	JD	JD	JD
Revenues	21,332,632	(945,819)	1,104,120	21,490,933
<u>Assets & liabilities</u>				
Assets	87,668,714	542,829	759,904	88,971,447
Liabilities	-	-	11,350,051	11,350,051
<u>Other sectors informations</u>				
Capital expenses	-	-	457,935	457,935
Depreciations	-	-	1,885,100	1,885,100

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35- **Assets & liabilities accrual analysis**

The following table shows the analysis of assets and liabilities according to the expected period of their recovery or settlement:

	2023		Total JD
	Until 1 year	More than 1 year	
	JD	JD	
<u>Assets</u>			
Investments in associates	-	47,194,483	47,194,483
Property, plant & equipments - net	-	27,923,649	27,923,649
Projects under construction	-	6,677,343	6,677,343
Down payments on solar project account	-	2,826,556	2,826,556
Intangible assets - net	-	7,753	7,753
Cheques under collection	102,775	2,100	104,875
Financial assets at fair value through comprehensive income st.	-	120,486	120,486
The right to use assets	-	55,208	55,208
Cash & cash equivalents	5,728,059	-	5,728,059
Accounts receivable - net	2,406,859	-	2,406,859
Due from related parties	173,700	-	173,700
Financial assets at fair value through income statement	422,343	-	422,343
Supplies warehouse and other	495,478	-	495,478
Goods in the trust fee	7,518	-	7,518
Other debit balances - net	6,996,082	-	6,996,082
Total assets	16,332,814	84,807,578	101,140,392
<u>Liabilities</u>			
Banks overdraft	8,006,430	296,362	8,302,792
Accounts payable	533,364	-	533,364
Due to related parties	278,418	-	278,418
Unearned revenues	3,500,522	-	3,500,522
Students refundable deposits	351,702	-	351,702
Income tax provision	1,260,282	-	1,260,282
Other credit balances	2,499,440	-	2,499,440
Provision for end of service indemnity	-	357,966	357,966
Deffered cheques	39,609	39,527	79,136
Loans	7,429,672	-	7,429,672
Rent contracts' liabilities	25,262	32,288	57,550
Total liabilities	23,924,701	726,143	24,650,844
Net	(7,591,887)	84,081,435	76,489,548

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35- **Follow - Assets & liabilities accrual analysis**

This item consists of the following :

	2022		
	Until 1 year	More than 1	
		year	Total
JD	JD	JD	
<u>Assets</u>			
Investments in associates	-	50,213,591	50,213,591
Property, plant & equipments - net	-	28,074,468	28,074,468
Projects under construction	-	3,279,575	3,279,575
Down payments on solar project account		1,821,430	1,821,430
Intangible assets - net	-	10,439	10,439
Cheques under collection	-	10,500	10,500
Financial assets at fair value through comprehensive income st.	-	89,311	89,311
The right to use assets	759,904	-	759,904
Cash & cash equivalents	1,769,260	-	1,769,260
Accounts receivable - net	131,307	-	131,307
Due from related parties	176,523	-	176,523
Financial assets at fair value through income statement	417,039	-	417,039
Supplies warehouse and other	409,534	-	409,534
Goods in the trust fee	1,808,566	-	1,808,566
Other debit balances - net	5,472,133	83499314	88971447
Total assets			
<u>Liabilities</u>	206,690	-	206,690
Banks overdraft	479,454	-	479,454
Accounts payable	135,191	-	135,191
Due to related parties	3,028,217	-	3,028,217
Unearned revenues	288,158	-	288,158
Students refundable deposits	741,007	-	741,007
Income tax provision	2,213,797	-	2,213,797
Other credit balances	-	399,789	399,789
Provision for end of service indemnity	249,233	36,232	285,465
Deffered cheques	3,572,283	-	3,572,283
Loans	10,914,030	436,021	11,350,051
Rent contracts' liabilities	(5,441,897)	83,063,293	77,621,396
Total liabilities			
Net			

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36- **Risk management**

Interest price risk

Company is facing interest price risks on its assets and liabilities because the company having deposits and facilities at banks .

Credit risks

These risks rise from receivables & others treatments which may cause defaults from parties to pay their commitments.

The management believes that there are no credit risk facing the company because there are no any receivables or material balances at banks .

Liquidity risks

Liquidity risks represents of inability making sure of facilities availability to performance its obligations in due dated.

The following schedule summarizes distribution of financial liabilities (non-discounted) as of **December 31,2023**

Liquidity as of financial statements as follows :

	<u>2023</u>	<u>2022</u>
	JD	JD
Current assets	16,332,814	5,472,133
Current liabilities	<u>(24,221,063)</u>	<u>(10,914,030)</u>
Deficit of working capital	<u>(7,888,249)</u>	<u>(5,441,897)</u>

Managemnet of the company create available financial resources when needed and through the company's operation, based on that the management foresees no issues in meeting the current liabilities when these liabilities due at least for the twelve months.

Currencies risks

Most of company's transactions was in Jordanoan Dinars , so the effect of currencies risks is not material to financial statements .

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37- Subsequent events

There are no subsequent events may have material affects to financial position .

38- Capital management

Main objective of capital management is to insure keeping capital ratio appropriate to support company's activity and maximizing Shareholders equity .

Company managing capital structure and making needs adjustments according to ganges in work conditions ,the company structuring capital by decrease it because of no needs for this amount currently .

The items include in capital structure represents of paid capital & shares owned by subsidiary & statutory reserve & retained earnings totaling of JD **76,054,009** as of December **31, 2023** opposite of JD **75,959,819** as of **December 31, 2022**.

39- Comparative figures

Some of the comparative figures have been reclassified to suit the classification of the current fiscal year figures. The reclassification and did not result in any impact on the profit or property rights of the previous year.