

نموذج رقم (2-1) Form No. (1-2)	
To: Jordan Securities Commission Amman Stock Exchange Date:- 20 /03/2019 Ref. : 147/2019 Subject: Audited Financial Statements for the fiscal year ended 31/12/2018	السادة هيئة الاوراق المالية السادة بورصة عمان ✓ التاريخ:- 2019/03/20 رقم الكتاب : 2019/147 الموضوع: البيانات المالية السنوية المدققة للسنة المنتهية في 2018/12/31
1- Attached the Audited Financial Statements of (Rumm Financial Brokerage Co.) for the fiscal year ended 31/12/2018 in Arabic and English Languages .	1- مرفق طيه نسخة من البيانات المالية المدققة لشركة (رم للوساطة المالية (م. ع. م.) عن السنة المالية المنتهية في 2018/12/31 باللغتين العربية والإنجليزية .
2- (CD) containing Company Financial Statements for the fiscal year ended 31/12/2018 .	2- قرص مدمج (CD) يحتوي على البيانات المالية السنوية للشركة للسنة المنتهية في 2018 /12/31 .
Kindly accept our high appreciation and respect Rumm Financial Brokerage Co. General Manager Ayham AL-Khasawneh	وتفضلوا بقبول فائق الاحترام،،، شركة رم للوساطة المالية المدير العام أيهم الخصاونه



Rum Financial Brokerage

" Public Shareholding Company"

Amman- The Hashemite Kingdom of Jordan

Final Financial Statements & Independent Auditor's Report

For The Year Ended December 31, 2018

Rum Financial Brokerage

"Public Shareholding Company"

Amman- The Hashemite Kingdom of Jordan

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Ref No. : 60004/2019/134

Independent Auditor's Report

**M/S General Assembly of
Rum Financial Brokerage
"Public Shareholding Company"
Amman- The Hashemite Kingdom of Jordan**

Opinion

We have audited the financial statements of Rum Financial Brokerage " Public Shareholding Company", which consist of the financial position statement as at 31 December 2018, as well as the statements of Comprehensive income, changes in equity and cash flows for the year then ended, and the related notes to the financial statements, along with a summary on the most significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and of its financial performance and its 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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independency

We are independent from the company as per the requirements of the International Ethics Standards Board for Accountants "Guide Code of Ethics for Professional Accountants" and the ethical requirements related to our audit of the financial statements, and we have met our other ethical responsibilities in accordance with those requirements.

Key Audit Matters

Key audit matters are, in our professional discretion, of great importance to our audit of the financial statements for the current year; these matters have been taken into consideration in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, rather than for the purpose of giving a detailed opinion on these matters.

1- Financial Assets at Fair Value through Other Comprehensive Income :

Describe the important audit order	How the important audit was processed in our audit
<p>By referring to Note No. (5) in the financial statements, the fair value of the financial assets was in the amount of "1,845,768" JD, comparing to "682,373" JD at the end of the previous year, where the company has maintained these investments for trading purposes and generating profits through the fluctuations in the short term market prices.</p> <p>Realized loss amount is " 30,416 " JD and unrealized losses resulting from presenting these investments at fair value is " 324,160 " JD .</p>	<p>During our audit of line of financial assets at fair value through other Comprehensive income, we have performed the following :</p> <ul style="list-style-type: none"> - Verified the ownership of these assets by the company by examining the sale and purchase invoices and obtaining a certificate of ownership from Securities Depository Center. - Verified any encumbrances or mortgages that would prevent the company from disposing of such assets. - Verified that the company has recorded these assets at fair value on the date of purchase of the subsequent evaluation and presentation of these differences in the Comprehensive income statement. - We have evaluated the completeness and authenticity of disclosures related to financial assets at fair value through the other Comprehensive income, and evaluated the compliance with the disclosure requirements according to the International Financial Reporting Standards.

2- Brokerages Client / Accounts Receivable:

Describe the important audit order	How the important audit was processed in our audit
<ul style="list-style-type: none"> - As set in Note No. (3) of the financial statements, the brokerages client / accounts receivable were in the amount of " 2,492,885 " JD before subtracting the provision for doubtful debts which total " 645,698 " JD, so that the net value of brokerage client account receivable totaled " 1,847,187 " JD, comparing to " 3,309,187 " JD in 2017. - Brokerages client account for which a provision is required to be made in accordance with the established principles of the Securities Commission totaled " 645,698 " JD, while the provision for doubtful debts as per the books of the company totaled " 645,698 " JD where the management of the company indicated that the formed provision is sufficient to cover the doubtful debts. 	<p>During our audit of line of Brokerages client / Accounts Receivable, we have performed the following:</p> <ul style="list-style-type: none"> - Evaluated the adopted methodology of the management for determining the value of the provision. - Examined a sample of mediation clients classified by the management as insolvent with a view to evaluate the reasonability of their classification. - Examined the procedures and systems of relevant internal control as adopted by the management. - Examined the procedures observed by the management in determining the amount of the provision as at December 31, 2017.

Other Information

The management is responsible for other information. Other information includes all information stated in the annual report of the company on 2018, except for the financial statements and the auditor's report. No other information has been provided to us up to the date of our report, as it is expected to provide us with other information after this date.

Our opinion on the financial statements does not cover the other information, and we do not and will not express any affirmative conclusion thereon. In auditing the financial statement, our responsibility involves reading the other information, through which we are to determine whether the other information is materially inconsistent with the financial statements or the knowledge we have obtained during the auditing process, or whether it appears to contain material misstatements.

Responsibility of Management and Person in Charge of Governance for the Financial Statements

The management is responsible for the preparation and presentation of the financial statements in a fair manner in accordance with the International Financial Reporting Standards, and for the internal control that the management deems necessary for enabling it from preparing financial statements free from any material misstatements, whether resulting from an error or fraud.

Furthermore, responsibility of the management at preparing the financial statement includes an evaluation of the ability of company to continue, and the disclosing, as the case may be, of the matters related to the continuity of the company, and using the accounting continuity assumption unless the managements intended to liquidate the company or cease its operations, or if it has no other reasonable alternative for the same.

Auditor's Responsibility for Auditing the Financial Statements

Our aim is to obtain reasonable assurance as to whether the financial statements are free of any material misstatements, whether resulting from an error or fraud, and to issue the auditor's reports that contains our opinion thereon.

Reasonable assurance is a high level of confirmation, yet not a guarantee that the audit we have conducted in accordance with the International Auditing Standards would always detect any material misstatement, if any.

As part of the auditing process in accordance with the International Auditing Standards, we use professional judgment and maintain the application of professional doubt principle in all aspect of the audit, in addition to :

- Determining and evaluating the risks of material misstatements in the financial statements, whether resulting from an error or fraud, designing and performing auditing procedures responsive to such risks; and obtaining sufficient and suitable to provide a basis for our opinion. The risk of failure to detect any material misstatements resulting from fraud is higher than the result of the misstatement. Furthermore, fraud may involve collusion, forgery, intentional omission, misrepresentations or violation of internal controls.
- Obtaining an understanding of the internal controls related to auditing with a view to design suitable audit procedures under circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.

- Evaluating the appropriateness of the applicable accounting policies and the reasonableness of significant estimates and relevant notes made by the management.
- Reaching a conclusion as to the appropriateness of the use of the accounting ongoing concern assumption by the management and, based on the auditing evidence we have obtained, whether there is a material uncertainty related to events or circumstances that may give rise to major doubts on the ability of the company to continue as an ongoing concern. If we conclude that there is a material uncertainty, we are required to draw attention in our auditor's report to the related notes in the financial statements; or to adjust our opinion if the disclosure of such information was insufficient. Our conclusions depend on the auditing evidence that we have obtained up to the date of our auditor's report; however, future events or circumstances may cause the company to cease as an ongoing concern.
- Evaluating the general presentation, form and content of the financial statements, including the notes, and whether the financial statements represent transactions and events in a manner achieving fair representation.
- Obtaining sufficient and suitable auditing evidence on the financial information of the entities or business activities within the group in order to express opinion on the financial statement. We are responsible for directing, supervising and completing the audit of the group, and we remain absolutely responsible for the auditor's report.
- We have communicated with the persons in charge of governance with a statement of our compliance with the requirements of professional conduct related to independency, and have informed them of all relations and other matters that may affect our independency and the precautions, if any.
- With the matters communicated to those in charge of governance, we have defined the most important matters to our auditing of the financial statements for the current year, and thus they are basic auditing matters. We describe these matters in our report unless there is a law or legislation that prevent us from disclosing the same, or in rare cases, if we decide not to disclose the same in our report due to adverse effects that are expected to exceed the general benefits from such disclosures.

Report on Legal Requirements

The company keeps regular accounting entries and records, and the financial statements are consistent with them in all material sides. We recommend attestation of these financial statements.

Amman- The Hashemite Kingdom of Jordan
12 / 02 /2019

Scientific Office for Auditing, Accounting & Consulting
Jamal Mohammed Falah
License No. "285"
Signed and Sealed

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Public Accountants

Rum Financial Brokerage
" Public Shareholding Company "
Amman- The Hashemite Kingdom of Jordan
Statement of the Financial Position as at 31 December 2018

<u>Description</u>	<u>Note</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
<u>Current Assets</u>			
Cash on hand and at banks	2	92,339	143,083
Brokerage clients / Accounts receivable	3	1,847,187	3,309,187
Other current assets	4	69,605	120,573
Total current assets		2,009,131	3,572,843
<u>Non-current assets</u>			
Financial assets at the fair value through comprehensive income	5	1,845,768	682,373
Guarantees deposits		122,000	122,000
Contributions to settlement guarantee fund	6	26,419	26,118
Intangible assets	7	1,675	1
Property and equipment, net	8	15,386	16,733
Total non-current assets		2,011,248	847,225
Total assets		4,020,379	4,420,068
<u>Liabilities and Shareholder's Equity</u>			
<u>Current liabilities</u>			
Brokerage client / accounts payable		44,825	58,052
Related parties accounts	9	6,937	560
Securities depository center		14,176	9,385
Other credit liabilities	10	21,130	53,111
Total current liabilities		87,068	121,108
<u>Shareholder's Equity</u>			
Authorized capital		4,500,000	4,500,000
Paid capital		4,000,000	4,000,000
Complosry reserve		147,415	147,415
Voluntary reserve		332,462	332,462
Fair value reserve		(324,160)	(113,918)
Retarned losses		(222,406)	(66,999)
Net Shareholder's Equity		3,933,311	4,298,960
Total liabilities and Shareholder's Equity		4,020,379	4,420,068

The accompanying notes constitute an integral part of this statement

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Rum Financial Brokerage

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Statement of Comprehensive Income for year ended 31 December 2018

<u>Description</u>	<u>Note</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
<u>Revenues</u>			
Brokerage commission revenues		166,068	386,883
Other revenues		2,065	6,873
Total Revenues		168,133	393,756
<u>Expenses</u>			
Depreciations and amortizations		(3,869)	(2,092)
Administrative and general expenses	11	(288,201)	(249,827)
Adjustment of previous year		(1,054)	-
Total expenses		(293,124)	(251,919)
Profit (losses) for the year before tax		(124,991)	141,837
Income tax	12	-	(20,363)
Profit (loss) for the year after tax		(124,991)	121,474
<u>Comprehensive Income Items</u>			
Realized losses from sale financial assets at fair value / other Comprehensive income		(30,416)	(56,992)
Change in fair value of financial assets through Other Comprehensive Income	5	(324,160)	(113,918)
Comprehensive loss of the year		(479,567)	(49,436)
		<u>JD / Fils</u>	<u>JD / Fils</u>
Earnings per share (basic and Diluted)	13	(0.031)	0.034
Weighted average for shares number		4,000,000	3,586,300

The accompanying notes constitute an integral part of this statement


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Rum Financial Brokerage
" Public Shareholding Company "
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Statement of changes in Shareholders' Equity for year ended 31 December , 2018

<u>Description</u>	<u>Capital</u>	<u>Compulsory</u>	<u>Voluntary</u>	<u>Fair value</u>	<u>Retained</u>	<u>Total</u>
	<u>JD</u>	<u>reserve</u>	<u>reserve</u>	<u>reserve</u>	<u>losses</u>	<u>JD</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>Balance at 31 December 2016</u>	3,000,000	138,930	332,462	(445,078)	(122,996)	2,903,318
Increase in capital	1,000,000	-	-	-	-	1,000,000
Profit of the year	-	-	-	-	84,845	84,845
Compulsory reserve	-	8,485	-	-	(8,485)	-
Provision for income tax	-	-	-	-	(20,363)	(20,363)
Change in the fair value reserve	-	-	-	331,160	-	331,160
<u>Balance at 31 December 2017</u>	4,000,000	147,415	332,462	(113,918)	(66,999)	4,298,960
Loss of the year	-	-	-	-	(155,407)	(155,407)
Change in the fair value reserve	-	-	-	(210,242)	-	(210,242)
<u>Balance at 31 December 2018</u>	4,000,000	147,415	332,462	(324,160)	(222,406)	3,933,311

The accompanying notes constitute an integral part of this statement

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Rum Financial Brokerage
" Public Shareholding Company "
Amman- The Hashemite Kingdom of Jordan
Statement of Cash flow for year ended 31 December 2018

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
<u>Cash flows from operational activities</u>		
Profit (loss) of the year	(124,991)	141,837
Depreciation and amortization	3,869	2,092
Change in fair value reserve	(210,242)	331,160
<u>Changes in the working capital items</u>		
Brokerages client Accounts receivables	1,462,000	(2,168,608)
Contribution to the Settlement Guarantee Fund	(301)	(1,118)
Other currents assets	50,968	(79,316)
Financial assets at the fair value through comprehensive income	(1,193,811)	687,893
Brokerage clients / accounts payable	(13,227)	(139,430)
Related parties / accounts payable	6,377	(64,399)
Other currents liabilities	(27,190)	(75,129)
Net cash from operational activities	(46,548)	(1,365,018)
<u>Cash flows from investment activities</u>		
Property and equipment purchase	(4,196)	(12,643)
Net cash flows from investment activities	(4,196)	(12,643)
<u>Cash flows from financing activities</u>		
capital	-	1,000,000
Net cash flow from financing activities	-	1,000,000
Change in the cash	(50,744)	(377,661)
cash on 1 january 2017	143,083	520,744
Cash at 31 December 2017	92,339	143,083

The accompanying notes constitute an integral part of this statement

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Rum Financial Brokerage
"Public Shareholding Company"
Amman- The Hashemite Kingdom of Jordan

Most Important Accounting Policies

- **Principles for preparation of the financial statements**

- The financial statement were prepared in accordance with the historical cost method except for the financial assets specified at fair value that are presented at fair value through the Comprehensive income statement.
- The financial statement were prepared in accordance with the International Financial Reporting Standards.
- The Followed accounting policies for the current year are similar to those principles followed in the last year.
- The Jordanian Dinar is the currency of presentation of the financial statements which represents the main currency of the company.

- **Use of Estimations:**

The preparation of the financial statements and the application of the accounting policies require the management of the company to make certain estimations and discretions that affect the financial statements and the notes therewith enclosed. Such estimations are based on assumptions subject to variable degrees of accuracy and certainty. Thus, the actual results in the future may vary from the estimations of the management due to the change in conditions and circumstances of the assumptions on which those estimations were based.

The most important estimations used in preparing the financial statements are indicated below:

- The management periodically revaluates useful life of tangible assets for the purposes of calculating annual depreciations based on the general conditions of those assets and the useful life estimations expected in the future. The impairment loss (if any) is also taken into account in the income statement.
- The management performs a periodical review of the financial assets which is expressed at cost to estimate any impairment in the value thereof where such impairment is taken into account in the income statement of the year.
- The management of the company estimates the value of the provision for doubtful debts taking into consideration the potential for collecting these Receivables.

Rum Financial Brokerage
"Public Shareholding Company"
Amman- The Hashemite Kingdom of Jordan

- **Cash on hand and at banks :**

This is represented in the cash in hand and at banks under the current accounts where the company does not ensure the risks of change in the value.

- **Accounts Receivable:**

Accounts receivable are presented at cost after deducting the accumulated provision for doubtful debts. Accounts receivable are written off in case of inability to collect them by means of deducting from the allocated provision where the amounts collected from written off debts are then added to the revenues.

- **Fair Value:**

Closure prices (purchase of assets/ sale of liabilities) at the date of the financial statements in active markets represent the fair value of financial instruments with market prices.

In case that there are no announced prices, absence of active trading in certain financial instruments, or lack of active market, the fair value thereof is estimated in several methods, including :

- Comparing the current market value thereof of a financial management of substantially similar nature.
- Analyzing the future cash flows and deducting the expected cash flows at a rate used in a similar financial management.
- Option pricing models.

Methods of evaluation aim at obtaining a fair value that reflect the expectations of the market and take into account the market factors and any expected risks or benefits at evaluating the value of the financial instruments. In the event that there are financial instruments whose value cannot be reliably measured, they are presented at cost after deducting any impairment in the value thereof.

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- **Financial Assets at Fair Value through Other Comprehensive Income:**

Change differences in fair value of financial assets specified at fair value are recorded through the other Comprehensive income statement. The financial assets of specified value are presented through the other Comprehensive income statement for which market prices in active markets are available at fair value after deducting the accumulated losses of impairment in their fair value.

Financial assets specified at fair value are presented through the other Comprehensive income statement for which there are no market prices in active markets and whose fair value cannot be reliably determined at cost, where any impairment in the value thereof is recorded in the other Comprehensive income statement.

Profits and losses resulting from differences in foreign currency exchange of debt instruments bearing interests are recorded within the financial assets specified at fair value through the other Comprehensive income statement, while differences in foreign currency exchange of equity instruments are recorded in the line of accumulated change in fair value within the equity.

- **Property and equipment and Accumulated Depreciation:**

Property, equipment and machinery are presented at cost after deducting the accumulated depreciation. Property and equipment are depreciated when ready for use by the fixed installment method throughout the expected useful life thereof at the following rates :

Furniture, furnishings and decorations	20 %
Office equipment and computers	15 %

When the revocable amount of any property and equipment becomes lower than the net book value thereof, their value is imperil below that previously estimated. The remaining book value shall be depreciated over the remaining useful life after re-estimation as of the year in which re-estimation has been made

Rum Financial Brokerage
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- **Accounts Payable and accrued Amounts:**

Accounts payable and accrued amounts are recorded at benefiting from the service by the company, whether claimed by the supplier or not.

- **Off Set :**

An off set between the financial assets and financial liabilities is made and the net amount is presented in the financial statements when the legal rights requiring the same exist, as well as when the same is settled on off set basis or when the realization of assets and settlement of liabilities are concurrent.

- **Provisions :**

Provisions are recorded whenever the company incurs legal liabilities or expected liabilities as a result of previous events, where the company would probably pay cash amounts to settle these liabilities. The provisions are reviewed at the date of the financial position and the value thereof is adjusted based on the latest information available to the management.

- **Recognition of Revenues:**

Revenues from commissions are realized upon completing the purchase and sale of shares for the clients of the company and issuing the invoice to the client.

Revenues of interests are realized on a time basis so that to reflect the actual return on assets.

Other revenues are realized on the basis of maturity principle.

Dividend's investment revenues are realized when declared by the investee general assembly

Rum Financial Brokerage
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- **Date of Recognition of Financial Assets:**

Purchase and sale of financial asset are recognized at the date of trading (date of commitment of the company to sell or purchase financial assets.)

- **Impairment of Financial Assets:**

The company reviews the value of the financial assets recorded in the books of the company at the date of the financial statements to determine whether there are indicators to the existence of impairment in the value thereof. In case that such indicators are available, the redeemable fair value of the assets shall be estimated with a view to determine the impairment loss in case of decrease in the revocable value below the book value as recorded in the books of the company. The decrease value is recorded in the Comprehensive income statement.

- **Income Tax:**

The company is governed by the Income Tax Law, as subsequently amended, and the instructions issued by the Income Tax Department of the Hashemite Kingdom of Jordan. Settlement thereof is made according to the maturity principle where the provision for income tax is calculated on the basis of the adjusted profit.

Noting that the company delivers self-assessment returns on annual basis to the Income and Sales Tax Department, where the returns submitted to the Department had been accepted up to 2014.

Rum Financial Brokerage
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General :

- Rum financial brokerage (Al-Safwah Financial Investment Co – previously) . was establish on 05/09/2005 as a limited liability company , and was registered in the Registry of Companies under No. (10698) with a capital in the amount of (2.469.232) JD. On 24/07/2008, an approval on conversion of the company into a public shareholding company was made and it was registered under No. (457) in the Registry of Public Shareholding Companies on 17/08/2008, with an authorized and paid up capital in the amount of (2.469.232) JD / shares. On 27/05/2015, the capital had been increased to become "3.000.000" JD / shares.
- On 27/05/2015, name of Al-Safwah Financial Investment Co. was changed into Rum Financial Brokerage PLC.
- On 26/12/2016 the authorized capital of the company was increased to 4,500,000 JD / shares instead of 3,000,000 JD / shares through a privet subscribed to shareholders of 1,000,000 JD / share and JD 500,000 through strategic partner. .
- On 20/04/2017, the subscription value of "726,768" JD / share was completed. On 01/06/2017, the subscribed shares of "273,232" JD / share were completed. The authorized share capital is 4,500,000 JD / the money subscribed and paid "4,000,000" JD / share.
- The financial statements of 2018 have been approved by the Board of Directors at its meeting on 12/02/2019 It has been recommended to the General Assembly to approves to these consolidated financial statements.

Objectives of the company include:

Financial brokerage, financial consultancy, acquisition of movable and immovable properties, mediation for commission, borrowing, investment in properties that it deems to realize the objectives of the company, registration of trademarks, and entering into agreements for realizing the objectives of the company.

Rum Financial Brokerage
" Public Shareholding Company "
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Notes to the final financial statements

2- Cash on hand and at banks :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Cash on hand	1,961	832
Investment Bank/ client notes	85,168	63,050
Investment Bank accounts/ current	4,062	22,194
Housing Bank/ current	1,046	5,584
Jordan Commercial Bank	84	163
Housing Bank/ clients	18	50,441
visa	-	162
Investment Bank/ Cash deposits	-	657
Total	92,339	143,083

3- Brokerages Client / Accounts Receivable :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Brokerages client / Accounts Receivable	2,492,885	3,971,746
Less provision for doubtful debts	(645,698)	(662,559)
Total	1,847,187	3,309,187

The movement on the provision for doubtful debts during the year is as follows :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Balance at 1 January 2017	662,559	751,986
Debt Execution	(16,861)	(89,427)
Total	645,698	662,559

4- Other Current Assets :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Pre-paid Expenses	5,840	8,695
Income tax	719	644
Employee transaction errors	26,914	30,329
Other receivables	32,669	78,340
Insurance with others	2,200	-
Employees Account's	1,263	2,565
Total	69,605	120,573

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Notes to the final financial statements

5- Financial Assets at Fair Value through Other Comprehensive Income :

<u>Description</u>	<u>Number of shares 2018</u>	<u>2018 JD</u>	<u>Number of shares 2017</u>	<u>2017 JD</u>
Arab Union International Insurance Company	863,463	1,139,771	97,998	112,698
Century investment group Co.	86,231	206,092	20,000	45,400
Rum investment group Co.	847,297	499,905	718,186	524,275
Total		1,845,768		682,373

Net change in the fair value of financial assets during the year :

<u>Description</u>	<u>Number of shares</u>	<u>Share Cost</u>	<u>Closure price</u>	<u>Share difference</u>	<u>evaluation loss</u>
Arab Union International Insurance Company	863,463	1.452	1.320	0.132	(113,956)
Century investment group Co.	86,231	2.663	2.390	0.274	(23,589)
Rum investment group Co.	847,297	0.810	0.590	0.22	(186,615)
Total					(324,160)

6- Contribution to settlement guarantee fund :

This balance represents the value of cash contribution incurred upon the company in accordance with the requirements of the Securities Depository Center in favor of Settlement Guarantee Fund.

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Notes to the final financial statements

7- Intangible Assets

<u>Description</u>	<u>Software License</u> <u>JD</u>	<u>Computer Software</u> <u>JD</u>	<u>Total</u> <u>JD</u>
<u>Cost</u>			
Balance as at December 31, 2017	2,293	17,686	19,979
Additions	-	1,810	1,810
Balance as at December 31, 2018	2,293	19,496	21,789
<u>Amortization</u>			
Balance as at December 31, 2017	2,293	17,685	19,978
Additions	-	136	136
Balance as at December 31, 2018	2,293	17,821	20,114
Book value as at December 31, 2018	-	1,675	1,675
Book value as at December 31, 2017	-	1	1

8- Net value of Property and equipment :

<u>Description</u>	<u>Furniture & decorations</u> <u>JD</u>	<u>Office equipment and computers</u> <u>JD</u>	<u>Total</u> <u>JD</u>
<u>Cost</u>			
Balance as at December 31, 2017	65,046	75,454	140,500
Additions	-	2,386	2,386
Balance as at December 31, 2018	65,046	77,840	142,886
<u>Acumelated depriciation</u>			
Balance as at December 31, 2017	63,149	60,618	123,767
Additions	775	2,958	3,733
Balance as at December 31, 2018	63,924	63,576	127,500
Book value as at December 31, 2018	1,122	14,264	15,386
Book value as at December 31, 2017	1,897	14,836	16,733

9- Related Parties / Accounts Pivable :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Portfolios managed by the CEO, Board member	3,789	27
Financial brokerage board's members	3,132	20
Employee Accounts	16	513
Total	6,937	560

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10- Other Current Liabilities :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Other accounts payable	8,863	8,462
Accounts payable	6,216	-
Accrual expenses	1,745	3,201
Provision of Jordanian universities' fees	1,572	1,572
Provision for support of scientific research	1,572	1,572
Provision of Vocational Education and Training Support Fund	847	847
Other deposits	315	17,094
Provision for income tax	-	20,363
Total	21,130	53,111

11- Administrative and General Expenses :

<u>Description</u>	<u>2018</u> <u>JD</u>	<u>2017</u> <u>JD</u>
Salaries and wages	154,504	124,951
Social security	18,913	16,964
Rent-exp	15,000	15,000
Subscriptions fees	25,175	14,215
Health insurance	11,335	9,671
Professional fees	9,660	12,267
Board of directors fees	8,069	3,745
Bank Commission	7,590	8,724
Post, phone and internet	6,825	6,258
Advertisement expenses	6,301	778
Investment protection fund	4,644	11,213
Stationery, and computer supplies	4,387	3,766
Water and electricity	4,245	4,562
Hospitality and cleaning	3,992	2,952
Miscellaneous	2,659	766
Transportation	2,399	1,757
General Maintenance	1,957	440
Legal fees	546	280
Capital increase fees	-	11,518
Total	288,201	249,827

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12- Income Tax Provision :

<u>Description</u>	<u>2018</u>	<u>2017</u>
	<u>JD</u>	<u>JD</u>
Profit (losses) for the year	(124,991)	141,837
Plus : profits (losses) realized from sale of financial assets at fair value / Comprehensive income	(30,416)	(56,992)
Taxable profit for the year	(155,407)	84,845
Income tax provision (24 %)	-	20,363

13- Earnings Per Share (Basic & Diluted) :

<u>Description</u>	<u>2018</u>	<u>2017</u>
	<u>JD</u>	<u>JD</u>
Loss for the year	(124,991)	121,471
	<u>Share</u>	<u>Share</u>
Weighted average for shares number	4,000,000	3,586,300
Basic and diluted earning per share	(0.031)	0.034

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14- Potential Liabilities :

At the date of the financial statements, the company has the following potential liabilities

- Bank guarantees issued in favor of the Securities Depository Center in the amount of "75,000" JD with deposits in the amount of "30,000" JD.
- Bank guarantees issued in favor of the Jordan Securities Commission in the amount of "310,000" JD with deposits in the amount of "92,000" JD .

15- Risk Management :

Interest Rate Risks:

Interest rate risks result from the potential effect of changes in interest rates on profits of the company or the fair value of financial instruments. Since most of the financial instruments bear fixed interest rate and are represented at amortized cost, the sensitivity of the profits of the company and equity to changes in interest rate is considered immaterial.

Credit Risks:

Credit risks are risks resulting from inability or failure of the other party of the Financial Management to meet the obligations thereof to the company the matter that may result in occurrence of losses. The company works on minimizing credit risks by means of dealing with reputable banks.

Foreign Currency Rates Risks:

Foreign currency risks are represented in the risk of fluctuation of the value of the financial instruments due to the fluctuations of foreign currency rates. Since most of the transactions of the company are in Jordanian Dinar, with some in US Dollar, the sensitivity of the profits of the company and equity to changes in foreign exchange rates is considered immaterial.

Share Price Risks:

Share price risks result from change in the fair value of investment in shares, where the company works on managing such risks by means of diversification of investments in several geographic zones and economic sectors.

Liquidity Risks

Liquidity risks are represented in the inability of the company to provide necessary funding for performing its obligations at maturity dates. With a view to avoid these risks, the company diversifies the sources of funding, manages assets and liabilities and reconciles the terms thereof.

16- Comparative Figures

Some of the comparative figures for the previous year were reclassified to be consistent with the classification of the figures of the current year.