

الإشارة : ICC/CO/104/2017

التاريخ : 2017/06/14

السادة هيئة الأوراق المالية المحترمين
تحية طيبة وبعد،،،

الموضوع: البيانات المالية باللغة الإنجليزية

للشركة العالمية للوساطة والأسواق المالية 2016

بالإشارة الى الموضوع أعلاه، نرفق لكم نسخة من البيانات المالية المدققة باللغة الإنجليزية
كما هي في 2016/12/31.

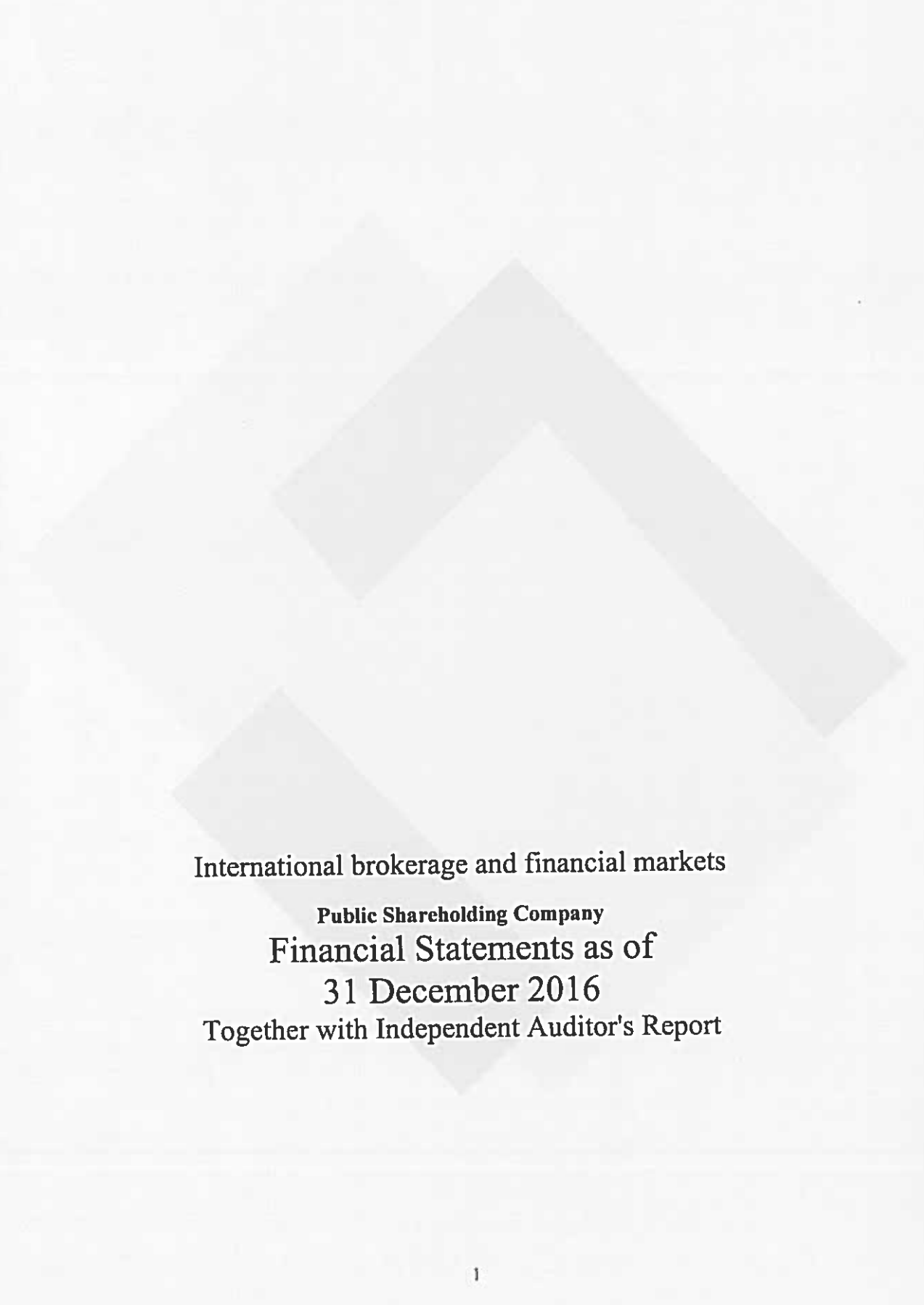
وتفضلوا بقبول فائق الاحترام،،،



الشركة العالمية للوساطة والأسواق المالية

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٤ حزيران ٢٠١٧
الرقم المتسلسل: 3504
رقم الملف: 49
الجهة المختصة: 211146

- نسخة / للسادة بورصة عمان
- نسخة / للسادة مركز ايداع الاوراق المالية



International brokerage and financial markets

Public Shareholding Company

**Financial Statements as of
31 December 2016**

Together with Independent Auditor's Report

International brokerage and financial markets
Public Shareholding Company

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Independent Auditors' Report

To The Shareholders of
International brokerage and financial markets
Public Shareholding Company
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of International brokerage and financial markets, which comprise the statement of financial positions at 31 December 2016, the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects the financial position of the Company as at 31 December 2016, 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 (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements in and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Investment in Associated Company

As per the International Financial Reporting Standards (IFRS), the Company needs to ensure that no impairment exists in the value of the investment in associated company on annual basis especially that the balance is material amounting to JD 11,872,981 as at 31 December 2016.

Audit Scope of work

The audit procedures we performed include ensuring no impairment in value is exist and obtaining an independent valuation party to check the impairment in value of this investment account.



Other Matters

The accompanying financial statements include land with book value of JD 183,692 not registered in the name of the Company against power of attorney in favor of some of the Board of Directors taking into consideration that there are written declarations to the favor of the Company from the Board of Directors for this land

Other Information

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

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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 financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 financial statements.



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

- Identify and assess the risks of material misstatement of the 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Report on the Legal and Regulatory Requirements

The Company maintains proper accounting records duly organized and conform in all material respects with the financial statements and we recommend there approval by the General Assembly .

**Amman – Jordan
28 March 2017**

Al Mutarabitoon for Audit
Fathl Abu Fathh
Audit License number (929)
المطرابيتون للتدقيق الحسابي

International brokerage and financial markets
Public Shareholding Company
Statement of Financial Position as of 31 December, 2016
(In Jordanian Dinars)

<u>Assets</u>		2016	2015
<u>Current Assets</u>	<u>Note</u>	<u>JOD</u>	<u>JOD</u>
Cash and cash equivalents		2 344 818	2 470 164
Financial assets measured at fair value through income	3	84 097	83 761
Brokerage customer receivables	4	168 253	257 162
Amounts due from related parties	5	1 694 041	722 959
Accounts receivables and other current assets	6	1 308 133	1 126 723
Financial assets measured at fair value through other comprehensive income	7	52 833	104 598
Investment property	9	183 692	183 692
Investment in associated companies	10	11 872 981	17 835 074
Property and equipment	11	2 014	13 446
Brokerage license	12	1	1
Total Assets		17 710 863	22 797 580
<u>Liabilities and Equity</u>			
<u>Liabilities</u>			
Current portion bank loans	13	2 391 128	2 857 399
Liabilities against sell & buy back shares agreements	8	3 380 240	3 380 240
Brokerage customer payable		1 272 116	2 338 454
Accounts payables and other current liabilities	14	1 349 666	1 033 456
Total Liabilities		8 393 150	9 609 549
<u>Shareholders' Equity</u>			
Paid in Capital	15	14 201 913	14 201 913
Statutory reserve		482 865	482 865
Voluntary reserve		165 857	165 857
Fair value Reserve		(203 252)	(147 181)
Accumulated losses		(5 329 670)	(1 515 423)
Total Shareholders' Equity		9 317 713	13 188 031
Total Liabilities and Shareholders' Equity		17 710 863	22 797 580

The attached notes are an integral part of these financial statements

International brokerage and financial markets**Public Shareholding Company**

Statement of Comprehensive Income for the Year Ended 31 December, 2016

(In Jordanian Dinars)

	<u>Note</u>	<u>2016 JOD</u>	<u>2015 JOD</u>
Brokerage Commission		62 409	88 955
Interest revenue on customer		16 340	45 130
Company's share of investment in associated company's results	10	484 519	564 910
Loss of sale of investment in associated company		(3 692 233)	(1 040 743)
Differences in financial assets measured at fair value through other comprehensive income		20 189	(137 877)
Differences in financial assets measured at fair value related to sell & buy back agreements	8	000	(14 570)
Differences in fair value through statement of income		(7 463)	8 482
Differences in fair value through statement of comprehensive income		(103 144)	000
Administrative expenses	16	(410 530)	(477 491)
Provision for doubtful debts	4	(122 568)	(315 644)
Loss of settlement agreements with brokerage customers		000	(357 018)
Financial Charges		(388 165)	(295 125)
Depreciation		(11 432)	(30 852)
Share dividends revenue		336 537	356 130
Gains on sale of property and equipment		000	88 337
Other revenues	17	1 294	1 953
Loss for the year		(3 814 247)	(1 515 423)
Other comprehensive income			
Company's share of other comprehensive income for associated company		(229 258)	(118 621)
Change in fair value of financial assets measured at fair value through the income statement		(56 071)	(190 797)
Total other comprehensive loss		(285 329)	(309 418)
Total comprehensive (loss) for the year		(4 099 576)	(1 824 841)
 Basic and diluted earnings per share		 (0.268)	 (0.096)

The attached notes are an integral part of these financial statements

International brokerage and financial markets

Public Shareholding Company

Statement of Change in Equity for the year ended 31 December, 2016
(In Jordanian Dinars)

	Paid in Capital JOD	Statutory Reserve JOD	Voluntary reserve JOD	Fair Value Reserve JOD	Accumulated losses JOD	Total JOD
Balance at 1 January 2016	14 201 913	482 865	165 857	(147 181)	(1 515 423)	13 188 031
Total comprehensive loss for the year	000	000	000	(56 071)	(3 814 247)	(3 870 318)
Balance at 31 December 2016	14 201 913	482 865	165 857	(203 252)	(5 329 670)	9 317 713
Balance at 1 January 2015	19 000 000	482 865	165 857	43 616	(4 798 087)	14 894 251
Total comprehensive loss for the year	000	000	000	(190 797)	(1 515 423)	(1 706 220)
Accumulated losses reduction	(4 798 087)	000	000	000	4 798 087	000
Balance at 31 December 2015	14 201 913	482 865	165 857	(147 181)	(1 515 423)	13 188 031

The attached notes are an integral part of these financial statements

International brokerage and financial markets
Public Shareholding Company
Statement of Cash Flows for the year ended 31 December, 2016
(In Jordanian Dinars)

	2016	2015
	JOD	JOD
<u>Cash flows from operating activities</u>		
Profit for the year before income tax and provisions	(3 814 247)	(1 515 423)
Depreciation	11 432	30 852
Company share from associated company loss	(484 519)	(564 910)
Gains on sale of property and equipment	000	(88 337)
Provision for doubtful debts	122 568	315 644
Differences in financial assets measured at fair value through other comprehensive income	(20 189)	137 877
Differences in financial assets measured at fair value related to sell & buy back agreements	000	14 570
Differences in fair value through statement of income	7 463	(11 012)
Differences in fair value through statement of comprehensive income	103 144	000
Loss of sale of investment in associated company	3 692 233	1 040 743
<u>Changes in working capital</u>		
Financial assets measured at fair value through income	(202 464)	(2 325 172)
Brokerage customer receivables & payable	(1 099 997)	318 633
Accounts Receivables and other current assets	(181 410)	(248 517)
Accounts Payables and other current liabilities	316 210	188 083
Net cash flows (used in) operating activities	<u>(1 549 776)</u>	<u>(2 706 969)</u>
<u>Cash flows from investing activities</u>		
Proceeds from sales of Property and equipment	000	184 000
Property and equipment purchases	000	(2 858)
Investment in associated companies sales	2 783 591	2 372 567
Investment in associated companies purchases	(258 470)	(97 939)
Financial assets measured at fair value through income	214 854	30 701
Financial assets measured at fair value through other comprehensive income	121 808	000
Net cash flows from investing activities	<u>2 861 783</u>	<u>2 486 471</u>
<u>Cash flows from financing activities</u>		
Related parties accounts	(971 082)	1 769 741
Long term Bank Loans	(466 271)	(1 527 789)
Net cash flows from financing activities	<u>(1 437 353)</u>	<u>241 952</u>
<u>Change in cash and cash equivalents</u>	<u>(125 346)</u>	<u>21 454</u>
Cash and cash equivalents at beginning of the year	2 470 164	2 448 710
Cash and cash equivalents at end of the year	<u>2 344 818</u>	<u>2 470 164</u>

The attached notes are an integral part of these financial statements

International brokerage and financial markets

Public Shareholding Company

Notes to the Financial Statements for year ended 31 December, 2016

1. General

The International brokerage and financial markets was established on 03 April 2005, and registered under no. (360) as public shareholding company in the Hashemite Kingdom of Jordan.

The Company's main purposes are investment management, financial brokerage, IPOs and margin finance.

The Company's shares are traded in the Amman stock exchange

The financial statements was approved by the Board of Directors in its meeting held on 28 March 2017 and it is subject to the General Assembly approval.

2. Summary of Significant Accounting policies

Basis of preparation

- The financial statements of company have been prepared in accordance with International financial Reporting Standards.
- The financial statements have been prepared on a historical cost basis except for the financial assets of which measured at fair value.
- The financial statements are presented in the Jordanian Dinar which is the functional currency of the Company.

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 assumption also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provision.

Management believes that the estimates are reasonable and as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the statement of income.
- Estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable for individually significant amounts this estimation is performed on an individual basis. Amount which are not individually significant, but which are past due, are assessed collectively and provision applied according to the length of time past due, based on historical recovery rates.

Cash and Cash Equivalents

Cash and cash Equivalents represent cash on hand and at bank.

Receivable and other debit balance

Trade receivables are carried at original invoice amount less an estimate made for doubtful receivables. Bad debts are written off when identified.

International brokerage and financial markets

Public Shareholding Company

Notes to the Financial Statements for year ended 31 December, 2016

Investment in associated company

Investment in associated company is accounted for by the equity method of accounting. This is undertaking over which the Company generally has between 20% and 50% of the voting rights or over which the Company has significant influence but which it does not control. Unrealized gains and losses on transaction between the Company and its associated undertakings are eliminated to the extent of the Company interest in the associated undertakings.

Financial Instruments

Under IFRS (9), financial assets at initial recognition are measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss is expensed in the income statement.

Debt investment are measured at amortized cost only if both of following criteria are met: the objective of the Company business model is to hold the asset to collect the contractual cash flows and the contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

If either of the two criteria above is not met debt investments are measured at fair value through profit or loss.

All equity investments are measured at fair value. Equity investments that are held for trading are measured at fair value through profit or loss. For all other equity investments the Company can make an irrevocable election at initial recognition to recognize changes in fair value through other comprehensive income rather than profit or loss if this election is made

All fair value changes excluding dividends that are a return on investment will be reported in other comprehensive income. There is recycling of amounts from other comprehensive income to profit and loss on sale of investments – or are there any impairment requirements. However, the Company may transfer the cumulative gain or loss within equity

Fair value

For fair value of investments which are traded in organized financial market is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date. For investments which are listed in inactive stock markets traded in small quantities or have no current prices the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investment then they are stated at cost less any impairment in their value.

International brokerage and financial markets

Public Shareholding Company

Notes to the Financial Statements for year ended 31 December, 2016

Recognition of financial assets

Financial assets and financial liabilities are recognized on the trading date which is the date that the entity commits itself purchase or sell the financial assets.

Sell & buy back shares agreements

The sold shares with future commitments to buy it back will continue to be recognized in the financial statements since its risks or benefits will be attached to the Company, and its valuation will continue as per the related accounting policies as an assets against liabilities shown in the liabilities section

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated Depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statements of income.

The initial cost of property and equipment comprises its purchase price including import duties and non-refundable purchase taxes and directly attributable costs of brining the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation such as repairs and maintenance and overhaul costs are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefit expect to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance the expenditures are capitalized as an additional cost of property and equipment

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Buildings	%5
Leasehold improvements	%10
Equipment	%15
Cars	%15
Computers & computer software	%20
Furniture, fixture	%10

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment

International brokerage and financial markets

Public Shareholding Company

Notes to the Financial Statements for year ended 31 December 2016

Investment Property

The investment property includes lands been kept by the Company for future appreciation in value are valued in the financial statements at cost

Payables and other current liabilities

Accounts Payable and accrued expenses are recognized when goods are received and services are performed.

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 of resources will be required to settle the obligation and a reliable estimate of the amount can be made

Offsetting

Financial assets and financial liabilities are offset and the net amount is reflected in the statement of financial position only when there are legal rights to offset the recognized amounts and the company intends to r settle them on a net basis or asset are realized and liability settle simultaneously.

Borrowing costs

Borrowing costs are generally expensed in the period it is incurred

Revenue recognition

Subscription fees are recognized when the cards are issued.

Interest is recognized on a time proportion basis that reflects the effective yield on the assets.

Dividends revenue are recognized when it declared by General Assembly of the investee Company.

Other revenue are recognized when it using accrual basis of accounting.

Income tax

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statement because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent year's accumulated losses acceptable by the tax law and items not accepted for tax purposes or subject to tax.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the average rates prevailing at year end announced by Central Bank of Jordan. Revenues and expenses in foreign currency are translated to Jordanian Dinar using the rates prevailing on the dates of transactions. Foreign exchange gains or losses are reflected in the statement of comprehensive income.

International brokerage and financial markets**Public Shareholding Company**

Notes to the Financial Statements for year ended 31 December, 2016

3. Financial assets measured at fair value through income

	2016	2015
	JOD	JOD
Equity shares listed in Amman Stock Exchange	84 082	83 746
Equity shares listed in foreign markets	15	15
	84 097	83 761

4. Brokerage customer receivables

	2016	2015
	JOD	JOD
Brokerage customers' receivables	2 532 834	2 547 935
Margin finance customers' receivables	319 435	300 858
Financial Brokerage receivables	20 197	23 244
Provision for doubtful debts	(2 704 213)	(2 614 875)
	168 253	257 162

The movements of the Provision for doubtful debts are as follows:

	2016	2015
	JOD	JOD
Balance at the beginning of the year	2 614 875	2 579 751
Additions	122 568	315 644
Deduction related to the brokerage settlements agreements	(33 230)	(280 520)
	2 704 213	2 614 875

The provision for doubtful debts includes JD nil for the related parties amounts as at year end of 2016 (nil at year end of 2015)

The following table shows the aging of the receivables balances with no provision of doubtful debts:

	2016	2015
	JOD	JOD
Due from one month to three months	2 329	204 142
Due from 3 months to 6 months	000	58 555
Due over 6 months	2 530 504	717 424
	2 532 833	980 121

The management believes that all receivables that not provided for are collectable in full as the Company keep enough guarantees as shares against these receivables

International brokerage and financial markets**Public Shareholding Company**

Notes to the Financial Statements for year ended 31 December, 2016

5. Amounts due from related parties

	2016	2015
	JOD	JOD
Related parties accounts	1 694 041	722 959
	1 694 041	722 959

6. Accounts receivables and other current assets

	2016	2015
	JOD	JOD
Refundable deposits	438 200	438 200
Dividends receivable	695 415	526 058
Staff receivable	20 891	17 921
Prepaid expenses	30 309	38 640
Settlement fund	25 000	25 000
Settlement sales & purchases	000	58 896
Accounts receivable	98 318	22 008
	1 308 133	1 126 723

7. Financial assets measured at fair value through other comprehensive income

The financial assets measured at fair value through other comprehensive income include shares guaranteed against the bank facilities granted to the Company with fair value of JD 52,833

8. Liabilities against sell & buy back shares agreements

During 2012, the Company signed an agreement with National Bank of Kuwait (NBK) to sell & buy back shares of which the Company sell shares to NBK with commitment to buy back within 24 months with same price plus annual interest of 5%, and the Company had also signed promissory note to the favour of the Bank amounting to JD 3,696,293 due on January 1, 2015 as a guarantee to buy back these shares, the due date was postponed to 16 December 2016 and the negotiation is underway till date of issuing these financial statements to settle these liabilities

9. Investment property

	2016	2015
	JOD	JOD
Investment Property	183 692	183 692
	183 692	183 692

International brokerage and financial markets

Public Shareholding Company

Notes to the Financial Statements for year ended 31 December, 2016

The investment property includes land with book value of JD 183,692 not registered in the name of the Company against power of attorney in favor of some Board of Directors and the Company is keeping written declaration in its favor from the Board of Directors for this land. The land shows at cost and its fair value made by an authorized real-estate valuator as at 31 December 2015 & 2016 amounting to JD 187,560

10. Investment in associated companies

The movement in the investment in associated company as follows:

	beginning Balance	Share From loss for year end 31/12/2016	Share from other comprehensive income for YE 31 Dec. 2016	Investment sold	Additions	Balance at end of the year	Fair value
International Cards Company (%23.156)	5 295 924	124 316	(229 258)	000	34 548	5 225 530	1 105 064
Ready Mix Company (%8.569)	12 539 150	360 203	000	(6 475 824)	223 922	6 659 455	760 903
Total	17 835 074	484 519	(229 258)	(6 475 824)	258 470	11 872 981	1 865 967

The investment in associated companies include mortgage shares against bank credit facilities granted to the Company, the fair value of these shares as at the date of the financial statements is JD 1,118,185

International brokerage and financial markets

Public Shareholding Company

Notes to the Financial Statements for year ended 31 December 2016

11. Property and equipment

	Buildings	Leasehold improvements	Equipment	Cars	Computers & computer software	Furniture fixture	Total
Cost							
Balance at 1/1/2016	000	208 761	217 691	13 851	147 378	73 200	660 881
Balance at 31/12/2016	000	208 761	217 691	13 851	147 378	73 200	660 881
Accumulated depreciation							
Balance at 1/1/2016	000	201 150	215 251	13 848	147 378	69 808	647 435
Depreciation	000	7 610	429	2	000	3 391	11 432
Balance at 31/12/2016	000	208 760	215 680	13 850	147 378	73 199	658 867
Net book value at 31/12/2016	000	1	2 011	1	000	1	2 014
Cost							
Balance at 1/1/2015	179 005	208 761	214 833	144 251	147 378	73 200	967 428
Additions	000	000	2 858	000	000	000	2 858
Disposals	(179 005)	000	000	(130 400)	000	000	(309 405)
Balance at 31/12/2015	000	208 761	217 691	13 851	147 378	73 200	660 881
Accumulated depreciation							
Balance at 1/1/2015	81 105	180 273	214 833	144 248	147 378	62 488	830 325
Depreciation	2 237	20 877	418	000	000	7 320	30 852
Related to disposals	(83 342)	000	000	(130 400)	000	000	(213 742)
Balance at 31/12/2015	000	201 150	215 251	13 848	147 378	69 808	647 435
Net book value at 31/12/2015	000	7 611	2 440	3	000	3 392	13 446

Some of Company's buildings are mortgaged against bank credit facilities.

International brokerage and financial markets**Public Shareholding Company**

Notes to the Financial Statements for year ended 31 December 2016

12. Brokerage License

	2016	2015
	JOD	JOD
Cost of brokerage license	200 000	200 000
Amortization	(199 999)	(199 999)
	1	1

13. Bank credit facilities

Type of facilities	Currency	Due date	Interest rate	Ceiling facilities	Outstanding balance
Overdraft	JD	2017	%9.25	1 000 000	681 213
Loan	JD	2017-2026	%9	3 500 000	1 709 915
					2 391 128

The bank credit facilities were granted against the mortgage of share owned by the Company and the personal guarantee of the Chairman of the Company

14. Accounts payables and other current liabilities

	2016	2015
	JOD	JOD
Income tax deposits	249 375	249 375
Accrued bank interests	690 132	521 120
Shareholders deposits	143 823	143 823
Accrued expenses	137 172	81 541
Accounts payable	24 652	27 089
Social security deposits & Income tax deposits	26 213	10 508
Settlement sales & purchases	2 732	000
Accrued interest	75 567	000
	1 349 666	1 033 456

15. Shareholders' Equity**Paid in capital**

The Company's authorized and paid in capital is JOD 14,201,913 divided equally into 14,201,913 shares with par value of JOD (1) each as at 31 December 2015

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Statutory reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law.

Voluntary reserve

The accumulated amounts in this account represent 20% of the Company's net income before income tax according to the Companies Law.

16. Administrative expenses

	2016	2015
	JOD	JOD
Wages and Salaries	176 848	252 515
Social Security	18 100	18 371
Securities Commission expenses	18 826	29 506
Rent	42 816	42 816
Board of Directors transportation	20 400	18 400
Audit fees	11 375	12 413
Electricity and water	20 729	20 504
Post and telephone	4 217	15 143
Governmental Expense	38 825	23 984
Stationery and printings	2 542	2 102
Maintenance	8 017	14 327
Legal fees	30 426	000
Hospitality And Clean	1 966	3 382
Investor protection fund fees	1 821	3 004
Transportation	379	448
Other	13 243	20 576
	410 530	477 491

17. Other Revenue

	2016	2015
	JOD	JOD
Other revenues	1 294	1 953
	1 294	1 953

18. Basic & diluted losses per share

	2016	2015
	JOD	JOD
Loss of the year	(3 814 247)	(1 515 423)
Weighted average of shares numbers	14 201 913	15 801 275
	(0.268)	(0.096)

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19. Tax status

The movements on provision for the income tax during the year are as follows:

	2016 JOD	2015 JOD
Balance at beginning of the year	249 375	249 375
Balance at end of the year	249 375	249 375

- The Tax Department inspected the Company's accounts for the years from 2005 till 2008 and decided to impose tax difference amount of JD 490 thousands and then reduced to JD 313 thousands and expected to be reduced as per the tax consultant to JD 221 thousands after the Company appeal and object on the Tax Department's decision taking into consideration that these difference resulted from some unsupported expenses. The Company's management & its tax consultant believe that if they provide the supporting documents of these expenses, part of these differences will be removed, accordingly the Company had provided for an amount of JD 247 thousands against the above years and initiate a legal case against the tax court.
- The Tax Department had inspected the Company's accounts for years 2009 & 2010 and accepted tax losses of JD 2 million to be carried forward to the next years.
- The income tax returns have been filed with the income Tax Department for the years 2012 and 2013 and 2014, and 2015, but income Tax Department has not inspected them.
- No tax provision is taken for the year ended 31 December 2016 due to the existing tax losses from previous years

20. Assets & Liabilities maturity analysis

	2016	Up to one year	More than a year	Total
Assets				
Cash and cash equivalents		2 344 818	000	2 344 818
Financial assets measured at fair value through income		84 097	000	84 097
Brokerage customer receivables		168 253	000	168 253
Amounts due from related parties		1 694 041	000	1 694 041
Accounts receivables and other current assets		1 308 133	000	1 308 133
Financial assets measured at fair value through other comprehensive income		000	52 833	52 833
Investment property		000	183 692	183 692
Investment in associated company		000	11 872 981	11 872 981
Property and equipment		000	2 014	2 014
Brokerage license		000	1	1
Total Assets		5 599 342	12 111 521	17 710 863
Liabilities				
Current portion bank loans		2 255 368	000	2 255 368
Liabilities against sell & buy back shares agreements		000	3 380 240	3 380 240
Brokerage customer payable		1 272 116	000	1 272 116
Accounts payables and other current liabilities		1 349 666	000	1 349 666
Total Liabilities		4 877 150	3 380 240	8 257 390

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<u>2015</u>	<u>Up to one year</u>	<u>More than a year</u>	<u>Total</u>
Assets			
Cash and cash equivalents	2 470 164	000	2 470 164
Financial assets measured at fair value through income	83 761	000	83 761
Brokerage customer receivables	257 162	000	257 162
Amounts due from related parties	722 959	000	722 959
Accounts receivables and other current assets	1 126 723	000	1 126 723
Financial assets measured at fair value through other comprehensive income	000	104 598	104 598
Investment property	000	183 692	183 692
Investment in associated company	000	17 835 074	17 835 074
Property and equipment	000	13 446	13 446
Brokerage license	000	1	1
Total Assets	4 660 769	18 136 811	22 797 580
Liabilities			
Current portion bank loans	2 857 399	000	2 857 399
Liabilities against sell & buy back shares agreements	000	3 380 240	3 380 240
Brokerage customer payable	2 338 454	000	2 338 454
Accounts payables and other current liabilities	1 033 456	000	1 033 456
Total Liabilities	6 229 309	3 380 240	9 609 549

21. Contingent Liabilities

	<u>2016 JOD</u>	<u>2015 JOD</u>
Bank Guarantees	1 391 000	1 391 000
Promissory Notes (note 8)	3 696 293	3 696 293

22. Legal cases

An international legal case initiated against the Company with amount of JD 42 thousands and a legal court was issued by JD 25 thousands in addition into legal expenses, and the decision was appealed and later rejected and the case now in the last phase and the case was settled.

23. Amounts due from related parties

The volume of the transactions with the related parties within its normal operations of brokerage & margin finance during 2016 is JD 387,595 and the revenues recognised from these transactions is JD 3,910. The management salaries during 2016 is JD 28,000 (2015 is JD 98,000)

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24. Sector Analysis

The Company's activities concentrated on the investment in financial securities and real-estate and the financial brokerage activities, the table below summarized the main activities sectors of the Company:

	2016 JOD	2015 JOD
Revenues resulted from financial brokerage	78 749	134 085
Revenues resulted from investment in financial assets	(90 418)	(143 965)

25. Financial instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include bank balance, cash, checks under collection, receivables and securities. Financial liabilities of the Company include bank facilities accounts payable and shareholders withholdings.

Fair value

The fair value of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three levels of a fair value hierarchy.

The three levels are defined based on the observability of significant inputs to the measurement as follows:

Level 1: quoted price (unadjusted) in active market for identical assets or liabilities.

Level 2: inputs other than quoted prices included within level 1 that are observable for the assets or liability, either directly or indirectly.

Level 3: unobservable input for the assets or liability.

2016	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through income	84 097	000	000	84 097
Financial assets measured at fair value through other comprehensive income.	52 833	000	000	52 833
	136 930	000	000	136 930
2015	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through income	83 761	000	000	83 761
Financial assets measured at fair value through other comprehensive income.	104 598	000	000	104 598
	188 359	000	000	188 359

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Credit risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Currency risk

The management consider that the Company is not exposed to significant currency risk. The majority of their transactions and balance are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk and Company's results or equity to movements in exchange rates is not considered significant.

The major client balance as at year end of 2016 is JD 590,983 (JD 590,983 in 2015 yearend)

Liquidity risk

Liquidity risks the risk that the Company will not be able to meet its net financial obligations. In this respect, the Company's management diversified its funding sources and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash and cash equivalents, and quoted securities.

- The table below analyzes the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position date to the contractual maturity date.

2016	Less than one year	More than one year	Total
Current portion bank loans	2 391 128	000	2 391 128
Liabilities against sell & buy back shares agreements	000	3 380 240	3 380 240
Brokerage customer payable	1 272 116	000	1 272 116
Accounts payables and other current liabilities	1 349 666	000	1 349 666
	5 012 910	3 380 240	8 393 150
2015	Less than one year	More than one year	Total
Current portion bank loans	2 857 399	000	2 857 399
Liabilities against sell & buy back shares agreements	000	3 380 240	3 380 240
Brokerage customer payable	2 338 454	000	2 338 454
Accounts payables and other current liabilities	1 033 456	000	1 033 456
	6 229 309	3 380 240	9 609 549

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26. Capital management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as going concern and providing return to shareholders by pricing products and services commensurately with the level of risk.

	2016	2015
	JOD	JOD
Total Debt	5 771 368	6 237 639
Total Equity	9 317 713	13 188 031
Debt to Equity ratio	%62	%47

27. Comparative Figures

Some of 2015 balances were reclassified to correspond with 2016 presentation, reclassifications has no effect on the profit for the year and shareholders' equity.