

نموذج رقم (5-1)

Form No. (1-5)

To: Jordan Securities Commission

Amman Stock Exchange

Date: 30/4/2019

Ref. : 233/2019

Subject: Quarterly Report as of 31/3/2019

السادة هيئة الاوراق المالية

السادة بورصة عمان

التاريخ :- 2019/4/30

رقم الكتاب : 2019/233

الموضوع: التقرير ربع السنوي كما هي في 2019/3/31

1- Attached the Quarterly Report of ( Rumm Financial Brokerage) in Arabic and English languages as of 31/3/2019 .

2- Attached CD contains Quarterly Report as of 31/3/2019 .

1- مرفق طيه نسخة من البيانات المالية ربع السنوية

لشركة ( رم للوساطة المالية م.ع.م ) باللغتين

العربية والانجليزية كما هي بتاريخ 2019/3/31 .

2- مرفق طيه قرص مدمج يحوي مادة التقرير الربع

سنوي كما في 2019/3/31 .

Kindly accept our highly appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

Rumm Financial Brokerage

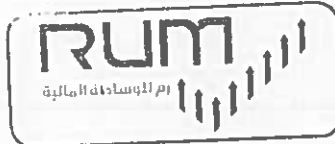
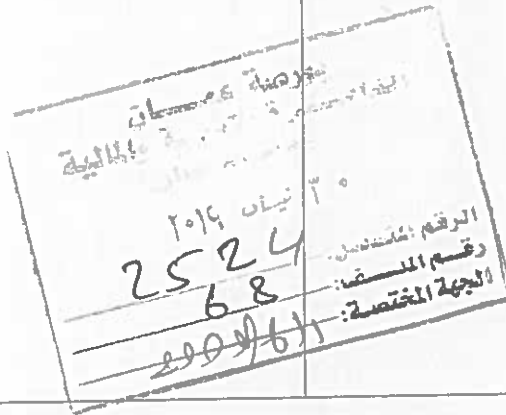
شركة رم للوساطة المالية

General Manager

المدير العام

Ayham Al-Khasawneh

ايهم الخصاونه



Rum Financial Brokerage

"Public Shareholding Company"

Amman- The Hashemite Kingdom of Jordan

Interim Financial Statements &Independent

Auditor's Report As at March 31, 2019

**Rum Financial Brokerage**  

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**"Public Shareholding Company"**  

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**Amman- The Hashemite Kingdom of Jordan**  

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<u>Index</u>	<u>Page</u>
Review Report	3
The Interim consolidated financial position as at 31st March 2019	4
The Interim statement of comprehensive income for the period ended at 31 st March 2019	5
The Interim statement of the changes in shareholders' equity for the period ended at 31 st March 2019	6
The Interim consolidated statement of cash flows for the period ended at 31 st March 2019	7
Accounting policies	8-11
Notes to the interim financial statements	12-16



Amman: 29/04/2019

No : 333/2019/60004

Messrs: **Rum Financial Brokerage**  
**"Public Shareholding Company"**  
**Amman – The Hashemite Kingdom of Jordan**

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We have reviewed the accompanying balance sheet of **Rum Financial Brokerage "Public Shareholding Company"**, as at March 31, 2019, and the related statements of income, changes in shareholders' equity and cash flows for the three – month then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with ( IFRS No . 34 ) . Our responsibility is to express a conclusion of this interim financial information based on our review.

#### Scope of Review

We conducted our review in accordance with international standard on review engagements 2410 , " Review on Interim Financial information Performed by the Independent Auditor of the company . A review of interim financial information consists of making inquiries , primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit, accordingly , we do not express an audit opinion.

#### Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the company as at March 31 , 2019 and of its financial performance .

**The Scientific Office for Auditing,  
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**Jamal M. Falah**  
**License No. "285"**

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**Rum Financial Brokerage**  
**" Public Shareholding Company "**  
**Amman- The Hashemite Kingdom of Jordan**  
**The interim financial statement as at 31 March 2019**

<u>Description</u>	<u>Note</u>	<u>31-Mar-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
<b><u>Current Assets</u></b>			
Cash on hand and at banks	2	101,174	92,339
Brokerage clients / Accounts receivable	3	1,823,293	1,847,187
Other current assets	4	57,262	69,605
<b>Total current assets</b>		<b>1,981,729</b>	<b>2,009,131</b>
<b><u>Non-current assets</u></b>			
Financial assets at fair value through comprehensive income	5	1,898,661	1,845,768
Guarantees deposits		122,000	122,000
Contributions to settlement guarantee fund	6	26,419	26,419
Intangible assets	7	1,607	1,675
Property and equipment, net	8	14,417	15,386
<b>Total non-current assets</b>		<b>2,063,104</b>	<b>2,011,248</b>
<b>Total assets</b>		<b>4,044,833</b>	<b>4,020,379</b>
<b><u>Liabilities and Shareholder's Equity</u></b>			
<b><u>Current liabilities</u></b>			
Brokerage client / accounts payable		50,224	44,825
Related parties accounts	9	3,776	6,937
Securities depository center		7,414	14,176
Other credit liabilities	10	35,297	21,130
<b>Total current liabilities</b>		<b>96,711</b>	<b>87,068</b>
<b><u>Shareholder's Equity</u></b>			
<b>Authorized capital</b>		<b>4,500,000</b>	<b>4,500,000</b>
Paid capital		4,000,000	4,000,000
Complosry reserve		147,415	147,415
Voluntary reserve		332,462	332,462
Fair value reserve		(297,907)	(324,160)
Retained losses		(233,848)	(222,406)
<b>Net Shareholder's Equity</b>		<b>3,948,122</b>	<b>3,933,311</b>
<b>Total liabilities and Shareholder's Equity</b>		<b>4,044,833</b>	<b>4,020,379</b>

The accompanying notes constitute an integral part of this statement

( 4 /16 )

Rum Financial Brokerage

" Public Shareholding Company "


Amman- The Hashemite Kingdom of Jordan

Comprehensive income the interim statement of financial position as at 31 March 2019

<u>Description</u>	<u>Note</u>	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
<u>Revenues</u>		<u>JD</u>	<u>JD</u>
Brokerage commission revenues			
Other revnues		47,427	47,927
<b>Total revnues</b>		<b>904</b>	<b>323</b>
<u>Expenses</u>			
Employees benefits		(39,928)	(34,181)
Investor Protection Fund		(4)	(1,240)
Depreciation and amortization		(1,037)	(898)
Administrative and general expenses	11	(18,804)	(22,530)
<b>Total expenses</b>		<b>(59,773)</b>	<b>(58,849)</b>
<b>Profit ( losses ) of the period</b>		<b>(11,442)</b>	<b>(10,599)</b>
<u>Comprehensive income items</u>			
Change in fair value		26,253	(35,225)
<b>Total profit ( losses ) of the period</b>		<b>14,811</b>	<b>(45,824)</b>
		<u>Dinar / Fils</u>	<u>Dinar / Fils</u>
Earnings (losses) per share (Basic and diluted)	12	<u>0.004</u>	<u>(0.011)</u>

The accompanying notes constitute an integral part of this statement

( 5 / 16 )

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**Rum Financial Brokerage**  
**" Public Shareholding Company "**  
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**The Interim statement of the changes in shareholders' equity for the period ended at 31 st March 2019**

<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>JD</u>	<u>reserve</u> <u>JD</u>	<u>reserve</u> <u>JD</u>	<u>losses</u> <u>JD</u>	<u>JD</u>
<b><u>Balance at 31 December 2017</u></b>	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)
<b><u>Balance at 31 December 2018</u></b>	4,000,000	147,415	332,462	(324,160)	(222,406)	3,933,311
Loss of the period	-	-	-	-	(11,442)	(11,442)
Change in the fair value reserve	-	-	-	26,253	-	26,253
<b><u>Balance at 31 March 2019</u></b>	4,000,000	147,415	332,462	(297,907)	(233,848)	3,948,122

The accompanying notes constitute an integral part of this statement

( 6 /16 )

Rum Financial Brokerage

" Public Shareholding Company "

Amman- The Hashemite Kingdom of Jordan

Cash flows the interim of statement as at 31 March 2019

<u>Description</u>	<u>31-Mar-2019</u> <u>JD</u>	<u>31-Mar-2018</u> <u>JD</u>
<u>Cash flows from operational activities</u>		
Loss of the period	(11,442)	(10,599)
Depreciation exp	1,037	898
<b>Operational losses</b>	<b>(10,405)</b>	<b>(9,701)</b>
<u>Changes in the working capital items</u>		
Reconciliation of Securities Depository Center	(6,762)	15,618
Brokerage clients / accounts receivable	23,894	(444,717)
Other currents assets	12,343	29,303
Brokerage clients / accounts payable	2,238	569,047
Other credit liabilities	14,167	(9,155)
<b>Net cash from operational activities</b>	<b>35,475</b>	<b>150,395</b>
<u>Cash flows from investment activities</u>		
Financial assets at the fair value through other	(26,640)	(24,591)
Property and equipment	-	(500)
<b>Net cash flows from investment activities</b>	<b>(26,640)</b>	<b>(25,091)</b>
<b>Change in the cash</b>	<b>8,835</b>	<b>125,304</b>
cash at 1 january 2019	92,339	143,083
<b>Cash at 31 March 2019</b>	<b>101,174</b>	<b>268,387</b>

The accompanying notes constitute an integral part of this statement  
( 7 / 16 )



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

**Most Important Accounting Policies Used**

- **General Note :**
- Al-Safwah Financial Investment Co. was incorporated on 05/09/2005 as a company with limited liability, and was registered in the Registry of Companies with Limited Liability under No. ( 10698 ) with a capital in the amount of ( 2.469.232 ) Jordanian Dinars. 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 ) Dinars/ shares. On 27/05/2015, the capital had been increased to become "3.000.000" Dinars.
- 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 JD 4,500,000 instead of JD 3,000,000 through a privet subscribed to shareholders of JD 1,000,000 / 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" dinars / share
- The accompanying financial statements were approved by the Board of Directors on 29/04/2019 .

**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**  
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**Basics of preparation and significant accounting policies:**

**Basic of preparing the interim financial statements:**

The accompanying interim financial statements for the three months ended 31 March 2019 were prepared in accordance with the International Accounting Standard 34 (Interim Financial Reports).

The financial statements are demonstrated in the Jordanian Dinar, the functional currency of the Company, and the amounts are rounded to the nearest Dinar.

The interim financial statements were prepared on the historical cost principle basis except the financial assets available for sale which are reflected at the fair value.

**Significant Accounting Policies**

- **Applying estimates:**

Preparing financial statements and applying accounting policies require the Company's Management to make some estimates and jurisprudences that may affect the financial statements and the accompanying notes. Such estimates are based on assumptions of different accuracy and certainty. Therefore, the actual results in the future may differ from the Management's estimates due to variations in the assumptions conditions and circumstances on which such estimates based on.

Below are the most important estimates applied in the preparation of the financial statements:

- The Management estimates the productive life of the tangible assets on a periodic basis for the purposes of calculating the annual depreciations based on the general condition of such assets and the estimates of the productive life expected in future. The impairment loss (if any) is stated in the income statement.
- The Management reevaluates the productive life estimate of the tangible assets on a periodic basis for the purposes of calculating the annual depreciations based on the general condition of such assets and the productivity life expected in future. The impairment loss (if any) is reflected in the income statement.
- The Management conducts periodic review to the financial assets which are reflected at cost to estimate any impairment in their value and state such impairment in the income statement.
- The Company's Management estimates the value of the provision for bad debts taking in consideration the possibility of collecting such liabilities.

- **Cash and cash equivalent:**

The cash and cash equivalent is represented by the cash with banks and investments convertible to certain liquid cash. They become due within a period not exceeding three months and they don't involve risks of change in value.



Rum Financial Brokerage  
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Amman- The Hashemite Kingdom of Jordan

**Significant Accounting Policies**

- **Accounts receivable**

The accounts receivable are reflected at cost after deducting the provision for bad debts. The debts are written off when there is subjective evidence on the possibility of not collecting the liabilities. The amounts collected from written-off debts are added to the revenues.

- **Financial assets at amortized cost**

The financial instruments such as the bills receivable, accounts receivable, due to banks, loans, accounts payable and accrued expenses are demonstrated at amortized cost by using the actual revenue method after deducting any impairment loss.

- **Financial assets defined by the fair value from the comprehensive income statement:**

The change differences are recorded in the fair value of the financial assets defined at the fair value from the other comprehensive income. The limited value financial assets in the other comprehensive income statement that have market prices in active financial markets are demonstrated at the fair value after deducting the impairment accumulated losses in their fair value.

The limited value financial assets in the other comprehensive income statement that don't having market prices and which their fair value could not be reliably defined are demonstrated at the cost and any impairment in their value is recorded in the other comprehensive income statement.

The profits and losses resulting from the differences of converting foreign currencies to interest-bearing debentures are recorded at the fair value through the other comprehensive income statement, while the differences of converting the foreign currency to equity instruments are recorded in the accumulated change in the fair value within the equity rights.

- **Property, equipment, and accumulated depreciation:**

Properties and equipment are demonstrated at cost after deducting the accumulated depreciation. They are depreciated when they are ready for use on the basis of the straight-line method over their expected productivity life by using the following annual rates:

Furnishings and furniture, and decorations	20%
Office supplies and computers	15%

When the recoverable amount of any property or equipment is less than their book value, their value shall be diluted and the remaining book value over the productivity life is depreciated after reassessment as of the reassessment year.



Rum Financial Brokerage  
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Amman- The Hashemite Kingdom of Jordan

**Significant Accounting Policies**

- **Accounts payable and accruals**  
The accounts payable and accruals are recognized upon benefiting from the service by the company whether claimed by the supplier or not.
- **Setoff**  
The financial assets and financial liabilities are set-off and the net amount is reflected in the financial statements upon the availability of the binding legal rights, and when they are settled on the setoff basis or the assets realization and liabilities settlements take place at the same time.
- **Provisions**  
Provisions are recorded when there are legal or expected obligations on the company as a result of previous events where cash amounts are likely to be paid to fulfill such obligations. On the date of the financial position, the allocated provisions are reviewed and adjusted based on the latest information available to the Management.
- **Recognition of revenues**  
The commission revenues are realized upon the completion of buying or selling shares to the company's clients and issuing invoice to the client.  
The interests revenues are recognized on a time base to reflect the actual revenue on assets.  
The distribution of the investment profits is recognized upon being approved by the General Assemblies of the investment companies.  
The other revenues are recognized in accordance with the accrual basis.
- **Date of financial assets recognition**  
The buying or selling financial assets is recognized at the trading date (the date of the company's commitment to sell or buy financial assets.)
- **Impairment in the financial assets**  
The company reviews the value of the financial assets stated in the company's records at the date of the financial statements to determine if there are indications to impairment in their value. In case of such indications, the recoverable fair value of the assets is estimated to define the impairment loss. In case the recoverable value is less than the net book value stated in the company's records, the impairment value is reflected in the comprehensive income statement.
- **Income Tax**  
The Company is subject to the Income Tax Law, as amended, and the instructions issued by the Income Tax Department in the Hashemite Kingdom of Jordan. The book takes place in accordance with the accrual basis where the provision for income tax is calculated on the adjusted profit basis.



**Rum Financial Brokerage**  
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**Notes to the interim financial statements**

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

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Cash on hand	3,634	1,961
Investment Bank/ client notes	82,969	85,168
Investment Bank accounts/ current	11,258	4,062
Housing Bank/ current	3,231	1,046
Jordan Commercial Bank	66	84
Housing Bank/ clients	16	18
<b>Total</b>	<b>101,174</b>	<b>92,339</b>

**3- Brokerages Client / Accounts Receivable :**

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Brokerages client / Accounts Receivable	2,468,991	2,492,885
Less provision for doubtful debts	(645,698)	(645,698)
<b>Total</b>	<b>1,823,293</b>	<b>1,847,187</b>

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

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Balance at 1 January 2017	645,698	662,559
Debt Execution	-	(16,861)
<b>Total</b>	<b>645,698</b>	<b>645,698</b>

**4- Other Current Assets :**

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Pre-paid Expenses	21,271	5,840
Income tax	719	719
Employee acc.	27,179	26,914
Other receivables	4,652	32,669
Insurance with others	2,200	2,200
Employees Account's	1,241	1,263
<b>Total</b>	<b>57,262</b>	<b>69,605</b>

Rum Financial Brokerage  
"Public Shareholding Company"  
Amman- The Hashemite Kingdom of Jordan  
Notes to the interim financial statements

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

<u>Description</u>	<u>Number of shares 2019</u>	<u>31-Mar-2019 JD</u>	<u>Number of shares 2018</u>	<u>31-Dec-2018 JD</u>
Arab Union International Insurance Company	863,463	1,182,944	863,463	1,139,771
Century investment group Co.	97,941	224,285	86,231	206,092
Rum investment group Co.	847,297	491,432	847,297	499,905
<b>Total</b>		<b>1,898,661</b>		<b>1,845,768</b>

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 interim 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, 2018	2,293	19,496	21,789
Additions	-	-	-
<b>Balance as at March 31, 2019</b>	<b>2,293</b>	<b>19,496</b>	<b>21,789</b>
<u>Amortization</u>			
Balance as at December 31, 2018	2,293	17,821	20,114
Additions	-	68	68
<b>Balance as at March 31, 2019</b>	<b>2,293</b>	<b>17,889</b>	<b>20,182</b>
<b>Book value as at March 31, 2019</b>	<b>-</b>	<b>1,607</b>	<b>1,607</b>
<b>Book value as at December 31, 2018</b>	<b>-</b>	<b>1,675</b>	<b>1,675</b>

**8- Net value of Property and equipment :**

<u>Description</u>	<u>Furniture &amp; 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, 2018	65,046	77,840	142,886
Additions	-	-	-
<b>Balance as at March 31, 2019</b>	<b>65,046</b>	<b>77,840</b>	<b>142,886</b>
<u>Acumelated depreciation</u>			
Balance as at December 31, 2018	63,924	63,576	127,500
Additions	194	775	969
<b>Balance as at March 31, 2019</b>	<b>64,118</b>	<b>64,351</b>	<b>128,469</b>
<b>Book value as at March 31, 2019</b>	<b>928</b>	<b>13,489</b>	<b>14,417</b>
<b>Book value as at December 31, 2018</b>	<b>1,122</b>	<b>14,264</b>	<b>15,386</b>

**9- Related Parties / Accounts Payable :**

<u>Description</u>	<u>31/03/2019</u> <u>JD</u>	<u>31/12/2018</u> <u>JD</u>
Portfolios managed by the CEO, Board member	540	3,789
Financial brokerage board's members	3,132	3,132
Employee Accounts	104	16
<b>Total</b>	<b>3,776</b>	<b>6,937</b>

Rum Financial Brokerage  
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Amman- The Hashemite Kingdom of Jordan  
Notes to the interim financial statements

**10- Other Current Liabilities :**

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Other accounts payable	15,855	8,863
Accounts payable / employes	1,003	6,216
Accrual expenses	11,102	1,745
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	3,346	315
<b>Total</b>	<b>35,297</b>	<b>21,130</b>

**11- Administrative and General Expenses :**

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Mar-2018</u>
	<u>JD</u>	<u>JD</u>
Rent-exp	2,375	3,750
Fees and subscriptions	5,280	5,696
Post, phone and internet	1,597	2,432
Professional fees	600	1,815
Health insurance	2,829	2,686
Water and electricity	637	749
Miscellaneous	318	683
Stationery, publications, and computer supplies	889	1,169
Advertisement expenses	1,355	540
General Maintenance	123	525
Interests and commissions	628	296
Hospitality and cleaning	530	955
Legal fees	-	100
Remuneration for board of directors session attendance	-	500
Transportation	643	634
Penalty	1,000	-
<b>Total</b>	<b>18,804</b>	<b>22,530</b>



Rum Financial Brokerage  
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Amman- The Hashemite Kingdom of Jordan  
Notes to the interim financial statements

12- Earnings Per Share (Basic & Diluted ) :

<u>Description</u>	<u>31-Mar-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Loss ( profit ) for the period	14,811	(45,824)
	<u>Share</u>	<u>Share</u>
Weighted average for shares number	4,000,000	4,000,000
Basic and diluted earning per share	<u>0.004</u>	<u>(0.011)</u>

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