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Subject: ميزانية الشركة القابضة (بالنسخة الانجليزية)
Attachments: 2019.pdf

دائمة الإفصاح

السيد عمر الكراسنة المحترم

للاطلاع
مراجعة عان
قسم مالي
التحصيل

يرجى الاطلاع على المرفق التالي _ ميزانية الشركة الاستثمارية القابضة كما في 2019/12/31 باللغة الانجليزية
لاجراءاتكم

مع الاحترام

الشركة الاستثمارية القابضة
للمفترين الأردنيين م.ع.م



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Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Consolidated Financial Statements
31 December 2019

Jordanian Expatriates Investment Holding Company
Public Shareholding Company

	<u>Pages</u>
- Independent auditor's report	2 - 3
- Consolidated statement of financial position	4
- Consolidated statement of comprehensive income	5
- Consolidated statement of changes in equity	6
- Consolidated statement of cash flows	7
- Notes to the consolidated financial statements	8 - 20



INDEPENDENT AUDITOR'S REPORT

To The Shareholders of
Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Amman - Jordan

Opinion

We have audited the consolidated financial statements of **Jordanian Expatriates Investment Holding Company PLC**, which comprise the consolidated statement of financial position as at 31 December 2019, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at 31 December 2019, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Hashemite Kingdom of Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Provision for Expected Credit Loss

Included in the accompanying consolidated financial statements at the end of the year 2019 financial assets totaling JOD (4,394,062), as the provision for the expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

Other Information

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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


- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith, and we recommend the General Assembly to approve it.

23 January 2020
Amman – Jordan




Arab Professionals
Amin Samara
License No. (481)

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2019
(In Jordanian Dinar)

	Notes	2019	2018
Assets			
Cash and cash equivalents	3	3,230,684	4,459,943
Financial assets at fair value through statement of profit or loss	4	5,405,614	7,181,892
Brokerage receivables	5	249,452	306,570
Margin financing receivables		740,106	832,128
Brokers receivable		-	117,393
Settlement guarantee fund		89,000	89,000
Other current assets	6	96,880	131,709
Financial assets at fair value through other comprehensive income	7	3,667,857	3,667,857
Financial assets at amortized cost	8	754,070	964,627
Investment property	9	2,846,481	2,846,481
Property and equipment	10	9,649	8,193
Brokerage license		1	1
Total assets		<u>17,089,794</u>	<u>20,605,794</u>
Liabilities and Equity			
Liabilities			
Brokerage payables		114,610	40,452
Brokers payables		13,272	-
Amounts due to related parties	13	64,954	61,355
Other current liabilities	11	445,011	467,988
Total liabilities		<u>637,847</u>	<u>569,795</u>
Equity	12		
Paid in capital		14,512,500	16,125,000
Additional paid in capital		105,986	105,986
Statutory reserve		2,340,245	2,340,245
Voluntary reserve		11,448	11,448
Retained (losses) earnings		(1,042,409)	955,509
Net shareholders equity		<u>15,927,770</u>	<u>19,538,188</u>
Non-controlling interests		524,177	497,811
Total equity		<u>16,451,947</u>	<u>20,035,999</u>
Total liabilities and equity		<u>17,089,794</u>	<u>20,605,794</u>

"The accompanying notes from (1) to (25) are integral part of these consolidated financial statements"

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2019

(In Jordanian Dinar)

	Notes	2019	2018
Dividend income		613,667	695,139
Brokerage commissions		166,771	130,068
Interest income on margin financing accounts		67,243	68,776
Change in fair value of financial assets at fair value through profit or loss		(1,695,684)	(595,052)
Gain from sale of financial assets at fair value through profit or loss		50,356	276,597
Interest income from bank deposits		176,370	247,099
Interest income from financial assets at amortized cost		51,642	56,211
Gain (loss) from sale of financial assets at amortized cost		2,585	(225)
Unneeded provision for expected credit loss	5	23,403	795,527
Legal expenses	16	(157,294)	(266,818)
Administrative expenses	14	(483,759)	(443,688)
Other income	15	30,686	78,922
(Loss) profit before income tax		(1,154,014)	1,042,556
Income tax and National Contribution for the year	19	(11,288)	(72,942)
Comprehensive (loss) income for the year		<u>(1,165,302)</u>	<u>969,614</u>
Attributable to:			
Shareholders of the company		(1,191,668)	691,624
Non-controlling interests		26,366	277,990
		<u>(1,165,302)</u>	<u>969,614</u>
 Basic and diluted (loss) profit per share	 17	 <u>(0.078)</u>	 <u>0.043</u>

"The accompanying notes from (1) to (25) are integral part of these consolidated financial statements"

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2019

(In Jordanian Dinar)

	Paid in capital	Additional paid in capital	Reserves		Retained (losses) earnings	Total shareholder's equity	Non- controlling interests	Total equity
			Statutory	Voluntary				
Balance at 1 January 2019	16,125,000	105,986	2,340,245	11,448	955,509	19,538,188	497,811	20,035,999
Cash dividends	-	-	-	-	(806,250)	(806,250)	-	(806,250)
Total comprehensive loss for the year	-	-	-	-	(1,191,668)	(1,191,668)	26,366	(1,165,302)
Capital decrease	(1,612,500)	-	-	-	-	(1,612,500)	-	(1,612,500)
Balance at 31 December 2019	14,512,500	105,986	2,340,245	11,448	(1,042,409)	15,927,770	524,177	16,451,947
Balance at 1 January 2018	16,125,000	105,986	2,263,788	11,448	1,940,980	20,447,202	1,213,733	21,660,935
Cash dividends	-	-	-	-	(1,612,500)	(1,612,500)	-	(1,612,500)
Total comprehensive income for the year	-	-	-	-	691,624	691,624	277,990	969,614
Statutory reserve	-	-	76,457	-	(76,457)	-	-	-
Purchase additional shares in a subsidiary	-	-	-	-	11,862	11,862	(556,412)	(544,550)
Non-controlling interests	-	-	-	-	-	-	(437,500)	(437,500)
Balance at 31 December 2018	16,125,000	105,986	2,340,245	11,448	955,509	19,538,188	497,811	20,035,999

"The accompanying notes from (1) to (25) are integral part of these consolidated financial statements"

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2019

(In Jordanian Dinar)

	2019	2018
Operating Activities		
(Loss) profit for the year before income tax	(1,154,014)	1,042,556
Depreciation	1,425	1,165
Change in fair value of financial assets at fair value through profit or loss	1,695,684	595,052
(Gain) loss from sale of financial assets at amortized cost	(2,585)	1,151
Unneeded provision for expected credit loss	(23,403)	(795,527)
Changes in Working Capital		
Financial assets at fair value through profit or loss	80,594	(473,586)
Brokerage receivables	154,679	701,980
Margin financing receivables	92,022	(40,237)
Brokers receivable	130,665	201,456
Other current assets	37,412	187,321
Other current liabilities	52,410	6,717
Paid income tax	(89,258)	(75,578)
Net Cash Flows From Operating Activities	<u>975,631</u>	<u>1,352,470</u>
Investing Activities		
Financial assets at amortized cost	213,142	(40,556)
Property and equipment	(2,881)	(2,941)
Purchase additional shares in a subsidiary	-	(544,550)
Net Cash Flows From (Used in) Investing Activities	<u>210,261</u>	<u>(588,047)</u>
Financing Activities		
Capital decrease	(1,612,500)	-
Amounts due to related parties	3,599	(126,031)
Cash dividends	(806,250)	(1,612,500)
Non-controlling interests	-	(437,500)
Net Cash Flows Used in Financing Activities	<u>(2,415,151)</u>	<u>(2,176,031)</u>
Changes in cash and cash equivalents	(1,229,259)	(1,411,608)
Cash and cash equivalents at, beginning of year	<u>4,459,943</u>	<u>5,871,551</u>
Cash and cash equivalents at, end of year	<u>3,230,684</u>	<u>4,459,943</u>

"The accompanying notes from (1) to (25) are integral part of these consolidated financial statements"

Jordanian Expatriates Investment Holding Company
Public Shareholding Company
Notes to the Consolidated Financial Statements
31 December 2019
(In Jordanian Dinar)

1 . General

Jordanian Expatriates Investment Holding Company was established on 2 July 1988 and registered in accordance with Jordanian Companies Law under No.(202) as public Shareholding Company. The Company's head office is in the Hashemite Kingdom of Jordan. Company's main objectives are to invest in industrial, commercial, agricultural, tourism and other economic fields.

Company's shares are listed in Amman Stock Exchange.

The accompanying consolidated financial statements were authorized for issue by the Company's Board of Directors on 23 January 2020, and require the approval of the General Assembly.

2 . Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on historical cost basis except for financial assets measured at fair value.

The consolidated financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the year.

Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the parent and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the statement of profit or loss from the acquisition date which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiaries.

Non - controlling interest represent the subsidiary equity not owned by the parent shareholders.

The following subsidiaries have been consolidated:

Company	Paid in capital	Ownership	Activity
Jordanian Expatriates for Financial Brokerage	2,250,000	75%	Brokerage services
Jordanian Expatriates for Real estate and Development	1,600,000	100%	Real estate investment

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2019. Management anticipates that the adoption of new and revised Standards will have no material impact on the consolidated financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 3	Definition of a Business (Amendments)	1 January 2020
IFRS 17	Insurance Contracts	1 January 2021

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, 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 provisions.

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

- Management reviews periodically the tangible and intangible assets in order to assess the depreciation and amortization for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short - term highly liquid investments.

Accounts Receivable

Accounts receivables are carried at original invoice amount less an estimate made for expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Property, Plant and Equipment

Property plant 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 consolidated statement of profit or loss.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing 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 benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Computers and Software	10-25%
Office Equipment	10-15%
Furniture and Decoration	10-20%
Vehicles	15%

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

Financial Assets at Fair Value Through of Profit or Loss

It is the financial assets held by the company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the consolidated statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of profit or loss.

Dividends and interests from these financial assets are recorded in the consolidated statement of profit or loss.

Financial Assets at Fair Value Through Other Comprehensive Income

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the consolidated statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. In case those assets – or part of them- were sold, the resultant gain or loss is recorded in the consolidated statement of comprehensive income within owners' equity and the reserve for the sold assets is directly transferred to the retained earnings and not through the consolidated statement of profit or loss.

Dividends are recorded in the consolidated statement of profit or loss on a separate line item.

Financial Assets at Amortized Cost

Financial assets at amortized cost are the financial assets which the company management intends according to its business model to hold for the purpose of collecting the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium \ discount is amortized using the effective interest rate method, and recorded to interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is registered in the consolidated statement of profit or loss and should be presented subsequently at amortized cost less any impairment losses.

Trading and Settlement Date Accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Fair Value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the consolidated 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 investments, then they are stated at cost less any impairment in their value.

Investment Properties

Property held to earn rentals or for capital appreciation purposes as well as those held for undetermined future use are classified as investment property. Investment property is measured at cost less any accumulated depreciation and any accumulated impairment losses. The cost of constructed property includes the cost of material and any other costs directly attributed to bringing the property to a working condition for its intended use. Borrowing costs that are directly attributed to acquisition and construction of a property are included in the cost of that property.

Intangible assets

Intangible assets are classified on the basis of whether their useful lives are definite or indefinite. Those with definite useful lives are amortized over their lives and the amortization expense is taken to the statement of profit or loss. On the other hand, intangible assets with indefinite lives are reviewed for impairment as of the consolidated financial statements date, and the impairment loss (if any) is taken to the consolidated statement of profit or loss.

Brokerage license has been amortized over its estimated useful life at (10 years).

Accounts Payable and Accruals

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 obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

Offsetting

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

Revenue Recognition

Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rendering services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

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

Dividend income is recognized when it is declared by the General Assembly of the investee Company.

Other revenues are recognized on the accrual basis.

Foreign Currencies

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of profit or loss.

Income Tax

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

3 . Cash and cash equivalents

	2019	2018
Current banks accounts	1,006,813	440,831
Time deposits	<u>2,223,871</u>	<u>4,019,112</u>
	<u>3,230,684</u>	<u>4,459,943</u>

Time deposits mature within (1) to (5) months, with an annual interest rate ranging between (4.75%) and (5.75%).

4 . Financial assets at fair value through statement of profit or loss

	2019	2018
Investment in quoted shares – inside Jordan	848,389	813,430
Investment in quoted shares – outside Jordan	4,557,225	6,368,462
	<u>5,405,614</u>	<u>7,181,892</u>

5 . Brokerage receivables

	2019	2018
Brokerage receivables *	676,015	764,019
Provision for expected credit loss	(426,563)	(457,449)
	<u>249,452</u>	<u>306,570</u>

Movements on provision for expected credit loss are as follows:

	2019	2018
Balance at beginning of the year	457,449	1,290,704
Receivables written-off during the year	(7,483)	(37,728)
Additions	-	46,317
Unneeded provision for expected credit loss	(23,403)	(841,844)
	<u>426,563</u>	<u>457,449</u>

The ageing of receivables past due but not impaired is as follows:

	2019	2018
Past due for 1-30 days	218,003	240,207
Past due for 31-90 days	31,449	40,129
Past due over 181 days	-	26,234
	<u>249,452</u>	<u>306,570</u>

Management believes that all past due but not impaired receivables are collectable in full.

- * There were no transactions between the Company and related parties during the year 2019, (against JOD 217,260 during the year 2018).

6 . Other current assets

	2019	2018
Margin on letter of guarantees	47,500	47,500
Prepaid expenses	16,796	16,139
Accrued revenues	23,556	43,908
Income tax withholdings (Note 19)	2,583	-
Others	6,445	24,162
	<u>96,880</u>	<u>131,709</u>

7 . Financial assets at fair value through other comprehensive income

	Country of Incorporation	Ownership percentage	Cost	Market Value
Trust Bank Algeria	Algeria	4.881%	3,667,856	Unquoted
Lebanese Canadian Bank (under liquidation) *	Lebanon	2%	<u>1</u>	Unquoted
			<u>3,667,857</u>	

* Board of Directors believe that the Company will receive some proceeds from selling Lebanese Canadian Bank's net assets and it will pay its share from legal and consulting fees, while it is difficult to estimate these proceeds and expenses at meantime.

8 . Financial assets at amortized cost

	2019	2018
Foreign companies bonds – outside Jordan	<u>754,070</u>	<u>964,627</u>

Investment in bonds mature up to the year 2047 with an annual interest rate ranging between (5.3%) and (6.5%).

9 . Investment property

The fair value of the investment properties as assessed by real estate experts equals an amount of JOD (4,222,674) as at 31 December 2019.

10 . Property and equipment

	Computers and software	Office equipment	Furniture and decoration	Vehicles	Projects under construction	Total
Cost						
Balance at 1/1/2019	113,776	54,064	111,358	29,092	-	308,290
Additions	-	631	-	-	2,250	2,881
Balance at 31/12/2019	<u>113,776</u>	<u>54,695</u>	<u>111,358</u>	<u>29,092</u>	<u>2,250</u>	<u>311,171</u>
Accumulated depreciation						
Balance at 1/1/2019	111,408	48,241	111,357	29,091	-	300,097
Depreciation	542	883	-	-	-	1,425
Balance at 31/12/2019	<u>111,950</u>	<u>49,124</u>	<u>111,357</u>	<u>29,091</u>	<u>-</u>	<u>301,522</u>
Net book value at 31/12/2019	<u>1,826</u>	<u>5,571</u>	<u>1</u>	<u>1</u>	<u>2,250</u>	<u>9,649</u>
Cost						
Balance at 1/1/2018	111,409	63,438	111,358	29,092	-	315,297
Additions	2,367	574	-	-	-	2,941
Disposals	-	(9,948)	-	-	-	(9,948)
Balance at 31/12/2018	<u>113,776</u>	<u>54,064</u>	<u>111,358</u>	<u>29,092</u>	<u>-</u>	<u>308,290</u>
Accumulated depreciation						
Balance at 1/1/2018	111,408	57,024	111,357	29,091	-	308,880
Depreciation	-	1,165	-	-	-	1,165
Disposals	-	(9,948)	-	-	-	(9,948)
Balance at 31/12/2018	<u>111,408</u>	<u>48,241</u>	<u>111,357</u>	<u>29,091</u>	<u>-</u>	<u>300,097</u>
Net book value at 31/12/2018	<u>2,368</u>	<u>5,823</u>	<u>1</u>	<u>1</u>	<u>-</u>	<u>8,193</u>

11 . Other current liabilities

	2019	2018
Shareholders' withholdings	307,865	196,033
Provision for income tax (Note 19)	-	75,387
Scientific research fund provision	82,901	82,901
End of service provision	20,167	78,815
Accrued expenses	21,796	18,944
Others	12,282	15,908
	445,011	467,988

12 . Equity

Paid-in capital

The Company's authorized, subscribed and paid in capital is JOD (14,512,500) divided equally into (14,512,500) shares with par value of JOD (1) for each share as at 31 December 2019, (JOD/ share (16,125,000) as at 31 December 2018).

The General Assembly has resolved in its extraordinary meeting held on 11 April 2019 to decrease the Company's capital from (16,125,000) JOD/ Share to (14,512,500) JOD/ Share by returning JOD (1,612,500) to shareholders.

Additional paid in capital

The Additional paid in capital is JOD (105,986) as at 31 December 2019 and 2018 resulted from the issuing some of the company's shares with price above the par value amounted to JOD (1).

Statutory reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.

Voluntary reserve

The accumulated amounts in this account represent 20% of the Company's net income before income tax according to the Companies Law. The voluntary reserve is available for distribution to shareholders.

Non - controlling interest

This presents the non - controlling interest of the Company from the subsidiaries shareholders equity, and the non - controlling interest is presented as a separate account into the consolidated statements of financial position, consolidated statement of profit and loss and consolidated statement of other comprehensive income.

Dividends

The General Assembly has resolved in its meeting held on 11 April 2019 to distribute (5%) cash dividends to shareholders.

13 . Related parties transactions

Party	Relationship nature	Transaction nature	Balance at year end
Nest Investment Company	Sister Company	Financing	64,954

14 . Administrative expenses

	2019	2018
Salaries , wages and other benefits	278,704	199,108
Social security	21,910	17,505
Professional fees	30,916	38,311
Rents	32,367	36,707
End of service remuneration	6,903	26,161
Insurance	26,725	25,602
Fees and licenses	22,915	21,931
Travel and transportation	7,222	16,086
Maintenance	11,593	12,104
Bank fees	8,002	10,688
Post and telephone	7,063	6,726
Stationary	5,469	5,246
Investor guarantee fund fees	5	3,313
Hospitality	3,674	3,044
Board of Directors' transportation	478	2,679
Advertisement	3,096	2,435
Depreciation (Note 10)	1,425	1,165
Utilities	6,250	6,613
Others	9,042	8,264
	483,759	443,688

15 . Other income

	2019	2018
Currency exchange differences	5,189	57,972
Other	25,497	20,950
	30,686	78,922

16 . Legal expenses

This item consists of an amount totaling to JOD (119,528) which represents the amounts paid during the year 2019 by the Company for it's share from consultancy fees, legal fees, court fees, and costs of liquidating the Lebanese Canadian Bank. The Board of Directors believes that there will be some proceeds to be received by the Company against the sale of Bank's net assets, and an amount totaling to JOD (37,766) represents professional fees and lawsuit fees filed against the Jordanian Expatriates Brokerage Company (subsidiary company).

17 . Basic and diluted (loss) profit per share

	2019	2018
(Loss) profit for the year	(1,191,668)	691,624
Weighted average number of shares	15,356,301	16,125,000
	(0.078)	0.043

18 . Executive management remunerations

The remunerations of executive management during the years 2019 and 2018 amounted to JOD (118,017) and JOD (59,643) respectively.

19 . Income tax

The movement on provision for the income tax during the year is as follows:

	2019	2018
Balance at beginning of the year	75,387	78,023
Income tax for the year	25,792	72,942
Prior years income tax gain	(14,504)	-
Paid income tax	(89,258)	(75,578)
Balance at end of the year (Note 6,11)	(2,583)	75,387

Income tax expense for the year in the statement of profit or loss consists of the following:

	2019	2018
Income tax expense for the year	23,448	72,942
National Contribution tax	2,344	-
Prior years income tax gain	(14,504)	-
	11,288	72,942

The following is the reconciliation between declared profit and taxable income:

	2019	2018
Declared (loss) profit (except for profit from foreign investments)	(1,845,566)	313,136
Net of tax exempted (income) expenses	1,559,223	(70,968)
Taxable (loss) profit (subject to 20%) taking in consideration accumulated taxable losses	(286,343)	242,168
Profit from foreign investments (subject to 10%)	234,480	729,420
Income tax expense for the year	23,448	72,942
National Contribution tax	2,344	-
Income tax for the year	25,792	72,942

- The Company has settled its tax liability with Income Tax Department up to the year ended 2016.
- The income tax returns for the years 2017 and 2018 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the year 2019 was calculated in accordance with the Income Tax Law.

20 . Segment reporting

The Company is engaged mainly in investment in financial assets and real estate and brokerage activities as follow:

	2019		2018	
	Inside Jordan	Outside Jordan	Inside Jordan	Outside Jordan
Income (loss) from investment in financial assets	405,138	(1,206,202)	587,266	92,503
Income from brokerage activities	234,014	-	198,844	-
Assets related to investment in financial assets	3,072,260	8,979,152	5,273,373	11,000,946
Assets related to investment in real estate	2,846,481	-	2,846,481	-
Assets related to brokerage activities	1,078,558	-	1,277,370	67,721

21 . Contingent liabilities

The Company is contingently liable with respect to bank letters of guarantee for JOD (450,000) with cash margin of JOD (47,500).

22. Analysis of the maturities of assets and liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

2019	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	3,230,684	-	3,230,684
Financial assets at fair value through statement of profit or loss	5,405,614	-	5,405,614
Brokerage receivables	249,452	-	249,452
Margin financing receivable	740,106	-	740,106
Settlement guarantee fund	89,000	-	89,000
Other currents assets	96,880	-	96,880
Financial assets at fair value through other comprehensive income	-	3,667,857	3,667,857
Financial assets at amortized cost	-	754,070	754,070
Investment property	-	2,846,481	2,846,481
Property and equipment	-	9,649	9,649
Brokerage license	-	1	1
Total assets	9,811,736	7,278,058	17,089,794
Liabilities			
Brokerage payables	114,610	-	114,610
Brokers payables	13,272	-	13,272
Amount due to related parties	64,954	-	64,954
Other current liabilities	445,011	-	445,011
Total liabilities	637,847	-	637,847
2018	Less than one year	More than one year	Total
Assets			
Cash and cash equivalents	4,459,943	-	4,459,943
Financial assets at fair value through statement of profit or loss	7,181,892	-	7,181,892
Brokerage receivables	306,570	-	306,570
Margin financing receivable	832,128	-	832,128
Brokers receivables	117,393	-	117,393
Settlement guarantee fund	89,000	-	89,000
Other currents assets	131,709	-	131,709
Financial assets at fair value through other comprehensive income	-	3,667,857	3,667,857
Financial assets at amortized cost	-	964,627	964,627
Investment property	-	2,846,481	2,846,481
Property and equipment	-	8,193	8,193
Brokerage license	-	1	1
Total assets	13,118,635	7,487,159	20,605,794
Liabilities			
Brokerage payables	40,452	-	40,452
Amount due to related parties	61,355	-	61,355
Other current liabilities	467,988	-	467,988
Total liabilities	569,795	-	569,795

23 . Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include of cash and cash equivalents, accounts receivable and securities. Financial liabilities of the Company include accounts payable.

The fair values 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 consolidated 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 prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2019	Level 1	Level 2	Level 3	Total
Financial assets at fair value through statement of profit or loss	5,405,614	-	-	5,405,614
Financial assets at fair value through other comprehensive income	-	-	3,667,857	3,667,857
	<u>5,405,614</u>	<u>-</u>	<u>3,667,857</u>	<u>9,073,471</u>
2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value through statement of profit or loss	7,181,892	-	-	7,181,892
Financial assets at fair value through other comprehensive income	-	-	3,667,857	3,667,857
	<u>7,181,892</u>	<u>-</u>	<u>3,667,857</u>	<u>10,849,749</u>

Financial assets included in level 3 are stated at cost less impairment charges, as the fair value of these assets cannot be measured reliably due to the lack of available active markets for identical assets.

24 . Financial Risk Management

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 by 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.

The balance of the largest client amounted to JOD (201,885) from the total outstanding receivables as at 31 December 2019 compared to JOD (252,355) as at 31 December 2018.

Currency Risk

The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances 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 the Company's results or equity to movements in exchange rates is not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. 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 analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the consolidated financial position date to the contractual maturity date:

2019	Less than one year	More than one year	Total
Brokerage payables	114,610	-	114,610
Brokers payables	13,272	-	13,272
Amounts due to related parties	64,954	-	64,954
Other current liabilities	445,011	-	445,011
	637,847	-	637,847
2018	Less than one year	More than one year	Total
Brokerage payables	40,452	-	40,452
Amounts due to related parties	61,355	-	61,355
Other current liabilities	467,988	-	467,988
	569,795	-	569,795

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments.

The sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

Equity Price Risk

Equity price risk results from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the consolidated comprehensive income for the year 2019 would have been reduced / increased by JOD (540,561) (2018: JOD 718,189).

25 . Capital Management

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