

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS

31 DECEMBER 2021

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(A PRIVATE SHAREHOLDING COMPANY)

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)**

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Seldon Investments limited (Jordan), (later on the "Company") as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2021;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, which include significant accounting policies and other explanatory information.

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 financial statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



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 International Financial Reporting Standards, and for such internal control as board of directors 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 board of directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's 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 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 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 board of directors.
- Conclude on the appropriateness of board of directors' 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Report on other legal and regulatory requirements

The Company maintains proper accounting records that are in agreement with the accompanying financial statements. We recommend that the General Assembly approve these financial statements.

For and on behalf of PricewaterhouseCoopers "Jordan"


Omar Kalanji
License No (1015)



Amman – Jordan
31 March 2022

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF FINANCIAL POSITION
As At 31 DECEMBER 2021

	Notes	2021 JD	2020 JD
ASSETS			
Non-current assets			
Property and equipment	5	90,427	126,783
Right of use assets	11	18,766	5,799
Intangible assets	6	225,452	226,843
		<u>334,645</u>	<u>359,425</u>
Current assets			
Due from related parties	14	239,822	-
Other debit balances	7	72,738	35,664
Term deposits	8	1,048,823	891,000
Cash and cash equivalents	8	4,087,130	2,703,294
		<u>5,448,513</u>	<u>3,629,958</u>
TOTAL ASSETS		<u>5,783,158</u>	<u>3,989,383</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	2,530,000	2,530,000
Statutory reserve	10	36,173	11,199
Accumulated losses		<u>(130,921)</u>	<u>(360,908)</u>
NET EQUITY		<u>2,435,252</u>	<u>2,180,291</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	<u>11,906</u>	<u>-</u>
Current liabilities			
Lease liabilities	11	6,860	6,334
Due to related parties	14	1,966,765	984,805
Trade and other payables	9	<u>1,362,375</u>	<u>817,953</u>
		<u>3,336,000</u>	<u>1,809,092</u>
TOTAL LIABILITIES		<u>3,347,906</u>	<u>1,809,092</u>
TOTAL EQUITY AND LIABILITIES		<u>5,783,158</u>	<u>3,989,383</u>

The attached notes from 1 to 15 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2021

	Note	2021 JD	2020 JD
Revenue from contracts with customers		5,727,864	6,348,283
Cost of revenue	14	(4,043,618)	(5,224,036)
Gross profit		1,684,246	1,124,247
Administrative expenses	13	(1,476,765)	(1,063,868)
Other income		6,262	12,884
Operating profit		213,743	73,263
Finance income		35,993	38,730
Profit for the year		249,736	111,993
Income tax benefit		5,225	-
Other comprehensive income items		-	-
Total comprehensive income for the year		254,961	111,993

The attached notes from 1 to 15 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021

	Share capital	Statutory reserve	Accumulated losses	Total Equity
	JD	JD	JD	JD
2021				
Balance at 1 January 2021	2,530,000	11,199	(360,908)	2,180,291
Total comprehensive income for the year	-	-	254,961	254,961
Transfer to statutory reserve	-	24,974	(24,974)	-
Balance at 31 December 2021	<u>2,530,000</u>	<u>36,173</u>	<u>(130,921)</u>	<u>2,435,252</u>
2020				
Balance at 1 January 2020	2,530,000	-	(461,702)	2,068,298
Total comprehensive income for the year	-	-	111,993	111,993
Transfer to statutory reserve	-	11,199	(11,199)	-
Balance at 31 December 2020	<u>2,530,000</u>	<u>11,199</u>	<u>(360,908)</u>	<u>2,180,291</u>

The attached notes from 1 to 15 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021

	2021	2020
	JD	JD
Operating activities		
Profit for the year	249,736	111,993
Adjustments:		
Depreciation and amortization	48,111	47,291
Depreciation - Right of use assets	5,799	5,800
Finance income	(36,019)	(39,308)
Lease liabilities Interest expense	26	578
Changes in working capital:		
Other debit balances	(31,849)	(34)
Due from related parties	(239,822)	-
Due to related parties	981,960	237,386
Trade and other payables	544,422	499,802
Net cash flows generated from operating activities	<u>1,522,364</u>	<u>863,508</u>
Investing activities		
Purchases of property and equipment	(2,424)	(5,765)
Purchase of intangible assets	(7,940)	(3,501)
Finance income received	36,019	39,308
Term deposits	(157,823)	(306,848)
Net cash flows generated from investing activities	<u>(132,168)</u>	<u>(276,806)</u>
Financing activities		
Payments on lease liabilities	(6,360)	(6,360)
Net cash flows used in financing activities	<u>(6,360)</u>	<u>(6,360)</u>
Net change in cash and cash equivalents	1,383,836	580,342
Cash and cash equivalents at 1 January	2,703,294	2,122,952
Cash and cash equivalents at 31 December	<u>4,087,130</u>	<u>2,703,294</u>
Non-cash transactions		
Right of use / Lease liability	18,677	-
Income tax benefit	5,225	-

The attached notes from 1 to 15 are an integral part of these financial statements

**SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021**

(1) GENERAL INFORMATION

Seldon investment limited (Jordan) (the "Company") was registered at the Ministry of Industry and Trade as a Private shareholding company under No. (1265) on 26 June 2018 with a total authorized and paid-in capital of JD 2,530,000.

The Company's main objectives are:

- Provide financial consulting
- Financial Brokerage

The Company is located in 198 Zahran Street - Amman, Hashemite Kingdom of Jordan and fully owned by Seldon investment Ltd - British Virgin Islands.

The financial statements were approved by the board of directors on 30 March 2022.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Seldon Investments limited (Jordan) have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements of the Company are presented in Jordanian Dinars which is the Company's functional currency.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note (4).

2.2 Changes in accounting policy and disclosures

(A) New and amended standards adopted by the Company:

The Company has applied the following standards and amendments for the first time for the annual reporting period beginning on 1 January 2021:

- **Amendment to IFRS 16 “Leases” - Coronavirus related lease concessions:**

As a result of the Coronavirus (COVID-19) pandemic, lease concessions have been granted to lessees. These concessions may take a variety of forms, including payments facilities and deferred lease payments. On 28 May 2020, the International Accounting Standards Board published an amendment to IFRS 16 that provides an optional practical expedient for lessees to assess whether a coronavirus lease concession is an amendment to the lease contract, whereby lessees can consider these concessions as they have not been amendments on the lease.

- **A number of narrow scope amendments to IFRS 3, IAS 16 and IAS 17, in addition to some annual improvements to IFRS 1, 9 and 16 and IAS 41**
- **Amendment to IFRS 9, IAS 39 and IFRS 7, IFRS 4, IFRS 16, ‘Interest Rate Benchmark Reform (IBOR) - Stage 2**

The IASB issued amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 that address issues arising during the interest rate benchmark reform, including the substitution of one benchmark for another alternative. Due to the prevailing nature of IBOR based contracts, adjustments can affect companies in all sectors. The amendments are effective from 1 January 2021.

- **Amendments to IFRS 17 and IFRS 4, deferring “insurance contracts” to IFRS 9 -** these amendments defers the adoption date of the IFRS 17 for two years to 1 January 2023 and change the date of the temporary exemption in the IFRS 4 from the adoption of the IFRS 9 until 1 January 2023.
- **Amendments to IAS 16, “Property, Plant and Equipment”:** The Company is prohibited from deducting from the cost of property, plant and equipment any amounts received from the sale of items produced while the Company prepares the asset for its intended use. Instead, the Company will recognise this sales' revenue and related cost in profit or loss.
- **Amendments to the IFRS 3, “Business Combination”:** Reference update in the IFRS 3 to the conceptual framework for financial reporting without changing the accounting requirements for business combination.
- **Amendments to IAS 37, “Provisions, Contingent Liabilities and Assets”:** These amendments define the costs that the Company includes when assessing whether the contract will cause a loss.

The above amendments did not have any material impact on the Company.

(B) New and revised IFRSs issued and not yet in effect and have not been early adopted:

The Company did not early implement the following new standards, amendments and interpretations that were issued but did not enter into force to date.

	Effective for annual periods beginning on or after 1 January 2023
New standards, amendments and interpretations	
IFRS 17 "Insurance Contracts" - On 18 May 2017, the IASB completed its long-term project to develop an accounting standard on insurance contracts and issued the IFRS 17 "Insurance Contracts". IFRS 17 replaces IFRS 4 which currently allows many practices. IFRS 17 will lead to a significant change in accounting for all entities that issue insurance and investment contracts that include the voluntary participation benefit.	
The standard applies to annual periods beginning on or after 1 January 2023, and early application is permitted if it coincides with the application of IFRS 15 "Revenue from Contracts with Customers" and IFRS 9 "Financial Instruments".	
IFRS 17 requires a current measurement model as estimates are remeasured in each reporting period. The measurement is based on discounted weighted cash flow bases, an adjustment for risk, and contractual services margin that represents unearned contract profits. A simplified premium allocation method is permitted for liabilities over the remaining coverage period if this method allows for a measurement method that is not materially different from the general model or if the coverage period extends for a year or less. However, claims incurred should be measured by reliance on risk-weighted, risk-adjusted and discounted cash flow bases.	
- Disclosure of accounting policies: Amendments to IAS 1	1 January 2023
- The IASB has amended IAS 1 to require entities to disclose material accounting policies, but not their significant accounting policies.	
Definition of accounting estimates - Amendments to IAS 8	1 January 2023
The amendment to IAS 8 explains accounting policies, changes in accounting estimates and errors, and how companies must distinguish between changes in accounting policies and changes in accounting estimates. The distinction is important because changes in accounting estimates are applied prospectively to future transactions and other future events, but changes in accounting policies are generally applied retrospectively to past transactions and other past events as well as to the current period.	

Deferred tax assets and liabilities arising from a single transaction - Amendments to IAS 12

1 January 2023

The amendments to IAS 12 Income taxes require from the companies to recognize deferred tax on transactions that, on initial recognition, result in equal amounts of deductible and taxable temporary differences. It will typically apply to transactions such as tenant leases and termination obligations and will require recognition of additional deferred tax assets and liabilities.

Sale or contribution of assets between an investor and its subsidiary or joint venture

- Amendments to IFRS 10 and IAS 28

The IASB made small-scale amendments to IFRS 10 for consolidated financial statements and IAS 28 investments in subsidiaries and joint ventures.

The amendments clarify the accounting treatment for sales or contribution to assets between an investor and its subsidiaries or joint ventures. It asserts that the accounting treatment depends on whether the non-cash assets sold or contributed to a subsidiary or joint venture constitute a "business" (as defined in IFRS 3 "Business combination").

There are no other standards that are not yet effective that would be expected to have a material impact on the Company in the current or future reporting periods and on expected future transactions. Management does not believe that upon completion of the evaluation of these new standards, they will have a material impact on the Company's financial statements.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Jordanian Dinar' which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

2.4 Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these property and equipment and making them ready for their intended purposes.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate the cost over their useful life for property and equipment. The main useful lives used for that purpose are as follows:

	<u>Years</u>
Leasehold Improvements	7-8
Machinery and Equipment	5-6
Furniture	5
Computers	4-5
Signage boards	6-7

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

If the recoverable amount of property and equipment is less than the assets' net carrying amount, the recoverable amount is written down to its recoverable amount, and the impairment loss is recognized in the statement of comprehensive income (Note 2-6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

2.5 Intangible assets

Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.

Intangible assets are classified based on their lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortised during this lifetime and are recognised in the statement of comprehensive income. For intangible assets that have an indefinite lifetime, their impairment is reviewed in the financial statements and any impairment shall be recognised in the statement of comprehensive income.

Intangible assets resulting from the Company's business are not capitalised and are recognised in the statement of comprehensive income in the same period.

Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives using 10-20%.

2.6 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment loss whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognised for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered from impairment except goodwill are reviewed for possible reversal of impairment at each reporting date.

2.7 Other debit balances

These amounts generally arise through transactions that are not in the ordinary course of business for the company. They are recognized and classified in the same manner as trade receivables.

2.8 Financial assets

2.8.1 Classification

The Company classifies its financial assets (cash and cash equivalents, Other debit balances) as assets at amortized cost on the basis of the objective for which the financial asset is acquired and is held for cash collection. Management determines its classification of financial assets at initial recognition.

Other debit balances

Other debit balances are financial assets (other than derivatives) consisting of fixed or fixed payments that are not quoted in the financial market. These assets are classified as current assets unless their maturity is more than 12 months after the statement of financial position date and are classified as non-current assets.

2.8.2 Recognition and Valuation

The purchase and sale of financial assets is recognized on the date of execution of the contract, the date on which the Company commits to purchase and sell the asset.

Initial recognition of receivables is recognized at fair value in unconsolidated amount unless significant elements of financing are recognized when recognized at fair value. The Company maintains receivables in order to collect contractual cash flows and is subsequently measured at amortized cost using the effective interest method.

2.8.3 Impairment of financial assets

The Company applies the IFRS 9 simplified approach to measuring expected credit losses, which uses a lifetime expected credit loss allowance for all receivables.

To measure expected credit losses, receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on payment data for the sales of the prior 12 months of each reporting date. Historical loss rates are adjusted to reflect current and future information on macroeconomic factors that affect customers' ability to settle payables.

Cash at banks is also subject to impairment requirements under IFRS 9 and for unclassified exposures, the lowest rating has been taken for the remaining exposures in the portfolio, and since there has been no actual instance of default, a loss given default (LGD) model cannot be built on the basis of historical data.

2.9 Cash and cash equivalents

The company does not have any class of financial assets that are substantially subject to the expected credit loss model.

Cash and cash equivalents include cash on hand, deposits held at call with banks with original maturities of three months or less.

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.12 Employee benefits

For defined contribution plans, the Company pays contributions to pension insurance plans administered by the Social Security Corporation and on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as a social security expense when they are due.

2.13 Revenue recognition

IFRS 15 "Revenue from contracts with customers"

The Company applies IFRS 15 "Revenue from contracts with customers".

2.13.1 Identify performance obligation

The Company provides a set of financial intermediation and brokerage services, the Company determines performance obligations for these services that will be provided under the sales contract.

The Company recognizes revenue when the amount of revenue and related costs can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.13.2 A performance obligation satisfied at a point of time

Revenue is recognized in the amount earned by the Company for brokerage services.

2.14 Offsetting

A financial asset and financial liability is recognized and a net amount is recognized in the statement of financial position when there is a legally enforceable right to settle the recoverable amount and there is an intention to settle on a net basis or to sell the asset and settle the obligation at the same time.

2.15 Leases

Leases are recognized as assets of the right to use and corresponding liabilities on the date that the leased assets are available for use in the Company. Each lease payment is distributed between the obligation and the financing cost. The cost of financing is charged to statement of comprehensive income over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Depreciation is calculated on the assets of the right to use over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

2.16 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 the amount has been reliably estimated.

2.17 Income tax

Tax expenses represent tax amounts payable for the year and are presented in the statement of comprehensive income. Due tax expenses are calculated based on the tax rates established under the laws, regulations and instructions applicable at the date of the financial statements of the Company on any operating activity and realized profits that are subject to tax.

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the financial statements and the value based on which tax profit is calculated. Deferred taxes are calculated using the liability method in the statement of financial position, and they are calculated in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets. Due to uncertainty of realizing deferred tax assets, the Company didn't recognize these amounts as assets in the financial statements.

**SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021**

2.18 Financial instruments by category

	<u>2021</u> JD	<u>2020</u> JD
Assets as per the statement of financial position		
Financial assets at amortized cost		
Other debit balances		
(excluding prepayments)	30,258	192
Cash and cash equivalents	4,087,130	2,703,294
Term deposits	1,048,823	891,192
Due from related parties	239,822	-
	<u>5,406,033</u>	<u>3,594,678</u>
Liabilities as per the statement of financial position		
Financial liabilities at amortized cost		
Lease liabilities	18,766	6,334
Due to related parties	1,966,765	984,805
Trade and other payables		
(excluding statutory liabilities)	1,240,414	814,314
	<u>3,207,179</u>	<u>1,805,453</u>

(3) FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including Foreign exchange risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Market risk

- Foreign exchange risk

Most of the Company's transactions are in the Jordanian Dinar or US Dollar. The foreign exchange rate between the US Dollar and the Jordanian Dinar is fixed, therefore, the Company is not exposed to material risks of currency exchange.

(b) Credit risk

Financial assets subject to credit risk are limited to cash at banks and certain other debit balances. The Company only deals with financial institutions of acceptable credit solvency. The Company has a policy for limiting the value exposed to credit risk at a single financial institution.

The management of the Company does not expect any losses resulting from non-compliance by customers.

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021

The following table shows the cash at banks and its credit rating as at 31 December as follows:

	Rating	2021 JD	2020 JD
Jordan Kuwait Bank	B+	1,527,214	283,617
Arab Bank	Ba2	1,319,964	1,200,448
Invest Bank	B+	1,164,383	975,853
Palestine Investment Bank	Unrated	771,680	496
GatetoPay	Unrated	152,981	156,495
Power Cash	Unrated	101,458	-
CardPay	Unrated	98,273	86,385
		<u>5,135,953</u>	<u>2,703,294</u>

The above-mentioned ratings were obtained from Moody's, S&P and Fitch corporation websites.

(c) Liquidity risk

Management of the Company monitors the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

	Less than 1 year JD	More than 1 year USD	Total	Book value JD
As at 31 December 2021				
Lease liabilities	<u>6,860</u>	<u>13,097</u>	<u>19,957</u>	<u>18,766</u>
Trade and other payables (excluding statutory liabilities)	<u>1,240,414</u>	<u>-</u>	<u>1,240,414</u>	<u>1,240,414</u>
Due from related parties	<u>1,966,765</u>	<u>-</u>	<u>1,966,765</u>	<u>1,966,765</u>
As at 31 December 2020				
Lease liabilities	<u>6,334</u>	<u>-</u>	<u>6,334</u>	<u>6,334</u>
Trade and other payables (excluding statutory liabilities)	<u>814,314</u>	<u>-</u>	<u>814,314</u>	<u>814,314</u>
Due from related parties	<u>984,805</u>	<u>-</u>	<u>984,805</u>	<u>984,805</u>

3.2 Fair value estimation

The carrying amounts of borrowings approximate to their fair values.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

A- Income tax

The Company is subject to income taxes. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

B- Leases

Extension and termination options in leases

Extension and termination options are included in several leases. These conditions are used to increase operational flexibility in terms of contract management, that most of the held extension and termination options are renewable by both the Company and the lessor.

Determine the term of the lease

When determining the term of the lease, management considers all facts and circumstances that create an economic incentive such as the option to extend or not the option to terminate. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably confirmed to be extended (or not terminated). The evaluation is reviewed in the event of an important event or significant change in the circumstances that affect this evaluation and that are under the control of the tenant.

Discounting rental payments

Discount payments are discounted using the additional borrowing rate. Management applied provisions and estimates to determine the additional borrowing rate at the commencement of the lease

(C) Provision for expected credit loss

The provision for impairment on financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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(5) PROPERTY AND EQUIPMENT

	Leasehold Improvements	Machinery and Equipment	Furniture	Computers	Signage Boards	Total
	JD	JD	JD	JD	JD	JD
2021						
Cost						
At 1 January 2021	123,513	17,566	33,148	29,761	2,520	206,508
Additions	-	933	564	927	-	2,424
At 31 December 2021	123,513	18,499	33,712	30,688	2,520	208,932
Accumulated depreciation						
At 1 January 2021	41,245	7,147	14,047	16,876	410	79,725
Depreciation for the year	18,214	4,532	6,634	9,021	379	38,780
At 31 December 2021	59,459	11,679	20,681	25,897	789	118,505
Net book value at 31 December 2021	64,054	6,820	13,031	4,791	1,731	90,427
2020						
Cost						
At 1 January 2020	122,557	16,629	33,148	25,889	2,520	200,743
Additions	956	937	-	3,872	-	5,765
At 31 December 2020	123,513	17,566	33,148	29,761	2,520	206,508
Accumulated depreciation						
At 1 January 2020	22,689	3,050	7,443	8,312	32	41,526
Depreciation for the year	18,556	4,097	6,604	8,564	378	38,199
At 31 December 2020	41,245	7,147	14,047	16,876	410	79,725
Net book value at 31 December 2020	82,268	10,419	19,101	12,885	2,110	126,783

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(6) INTANGIBLE ASSETS

	Trading License JD	Software license JD	Computer software JD	Total JD
2021				
Cost				
At 1 January 2021	200,000	4,338	41,001	245,339
Additions	-	-	7,940	7,940
At 31 December 2021	200,000	4,338	48,941	253,279
2021				
Accumulated amortisation				
At 1 January 2021	-	1,807	16,689	18,496
Amortisation for the year	-	904	8,427	9,331
At 31 December 2021	-	2,711	25,116	27,827
Net book value				
as at 31 December 2021	200,000	1,627	23,825	225,452
2020				
Cost				
At 1 January 2020	200,000	4,338	37,500	241,838
Additions	-	-	3,501	3,501
At 31 December 2020	200,000	4,338	41,001	245,339
2020				
Accumulated amortisation				
At 1 January 2020	-	940	8,464	9,404
Amortisation for the year	-	867	8,225	9,092
At 31 December 2020	-	1,807	16,689	18,496
Net book value				
as at 31 December 2020	200,000	2,531	24,312	226,843

(7) OTHER DEBIT BALANCES

	2021 JD	2020 JD
Prepaid expenses	37,255	32,582
Cash margins against guarantees	27,000	-
Income tax benefits	5,225	-
Refundable deposits	2,920	2,890
Employee receivables	-	-
Others	338	192
	<u>72,738</u>	<u>35,664</u>

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(8) CASH AND CASH EQUIVALENTS

	2021 JD	2020 JD
Cash at banks	2,658,369	1,278,184
Deposits at banks *	1,428,761	1,425,110
Cash and cash equivalent	<u>4,087,130</u>	<u>2,703,294</u>

- * Deposits at banks represent short term deposits at Jordanian banks for periods of one to three months in Jordanian Dinar and US Dollars of JD 1,428,761 (2020: 1,425,110) with an Average interest rates during 2021 were between 1.75 % and 3.2 % (2020: 0.05% and 4.75%).

	2021 JD	2020 JD
Deposits in Jordanian Dinars	-	210,660
Deposits in US Dollars	1,428,761	1,214,450
	<u>1,428,761</u>	<u>1,425,110</u>

Term deposits

This balance represents the following:

Deposits amounting to JD 1,048,823 (2020: 891,000) at Jordan Kuwait Bank and subject to an annual interest rate of 4.25%.

	2021 JD	2020 JD
Deposits in Jordanian Dinars	-	-
Deposits in US Dollars	1,048,823	891,000
	<u>1,048,823</u>	<u>891,000</u>

Cash at banks was taken into consideration when calculating expected credit losses and no impairment losses were recorded as the impact is not significant.

(9) TRADE AND OTHER PAYABLES

	2021 JD	2020 JD
Trade payables	1,354,238	808,342
Employee payables	7,500	5,000
Social security	-	3,165
Employees Income tax	538	474
Others	99	972
	<u>1,362,375</u>	<u>817,953</u>

(10) SHAREHOLDER'S EQUITY

Share capital

The authorized and paid-in capital of the Company consists of 2,530,000 shares (JD 1 per share)

The Company is wholly owned by Seldon Investments Limited - British Virgin Islands.

Statutory reserve

According to the Jordanian Companies Law No. (70) and the Company's by-laws, the Company should deduct 10% of its annual net profit to transfer to the statutory reserve, and continue do so each year provided that the total deducted amounts for the reserve do not exceed the Company's capital. For the purposes of this law, net profits represent profits before the income tax provision deduction. This reserve is not available for distribution to shareholders.

(11) LEASES

The Company entered into a lease agreement for the Irbid office as follows:

- A lease agreement for the company's Irbid office. Whereas, the term of the agreement is 2.8 years as of 1 January 2022. The annual rental expense equals to JD 6,360. There is no interest rate implied in the contract therefore the additional borrowing rate of the lessee has been calculated and used as the interest rate of 10%.

Upon adopting IFRS 16, the company acknowledged the lease obligations related to the lease contracts that were previously classified as "operating leases". These proposals are measured at the present value of the remaining lease payments, discounted using the lessee's additional borrowing rate as of 1 January 2022.

The company recognized the asset's right of use at a value of JD 18,766 and the lease liability of JD 18,766 as of 1 January 2022, which is the current value of all rental payments. Lease liability interest expenses are calculated using the average borrowing rate used by the lessees there is no implicit price mentioned in the contracts. The company has recognized the right to use the asset and the lease liability for the lease contracts mentioned above.

The movement in the right of use assets is as follows:

	Cost JD	Additions JD	Accumulated depreciation JD	Net book value JD
Right of use assets as at 31 December 2021	17,399	18,766	(17,399)	18,766
Right of use assets as at 31 December 2020	17,399	-	(11,600)	5,799

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The table below shows the recognition of liabilities related to the lease liabilities:

	Balance as at 1 January	Additions	Lease liabilities Interest expense	Payments on lease liabilities	Balance as at 31 December	Lease liabilities – Short term	Lease liabilities – Long term
	JD	JD	JD	JD	JD	JD	JD
Lease liabilities							
2021	6,334	18,766	26	(6,360)	18,766	6,860	11,906
2020	12,116	-	578	(6,360)	6,334	6,334	-

The Company also has a rental contract for Amman office, it is considered short term by management, and they are not certain if they will extend the term.

(12) INCOME TAX PROVISION

Management has calculated the income tax provision for the Company's results for the year ended 31 December 2021 and 2020 in accordance with the Jordanian Income Tax Law No. (38) of 2018 and its subsequent amendments.

Under the Income Tax Law, which came into effect on 1 January 2019, the statutory tax rate became 28% by imposing a national contribution tax of 4%.

As per the opinion of the management and their tax consultant, no income tax provision is required for the year ended 31 December 2021 as the Company have acceptable accumulated losses carrying forward from prior years.

The Income and Sales Tax Department has reviewed the Company's records for the years 2018, 2019 and 2020 and has issued the final tax clearance for those years.

(13) ADMINISTRATIVE EXPENSES

	2021 JD	2020 JD
Marketing and advertisements	973,145	487,697
Salaries, wages and other benefits	262,632	304,981
Bank charges	39,443	38,885
Depreciation of Property and equipment	38,780	38,199
Professional and consulting fees	27,543	18,278
Rent expense	25,236	25,236
Postage, telephone and electricity	22,331	22,052
Subscriptions	16,953	12,610
Governmental fees	13,817	14,777
Medical insurance and training	13,121	12,089
Cleaning and maintenance	11,180	8,383
Travel & transport	9,981	4,602
Amortisation expenses	9,332	9,092
Depreciation of right of use assets	5,799	5,800
Hospitality	1,408	428
Donation	-	20,000
Others	6,064	40,759
	<u>1,476,765</u>	<u>1,063,868</u>

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(14) RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the parent Company, the directors and business that are controlled directly or indirectly by the parent company or over which they can exercise significant management influence.

Related parties consist of the parent company Seldon Investments – British Virgin Islands and a sister company Windsor Brokers – Belize.

The following transactions have been with related parties in accordance to agreements agreed upon with management:

	<u>2021</u>	<u>2020</u>
	JD	JD
Cost of revenue (Windsor Brokers – Belize) *	2,160,837	5,224,036
Cost of revenue (Windsor Brokers – Seychelles) *	1,882,781	-
Windsor Brokers – Seychelles	1,772,071	-
Windsor Brokers – Belize	110,453	-
Windsor Brokers Solutions	40,190	-
Seldon Investments - British Virgin Islands	<u>23,822</u>	<u>-</u>

- * Seldon Investments Limited (Jordan) recognizes cost of revenue from related party transactions due to the usage of the trading platform owned by its sister company (Windsor Brokers – Belize and Seychelles).

The following is a summary of balances with related parties that appear in the statement of financial position:

	<u>2021</u>	<u>2020</u>
	JD	JD
Due from related parties		
Seychelles Account	129,369	-
Windsor Brokers – Belize	<u>110,453</u>	<u>-</u>
	<u>239,822</u>	<u>-</u>
Due to related parties		
Windsor Brokers – Seychelles	1,902,843	-
Windsor Brokers LTD	40,100	-
Seldon Investments - British Virgin Islands	23,822	-
Windsor Brokers – Belize	<u>-</u>	<u>984,805</u>
	<u>1,966,765</u>	<u>984,805</u>

The Company's top executive management salaries, bonuses, and benefits amounted to 32,500 JD for the year ended 31 December 2021 (31 December 2020: 32,500 JD).

(15) CONTINGENT LIABILITIES

As at the statement of financial position date, the Company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business for which no material liabilities are anticipated, and are as follows:

	<u>2021</u>	<u>2020</u>
	JD	JD
Letters of guarantee	874,000	810,000
Legal claims	<u>37,873</u>	<u>-</u>