الشركة المتحدة للإستثمارات المالية م.ع.م.

United Financial Investments PLC

الرقم: ١/ هـ أ/ ٢٠١٧/ ٢٠٤

التاريخ: ٢٠١٧/٦/١١

السادة هيئة الأوراق المالية المحترمين

الموضوع : البيانات المالية السنوية المدققة
للسنة المنتهية في ٢٠١٦/١٢/٣١

تحية طيبة وبعد،،،

إشارة إلى قرار هيئة الأوراق المالية الصادرة بتاريخ ٢٠١٧/١/٢٤ بالزام الشركات المساهمة العامة وصناديق الاستثمار المشترك والجهات المصدرة للأوراق المالية بالافصاح عن بياناتها المالية وغير المالية باللغتين العربية والانجليزية اعتبارا من ٢٠١٧/٢/١.

نرفق لكم طيه القوائم المالية باللغة الانجليزية للسنة المنتهية ٢٠١٦/١٢/٣١ مع تقرير مدقق الحسابات المستقل.

To: Jordan Securities Commission Amman Stock Exchange Date:- 11/6/2017 Subject: Audited Financial Statements for the fiscal year ended 31/12/2016	السادة هيئة الاوراق المالية السادة بورصة عمان السادة مركز ايداع الأوراق المالية التاريخ:- ٢٠١٧/٦/١١ الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في ٢٠١٦/١٢/٣١
Attached the Audited Financial Statements of (United Financial Investment) for the fiscal year ended 31/12/2016	مرفق طيه نسخة من البيانات المالية المدققة لشركة (المتحدة للاستثمارات المالية) عن السنة المالية المنتهية في ٢٠١٦/١٢/٣١
Kindly accept our high appreciation and respect Company's Name United Financial Investment General Manager's Signature	وتفضلوا بقبول فائق الاحترام،،، اسم شركة المتحدة للاستثمارات المالية توقيع المدير العام

وتفضلوا بقبول فائق الاحترام،،،

المدير العام
ناصر العمد

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٢ حزيران ٢٠١٧
الرقم المتسلسل: 3465
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UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN

FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
FINANCIAL STATEMENTS FOR THE
YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of
United Financial Investments Company
(A Public Shareholding Limited Company)
Amman – Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of United Financial Investments Company (A Public Shareholding Limited Company) which comprise the statement of financial position as of December 31, 2016, and the statements of income and comprehensive income, changes in shareholders' equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. 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 are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Company's financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Notes No. (6) and (26) to the financial statements, which state that the Company owns approximately 40% of the shares of one of the companies listed on Amman Stock Exchange. These shares have been classified as financial assets at fair value through profit and loss. Moreover, a significant part of this investment used to be sold to related parties with repurchase arrangements at the end of each month. These transactions were financed by the Company and recorded as brokers receivable due from these parties. The Company would then repurchase these shares in the subsequent period for its own portfolio and settle the related parties' accounts. Consequently, the sale transactions have not been recognized at the end of the year. In the subsequent period, the Company's share in the investment, was reduced to approximately 20% through increasing the investee company's capital by 3 million shares through admitting a strategic partner at JD 2/share, of which JD 1 is a premium. Therefore, the investee company's capital has become JD / share 6 million. Moreover, the investment has not been accounted for as investment in an associate, as the actual influence is temporary until the capital increase procedures are completed. Based on the decision of the General Assembly of the investee company, in its extraordinary meeting, to admit a strategic partner with a premium of JD 1 to double the investee company's capital, this price has been considered as an indicator of the fair value of the share. Accordingly, the Company's investment in these shares have been evaluated according to the said price, leading to losses of approximately JD 2 million, which have been taken to the statement of income for the year.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the 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.

Provision for Impairment of Accounts Receivable	Scope of Audit to Address Risks
Accounts receivable are significant audit matter. They require the Company's management to use assumptions to estimate their collectiability based on the customers' financial conditions and related credit risks. Accounts receivable totaled JD 3,697,005, representing 32% of the assets amount as of December 31, 2016. The nature and characteristics of the Company's receivables are diverse, and the receivables include the accounts of customers, financial brokers, margin trading customers, and others. This necessitates putting assumptions and using estimates to calculate the provision for the impairment of receivables.	The adopted audit procedures included understanding the nature of those receivables and examining the internal control system adopted in following up on them, monitoring credit risks, and performing internal control procedures on the calculation of the provision. In this respect, we studied and understood the Company's policy on calculating provisions and evaluating the factors affecting the calculation process. Moreover, we discussed those factors with executive management, as well as selected a sample of receivables, while taking into consideration risks related to the payment method and guarantees. Meanwhile, we discussed with management some receivables in terms of expected cash flows and adequacy of the guarantees against these receivables, as well as recalculated and disclosed the provisions to be taken.

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Income tax provision	Scope of Audit to Address Risks
The calculation of tax expense and provision includes estimates of and judgments on material amounts in the financial statements as a whole. The Company also has a variety of operations within its normal business activities, thus making tax estimates and judgments a significant matter.	We conducted audit procedures to obtain an understanding of the nature of the risks related to income tax and examined the effectiveness of the Company's control system in assessing and calculating the due taxes. We also discussed the scope of work of the Company's tax advisor to verify his competence and ability to calculate the required provisions; as well as discussed the adequacy of the provisions taken, the reasonableness of the accounting estimates used, and the effect of any tax differences on the financial statements.
Due from Related Parties	**Scope of Audit to Address Risk**
Due from related parties' balances and transactions are considered significant to our audit. Related parties are financed by the Company to purchase shares. In this regard, management calculates the purchase and sale transactions fees and commissions according to the Jordan Securities Commission's instructions. Moreover, extending credit requires the Board of Directors' approval and adequate disclosure thereon.	The adopted audit procedures included understanding the nature of financing activities with related parties. They also included obtaining the Board of Directors' approval on the extension of financing activities and obtaining confirmations on the balances as of December 31, 2016. We also recalculated the commissions from purchase transactions and verified the adequacy of the related disclosures in the financial statements.

Other Information

Management is responsible for the other information. The other information comprises the other information in the annual report excluding the financial statements and the independent auditor's report thereon, which is expected to be made available to us after the date of our audit report. Our opinion on the financial statements does not cover the other information, and we do not express any form of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

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

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 judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 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 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.

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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 communicate with them about all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguard procedures.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current year, and are therefore, the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude 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 duly organized and, from all material respects, are in line with the accompanying financial statements, and we recommend that the General Assembly of Shareholders approve these financial statements after taking into consideration what is stated in the emphasis of a matter paragraph.

Other Matter
The accompanying financial statements are a translation of the statutory financial statements, which are in the Arabic language to which reference is to be made.

Deloitte & Touche

Deloitte & Touche (M.E.) – Jordan
Amman – Jordan
May 14, 2017

Deloitte & Touche (M.E.)
Public Accountants
Amman - Jordan

Member of Deloitte Touche Tohmatsu Limited

UNITED FINANCIAL INVESTMENTS COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	December 31, 2016	December 31, 2015
		JD	JD
Current Assets:			
Cash on hand and at banks	5	1,633,685	3,508,225
Financial assets at fair value through profit and loss	6	4,240,803	2,574,197
Accounts receivable - net	7	3,697,005	5,429,660
Due from related parties	26	482,019	1,652,975
Deferred tax assets	15/d	776,187	337,250
Other debit balances		8,160	4,382
Total Current Assets		10,837,859	13,506,689
Non-Current Assets:			
Investment in associate	8	41,672	41,672
Financial assets at fair value through comprehensive income	9	277,222	697,508
Settlement guarantee fund deposit	10	25,000	25,000
Intangible assets	11	3,002	5,994
Property and equipment - net	12	461,915	507,345
TOTAL ASSETS		11,646,670	14,784,208

LIABILITIES	Note	December 31, 2016	December 31, 2015
		JD	JD
Current Liabilities:			
Accounts payable	13	1,514,420	2,196,303
Due to related parties	26	330,817	112,414
Provision for income tax	15/a	135,925	428,230
Trading settlement	14	7,216	143,001
Other credit balances	16	116,488	413,725
Total Current Liabilities		2,104,866	3,293,673
SHAREHOLDERS' EQUITY			
Paid-up capital	17	8,000,000	8,000,000
Statutory reserve	18	1,642,871	1,642,871
Voluntary reserve	19	40,873	40,873
Evaluation of financial assets reserve		(312,066)	(352,334)
Retained earnings		170,126	2,159,125
Total Shareholders' Equity		9,541,804	11,490,535
TOTAL LIABILITEIS AND SHAREHOLDERS' EQUITY		11,646,670	14,784,208

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

UNITED FINANCIAL INVESTMENTS COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF INCOME AND COMPREHESNIVE INCOME

	Note	For the Year Ended December 31, 2016	2015
		JD	JD
Net trading commission	20	1,078,851	3,415,353
(Losses) from the valuation of financial assets at fair value through profit and loss		(1,756,462)	(46,410)
Gain (loss) on the sale of financial assets at fair value through profit and loss		379,715	(16,762)
Dividends income		27,100	97,236
Interest income	21	20,003	87,652
Other income		1,668	9,516
Total (Losses) Revenues		(249,125)	3,546,585
Expenses:			
Employees' expenses	22	(620,164)	(743,412)
General and administrative expenses	23	(209,159)	(235,758)
Investor's Protection Fund expenses	24	(37,526)	(138,467)
Provision for doubtful debts	7	(253,546)	(300,000)
Depreciation and amortization	11, 12	(56,323)	(55,316)
Total Expenses		(1,176,718)	(1,472,953)
(Loss) Profit for the Year before Tax		(1,425,843)	2,073,632
Less: Tax (surplus) expense for the year	15/b	382,490	(360,463)
(Loss) Profit for the Year		(1,043,353)	1,713,169
Comprehensive (Loss) / Income Items:			
Items not subsequently transferrable to the income statement			
Change in financial assets valuation reserve		40,268	(135,517)
(Losses) from the sale of financial assets at fair value through comprehensive income		(145,646)	(563,930)
Total Comprehensive (Loss) / Income for the Year		(1,148,731)	1,013,722
(Loss) profit per share for the year - (Basic and Diluted)	25	(-/13)	-/214

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES FROM (1) TO (31)CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

UNITED FINANCIAL INVESTMENTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid-up Capital	Statutory Reserve	Voluntary Reserve	Evaluation of Financial Assets Reserve	Retained Earnings		Total Shareholders' Equity
						Realized	Not Realized	
		JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2016								
Balance at the beginning of the year		8,000,000	1,642,871	40,873	(908,868)	1,427,869	1,194,632	11,397,377
Prior years' adjustments	8, 31	-	-	-	556,534	-	(463,376)	93,158
Adjusted balance		8,000,000	1,642,871	40,873	(352,334)	1,427,869	731,256	11,490,535
(Loss) for the year		-	-	-	-	(1,043,353)	-	(1,043,353)
Change in financial assets valuation reserve		-	-	-	40,268	-	-	40,268
(Losses) on the sale of financial assets at fair value through comprehensive income		-	-	-	-	(145,646)	-	(145,646)
Total Comprehensive (Loss) for the Year		-	-	-	40,268	(1,188,999)	-	(1,148,731)
Dividends	17/b	-	-	-	-	(800,000)	-	(800,000)
Change during the year		-	-	-	-	2,169	(2,169)	-
Balance at the End of the Year		8,000,000	1,642,871	40,873	(312,066)	(558,961)	729,087	9,541,804
For the Year Ended December 31, 2015								
Balance at the beginning of the year		8,000,000	1,435,508	40,873	(773,351)	702,954	977,671	10,383,655
Profit for the year		-	-	-	-	1,713,169	-	1,713,169
Change in financial assets valuation reserve		-	-	-	(699,447)	-	-	(699,447)
(Loss) on the sale of financial assets at fair value through comprehensive income		-	-	-	563,930	(563,930)	-	-
Total Comprehensive income for the Year		-	-	-	(135,517)	1,149,239	-	1,013,722
Dividends		-	207,363	-	-	(207,363)	-	-
Change during the year		-	-	-	-	(216,961)	216,961	-
Balance at the End of the Year		8,000,000	1,642,871	40,873	(908,868)	1,427,869	1,194,632	11,397,377

- According to the Jordan Securities Commission's instructions, an amount equivalent to the negative financial assets valuation reserve of JD 312,066 as of December 31, 2016 (JD 352,334 as of December 31, 2015) is restricted.

- Retained earnings includes JD 776,187 against deferred tax assets, an equivalent amount of which is restricted as of December 31, 2016 (JD 337,250 as of December 31, 2015).

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

UNITED FINANCIAL INVESTMENTS COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF CASH FLOWS

	Note	FOR THE YEAR ENDED DECEMEBR 31, 2016	2015
		JD	JD
ASH FLOWS FROM OPERATING ACTIVITIES:			
oss) profit for the year before tax		(1,425,843)	2,073,632
ljustments:			
sses from valuation of financial assets at fair value through profit and loss		1,756,462	46,410
ain (loss) on the sale of financial assets through profit and loss		(379,715)	16,762
epreciation and amortization	11, 12	56,323	55,316
vidends		(27,100)	(97,236)
ovision for doubtful debts		253,546	300,000
edit interest income		(20,003)	(87,652)
Cash Flows from Operating Activities before Changes in Working Capital Items		213,670	2,307,232
ncrease) in financial assets through profit or loss		(3,043,354)	(2,171,227)
crease in accounts receivable		1,479,109	616,391
crease (increase) in due from related parties		1,170,956	(1,433,742)
ncrease) in other debit balances		(3,778)	(933)
crease in settlement guarantee fund deposits		-	68,000
ecrease) in accounts payable		(681,883)	(91,690)
crease in due to related parties		218,403	53,995
ecrease) increase in trading settlement		(135,785)	546,540
ecrease) increase in other credit balances		(325,074)	338,888
Net Cash Flows (used in) from Operating Activities before Tax Payment		(1,107,736)	233,454
ncome tax paid	15	(368,569)	(97,665)
Net Cash Flows (used in) from Operating Activities		(1,476,305)	135,789
SH FLOWS FROM INVESTING ACTIVITIES			
urchase) of property, plant and equipment - net	12	(6,567)	(58,507)
urchase) of intangible assets	11	(1,334)	(3,096)
ceeds from sale of financial assets through comprehensive income		334,712	834,369
ceeds from credit interests		20,003	87,652
ceeds from dividends		27,100	97,236
Net Cash Flows from Investing Activities		373,914	957,654
SH FLOWS FROM FINANCING ACTIVITIES:			
idends to shareholders		(772,149)	-
Net Cash Flows (used in) Financing Activities		(772,149)	-
(Decrease) Increase in cash		(1,874,540)	1,093,443
sh on hand and at banks - beginning of the year		3,508,225	2,414,782
Cash on Hand and at Banks - End of the Year	5	1,633,685	3,508,225

THE ACCOMPANYING NOTES FROM (1) TO (31) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE INDEPENDENT AUDITOR'S REPORT.

1. General

- United Financial Investments Company was established on October 08, 1995, according to the Companies Law in force, as a public shareholding limited company and registed with the Ministry of Industry and Trade under No. (297). The Company's address is Abdul Aziz Al-Tha'alibi Street, Shmeisani, P.O. Box 927250 Amman, 11192 Jordan. The Company's capital was JD 1.5 million, divided into 1.5 million shares of JD 1 each. The Company's capital was increased in several stages, the last of which was during 2010. Accordingly, the Company's paid-up capital has become JD 8 million, dividend into 8 million shares of JD 1 each.

- The Company is 50.02% owned by the Jordan Kuwait Bank, and its financial statements are consolidated with those of the Bank.

- The Company's objectives are the following:

  - Provide administrative and consultation services on investment portfolios.
  - Provide agency or financial consultancy services.
  - Invest in securities.
  - Perform feasibility studies.

- The Jordan Securities Commission's approval has been obtained to conduct margin financing on October 30, 2006

- The financial statements were approved by the Company's Board of Directors in its meeting held on May 04, 2017.

2. Significant Accounting Policies

Basis of Preparation of the Financial Statements

- The financial statements have been prepared in accordance with International Financial Reporting Standards and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC).

- The financial statements have been prepared according to the historical cost convention except for the financial assets and financial liabilities that are shown at fair value at the date of the financial statements.

- The financial statements are presented in Jordanian Dinar (JD), which represents the Company's functional currency.

- The accounting policies adopted in preparing the financial statements are consistent with those used in preparing the financial statements for the year ended December 31, 2015, except for what is mentioned in Note (4/a).

The details of the significant accounting policies adopted are as follows:

a. Revenue Recognition

- Share purchase and sale commissions are recorded as revenues when realized, and expenses are calculated on the accrual basis. Moreover, dividends are recorded in the income statement when decided by the investee companies' general assemblies.

- Interest income is recognized, using the effective interest method, except for the interest and commission of non-operating developmental credit facilities not recognized as revenues but recorded in the interest-and-commissions-in-suspense account.

b. Property and Equipment

- Property and equipment are stated at cost net of accumulated depreciation and any accumulated impairment. Moreover, property and equipment (except for land) are depreciated, when ready for their intended use, according to the straight-line method over their estimated useful lives using the following annual rates:

	%
Buildings	2
Furniture and fixtures	10
Decorations	10
Office supplies and equipment	20
Computers	20
Vehicles	15

- When the carrying amounts of property and equipment exceed their recoverable values, assets are written down, and impairment losses are recorded in the income statement.

- The useful lives of property, plant and equipment are reviewed at the end of each year. In case the expected useful life is different from what was determined before, the change in estimate is recorded in the following years, being a change in estimate.

- Property and equipment are derecognized when disposed of or when there is no expected future benefit from their use or disposal.

c. Intangible Assets

Intangible assets are classified according to their estimated definite life. Moreover, intangible assets with definite useful life are amortized over their useful life, and amortization is recorded in the statement of income.

The useful life of intangible assets is reviewed and any related adjustments are made in the subsequent periods.

Computer systems and programs are amortized over their estimated useful lives based on the straight-line method at a rate of 50% annually.

d. Financial Assets at Fair Value through Profit or Loss

- Financial assets at fair value through Profit or Loss represent investments in shares held for achieving profits on short-term market price fluctuations or profit margins on trading.

- Financial assets at fair value are stated at fair value on the date of acquisition (acquisition expenses are charged to the income statement on the acquisition date), and revalued at fair value. The change in fair value is stated in the income statement, including change in fair value resulting from the exchange differences on non-monetary assets denominated in foreign currencies. In case these assets, or part thereof, are sold, the gains / losses arising therefrom are taken to the statement of income.

- Dividends income and realized interest are recorded in the income statement.

e. Financial Assets at Fair Value through Comprehensive Income

- These assets represent investments in equity instruments held for the long term.

- Financial assets at fair value through comprehensive income are stated at fair value plus acquisition expenses at the date of acquisition. Moreover, these assets are revalued at fair value. The change in fair value is stated in the statement of comprehensive income and within shareholders' equity, including the change in fair value resulting from the exchange differences on non-monetary assets denominated in foreign currencies. In case these assets, or part thereof, are sold, the gains / losses arising therefrom are taken to the statement of comprehensive income and within shareholders' equity. Furthermore, the financial assets revaluation reserve balance relating to the sold instruments is directly taken to retained earnings / accumulated losses and not through the statement of income.

- These assets are not subject to impairment testing.

- Dividends income are recorded in the income statement.

f. Investment in Associates

Associate companies are those companies whereby the Company exercises effective control over their financial and operating policies (but does not control them). In these companies, the Company owns from 20% to 50% of the voting rights. Moreover, investments in associates are stated according to the equity method, which prescribes that the investments value be stated according to acquisition cost and be adjusted by the Company's share from the associate's profits or losses.

The associate company's financial statements are prepared for the same year, using the same accounting policies of the Company. If the associate Company adopts accounting policies different from those adopted by the Company, the necessary adjustments are made to the financial statements of the associated companies so that these policies match those of the Company.

g. Recognition Date of Financial Assets

Purchase and sale of financial assets are recognized on the trading date (the date on which the Company commits to purchase or sell the financial assets).

h. Impairment in Financial Assets

The Company reviews the values of recorded financial assets at the date of the statement of financial position to determine if there are any indications to the impairment in their value individually or as a portfolio. In case such indications exist, the recoverable amount is estimated to determine the amount of impairment loss.

The impairment amount is determined as follows:

- Impairment in the value of financial assets at amortized cost: represents the difference between the stated amount and the present value of the expected cash flows discounted at the original effective interest rate.

- The impairment in value is recorded in the income statement. Moreover, any surplus in the subsequent period due to previous impairment in financial instruments is stated in the income statement while such a surplus in equity instruments at fair value is stated through the statement of comprehensive income.

j. Fair Value

Fair value represents the closing market price (acquisition of assets/ sale of liabilities) on the date of the financial statements in active markets for financial assets and financial derivatives with a market value.

In case declared market prices do not exist, active trading of some financial assets is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.

- Analysis of the present value of expected future cash flows for similar instruments.

- Adoption of the option pricing models.

The evaluation methods aim to provide a fair value reflecting the expectations of the market, expected risks, and expected benefits. Moreover, financial assets, the fair value of which cannot be reliably measured, are stated at cost less any impairment in value.

k. Income Tax

- Income tax expenses represent accrued as well as deferred taxes.

- Accrued tax expenses are calculated based on taxable income which is different from that included in the financial statements, as declared income includes tax-exempt income, expenses non-deductible in the fiscal year but deductible in subsequent years, tax-approved losses, or tax- unallowable or tax-deductible items.

- Taxes are calculated according to the tax rates prescribed by the tax laws and regulations enacted in Jordan.

- Deferred tax assets or liabilities are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value on the basis of which taxable income is calculated. Moreover, deferred taxes are calculated according to the tax rates expected to be applied upon the settlement of the tax liability and the realization of deferred tax assets.

l. Cash and Cash Equivalents

Cash and cash equivalents represent cash and cash balances maturing within three months. These include: cash and balances at central banks, balances at banks and banking corporations less bank's and banking corporations' deposits maturing within three months and restricted balances.

m. Accounts Receivable

Accounts receivable are stated at net realizable value after deducting the provision for accounts receivable.

n. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates of the Jordanian dinar prevailing at the transaction date. Financial assets and financial liabilities denominated in foreign currencies are translated to Jordanian dinar according to the average exchange rates prevailing at the date of the statement of financial position. Gains and losses resulting from the exchange of foreign currencies are recorded in the income statement.

q. Provisions

Provisions are recognized when the Company has an obligation on the date of the statement of financial position as a result of past events, it is probable to settle the obligation, and a reliable estimate of the obligation amount can be made.

t. Offsetting

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

3. Accounting Estimates

Preparation of the financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, and provisions. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The following estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

Management believes that the assessments adopted in the financial statements are reasonable. The main estimates are as follows:

- A provision for accounts receivable is taken based on assumptions approved by management to determine the required provision in conformity with International Financial Reporting Standards (IFRS).

- Management periodically reassesses the economic useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of these assets and the assessment of their expected useful lives in the future. Any resulting impairment losses are taken to the statement of income.

- The financial period is charged with its portion of income tax in accordance with the prevailing laws, regulations, and International Accounting Standards. Moreover, the required income tax provision is taken.

- The Company reviews the lawsuits raised against it periodically. This review is performed based on a legal study prepared by the Company's legal advisor. Moreover, the study highlights potential risks that the Company may encounter in the future, and a provision is taken for these lawsuits in the income statement.

- Management estimates impairment in fair value when market prices reach a certain level as an indicator of impairment loss.

- Fair value hierarchy:
  The level in the fair value hierarchy is determined and disclosed. According to this level, the fair value measurements are categorized in their entirety, segregating fair value measurements in accordance with the levels defined in IFRS. The difference between Level 2 and Level 3 fair value measurements represents whether inputs are observable and whether the unobservable inputs are significant. This may require judgment and a careful analysis of the inputs used to measure fair value, including consideration of factors specific to the asset or liability.

4. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

4.a. New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2016, have been adopted in these financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

- IFRS 14 Regulatory Deferral Accounts.

- Amendments to IAS 1 Presentation of Financial Statements relating to Disclosure Initiative.

- Amendments to IFRS 11 Joint Arrangements relating to accounting for acquisitions of interests in joint operations.

- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets relating to clarification of acceptable methods of depreciation and amortisation.

- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture: Bearer Plants.

- Amendments to IAS 27 Separate Financial Statements relating to accounting investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

- Amendments to IFRS 10 Consolidated Financial Statements, IFRS 12 Disclosure of Interests in Other Entities and IAS 28 Investment in Associates and Joint Ventures relating to applying the consolidation exception for investment entities.

- Annual Improvements to IFRSs 2012 – 2014 Cycle covering amendments to IFRS 5, IFRS 7, IAS 19 and IAS 34.

4. b. New and revised IFRSs in issue but not yet effective and not early adopted

The Company has not yet applied the following new and revised IFRSs that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
Annual Improvements to IFRS Standards 2014 – 2016 Cycle amending IFRS 1, IFRS 12 and IAS 28.	The amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1, 2018; the amendment to IFRS 12 for annual periods beginning on or after January 1, 2017
Amendments to IAS 12 *Income Taxes* relating to the recognition of deferred tax assets for unrealized losses	January 1, 2017
Amendments to IAS 7 *Statement of Cash Flows* to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.	January 1, 2017
IFRIC 22 *Foreign Currency Transactions and Advance Consideration* The interpretation addresses foreign currency transactions or parts of transactions where: • there is consideration that is denominated or priced in a foreign currency; • the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and • the prepayment asset or deferred income liability is non-monetary.	January 1, 2018
Amendments to IFRS 2 *Share Based Payment* regarding classification and measurement of share based payment transactions.	January 1, 2018
Amendments to IFRS 4 *Insurance Contracts*: Relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard.	January 1, 2018
Amendments to IAS 40 *Investment Property*: Amends paragraph 57 to state that an entity shall transfer a property to, or from, investment property when, and only when, there is evidence of a change in use. A change of use occurs if property meets, or ceases to meet, the definition of investment property. A change in management's intentions for the use of a property by itself does not constitute evidence of a change in use. The paragraph has been amended to state that the list of examples therein is non-exhaustive.	January 1, 2018

Amendments to IFRS 7 *Financial Instruments: Disclosures* relating to disclosures about the initial application of IFRS 9.	When IFRS 9 is first applied
IFRS 7 *Financial Instruments: Disclosures* relating to the additional hedge accounting disclosures (and consequential amendments) resulting from the introduction of the hedge accounting chapter in IFRS 9.	When IFRS 9 is first applied
IFRS 9 *Financial Instruments* (revised versions in 2009, 2010, 2013 and 2014)	January 1, 2018

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013, to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement.* The standard contains requirements in the following areas:

- **Classification and measurement**: Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category for certain debt instruments. Financial liabilities are classified in a similar manner to under IAS 39. However, there are differences in the requirements applying to the measurement of an entity's own credit risk.

- **Impairment**: The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognised

- **Hedge accounting**: Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures.

- **Derecognition**: The requirements for the derecognition of financial assets and liabilities are carried forward from IAS 39.

IFRS 15 *Revenue from Contracts with Customers* In May 2015, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective. The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition: • Step 1: Identify the contract(s) with a customer. • Step 2: Identify the performance obligations in the contract. • Step 3: Determine the transaction price. • Step 4: Allocate the transaction price to the performance obligations in the contract. • Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation. Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.	January 1, 2018
IFRS 16 *Leases* IFRS 16 specifies how an IFRS reporter will recognise, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17.	January 1, 2019
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from an investor to its associate or joint venture.	Effective date deferred indefinitely
Amendments to IFRS 15 *Revenue from Contracts* with Customers to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.	January 1, 2018

Management anticipates that these new standards, interpretations, and amendments will be adopted in the Company's financial statements as and when they are applicable, and adoption of these new standards, interpretations and amendments, except for IFRS 9, IFRS 15 and IFRS 16 , may have no material impact on the financial statements of the Company in the period of initial application.

Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Company's financial statements for the annual period beginning 1 January 2018 and that IFRS 16 will be adopted in the Company's financial statements for the annual period beginning 1 January 2019.

The application of IFRS 15 and IFRS 9 may have significant impact on the amounts reported and disclosures made in the Company's financial statements in respect of revenue from contracts with customers and the Company's financial assets. Moreover, financial liabilities and the application of IFRS 16 may have significant impact on amounts reported and disclosures made in the Company's financial statements in respect of its leases.

However, it is not practicable to submit a reasonable assessment of the consequences of applying these standards until the Company conducts a review in this regard.

5. Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Cash and checks on hand	105,697	131,830
Current accounts	1,527,988	3,376,395
	1,633,685	3,508,225

6. Financial Assets at Fair Value through Profit and Loss

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Shares listed on Amman Stock Exchange*	4,240,803	2,574,197
	4,240,803	2,574,197

* The Company acquired about 40% of the shares of a company listed on Amman Stock Exchange that were classified as financial assets at fair value through profit and loss. A significant part of that investment used to be sold to related parties with repurchase arrangements at the end of each month. These transactions were financed by the Company and recorded as brokers receivable from these parties. Moreover, the Company repurchased these shares in the subsequent period for its own portfolio and settled the related parties' receivables. Consequently, the sale was not recognized at the end of the year, and the investment was retained. In the period subsequent to the financial year, the Company's share was reduced to about 20% through increasing the investee company's capital by JD 3 million and admitting a strategic partner at JD 2 / share, JD 1 of which is an issuance premium. Accordingly, the Company's capital has become JD/share 6 million. The investment has not been accounted for as an investment in an associate since the influence is temporary until the capital increase is completed. On the basis of the decision of the investee company's General Assembly, in its extraordinary meeting to admit the strategic partner at a premium of JD 1 to double the investee company's capital, this price was considered as an indicator of the fair value of the share. Furthermore, the Company's investment in these shares was assessed according to that price, thus leading to losses of around JD 2 million, which was taken to the income statement for the year.

7. Accounts Receivable-Net

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Financial brokerage customers	3,229,444	4,629,905
Margin trading customers *	1,952,500	2,037,558
Employees' receivable	28,030	21,620
	5,209,974	6,689,083
Less: Provision for doubtful debts	(1,346,527)	(1,092,981)
Less: Interest in suspense account	(166,442)	(166,442)
	3,697,005	5,429,660

* The Company grants credit facilities to margin customers up to a maximum of 50% of the market value of securities on the date of purchase provided that this percentage is not less than 30% of (the maintenance margin) of the customer's investment value as per marginal financing instructions for the year 2006 issued by the Jordan Securities Commission. The details as at 31 December 2016 are as follows:

- The total market value of the portfolios is JD 3,611,797.
- The total amount funded by the Company (excluding financing fully provided for) is JD 993,077.
- The total funded by customers (safety margin) is JD 2,618,720.
- The percentage of amounts funded by customers to the total market value of the portfolios is 73%.

The Company has a policy of dealing with creditworthy counterparties in order to mitigate the risk of financial losses arising from non-fulfillment of obligations.

The following table shows the maturity of due accounts receivable:

	December 31,	
	2016	2015
	JD	JD
1 day - 7 days	1,185,688	2,306,118
8 days - 30 days	1,534,831	1,620,998
31 days - 60 days	8,482	554,147
61 days - 90 days	11	148,121
91 days - 120 days	90,000	-
121 days - 180 days	27,614	69
More than 180 days	382,818	452
	3,229,444	4,629,905

- Movement on the provision for doubtful debts during the year is as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	1,092,981	792,981
Allocated during the year	253,546	300,000
Balance at the end of the year	1,346,527	1,092,981

- Movement on interest in suspense account during the year is as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	166,442	166,422
Interest in suspense account during the year	-	-
Returned interest in suspense account	-	-
Balance at the end of the year	166,442	166,442

8. Investment in Associate Company

This item includes investments in First Global for Financial Investment Company (360,000 shares) at a cost of JD 556,534. The investment was evaluated based on the latest audited financial statements. Accordingly, an impairment of JD 514,862 was recorded after deducting the effect of the deferred tax assets in the retained earnings opening balance. The net investment balance was JD 41,672 as of December 31, 2016.

9. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Shares listed on active markets	19,800	417,600
Shares not listed *	257,422	279,908
	277,222	697,508

* These shares have been re-evaluated according to the latest financial statements available during the year.

- This item includes investments in the Export of Agricultural Crops Company totaling 50,000 shares at a cost of JD 35,505 with a 3% ratio of the capital of the investee company, which was exposed to bad financial conditions during 2014. Accordingly, the management decided to consider the fair value of the above investments as zero since that date.

- Dividends income amounted to JD 27,100 for the year 2016 (JD 97,236 for the year 2015).

10. Settlement Guarantee Fund Deposits

This item represents the Company's balance in the Settlement Guarantee Fund based on the provisions of Article (90) of the Securities Law No. 76 of 2002 and the Internal Regulations of the Settlement Guarantee Fund for the year 2004.

11. Intangible Assets

This item consists of computer systems and softwares. The following is a statement of the movement on cost and accumulated amortization during the years 2016 and 2015:

	Computer Systems and Software
Cost:	JD
Balance as at 1 January 2015	83,445
Additions during the year	3,096
Balance as at 1 January 2016	86,541
Additions during the year	1,334
Balance as at 31 December 2016	87,875
Accumulated amortization:	
Balance as at 1 January 2015	73,857
Amortization for the year	6,690
Balance as at 1 January 2016	80,547
Amortization for the year	4,326
Balance as at 31 December 2016	84,873
Net Book Value as at 31 December 2016	3,002
Net Book Value as at 31 December 2015	5,994
Annual amortization rate%	50

The details of this item are as follows:

	Land & Building	Furnitures	Decorations	Equipment	Computers	Vehicles	Total
	JD	JD	JD	JD	JD	JD	JD
Year 2016							
Cost:							
Balance- beginning of the year	466,244	57,956	96,393	180,838	117,558	118,552	1,037,541
Additions	662	-	856	2,008	2,252	789	6,567
Balance - End of the Year	466,906	57,956	97,249	182,846	119,810	119,341	1,044,108
Accumulated Depreciation:							
Balance- beginning of the year	96,867	54,407	91,721	103,045	110,689	73,467	530,196
Depreciation for the year	9,338	908	1,256	17,361	5,233	17,901	51,997
Balance - End of the Year	106,205	55,315	92,977	120,406	115,922	91,368	582,193
Net Book Value- End of the Year	360,701	2,641	4,272	62,440	3,888	27,973	461,915
Year 2015							
Cost:							
Balance- beginning of the year	465,644	57,896	92,580	104,838	115,858	118,552	955,368
Additions	600	60	3,813	52,334	1,700	-	58,507
Transfer from advanced payments to purchase PP&E	-	-	-	23,666	-	-	23,666
Balance - End of the Year	466,244	57,956	96,393	180,838	117,558	118,552	1,037,541
Accumulated Depreciation:							
Balance- beginning of the year	87,552	50,159	82,288	98,637	107,250	55,684	481,570
Depreciation for the year	9,315	4,248	9,433	4,408	3,439	17,783	48,626
Balance - End of the Year	96,867	54,407	91,721	103,045	110,689	73,467	530,196
Net Book Value- End of the Year	369,377	3,549	4,672	77,793	6,869	45,085	507,345
Depreciation percentage %	*2	10	10	20	20	15	

* Depreciation rate for the building.

- Fully depreciated equipment and furniture amounted to JD 332,828 as of December 31, 2016 (JD 204,977 as of December 31, 2015).

13. Accounts Payable

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Due to customers of brokerage services	1,514,420	2,196,303

The above payables do not bear any interest. The Company also adopts financial risk management policies to ensure payment of payables within agreed payment periods.

14. Trading Settlement

This item represents the proceeds of the last trading day on the Amman Stock Exchange. The amount was paid during the first week of the year 2017.

15. Income Tax

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

	2016	2015
	JD	JD
Balance at the beginning of the year	428,230	93,361
Income tax payable on profit for the year	76,264	432,534
Income tax paid	(368,569)	(97,665)
Balance at the end of the year	135,925	428,230

b. Income tax expense appearing in the income statement consists of the following:

	2016	2015
	JD	JD
Income tax payable on profit for the year	76,264	432,544
(Deduct) deferred tax assets for the year	(458,754)	(72,081)
	(382,490)	360,463

c. The following is a summary of the reconciliation of the accounting profit with the tax profit for the year ended December 31:

	2016	2015
	JD	JD
(Loss) accounting profit	(1,425,843)	2,073,632
Non-tax expenses	2,017,379	440,160
Non-taxable profits	(271,291)	(707,238)
Taxable profit	320,245	1,806,554
Income tax - 24%	76,859	433,573
Less: Deduction of income tax withheld from interest payable	(595)	(1,029)
Income Tax Payable on Profit for the Year	(76,264)	432,544

d. Deferred Tax Assets

This item consists of the following:

	2016					2015
	Balance at the Beginning of the Year	Amounts Added	Amounts Released	Balance at the Ending of the Year	Deferred Taxes	Deferred Taxes
	JD	JD	JD	JD	JD	JD
Provision for doubtful debts	1,092,981	253,546	-	1,346,527	323,166	262,315
Losses on valuation of financial assets at fair value through profit or loss – within the Kingdom	12,228	1,670,156	(12,228)	1,670,156	400,838	2,935
Losses on valuation of financial assets at fair value through comprehensive income	85,474	2,904	(85,474)	2,904	697	20,514
Losses on valuation of investment in an associate	514,862	-	-	514,862	51,486	51,486
	1,705,545	1,926,606	(97,702)	3,534,449	776,187	337,250

- Movement on the deferred tax assets is as follows:

	2016	2015
	JD	JD
Balance at the beginning of the year	337,250	204,320
Added during the year	462,386	139,952
(Released) during the year	(23,449)	(7,022)
Balance at the End of the Year	776,187	337,250

e. The Company reached a final settlement with the Income and Sales Tax Department until the end of 2014. Moreover, the Company submitted the tax returns for the years 2015 and 2016 on time, but they have not been reviewed yet. In the opinion of the Company's management and tax advisor, the Company will not have any liabilities exceeding the provision taken as of 31 December 2016.

f. The Company is subject to a 24% income tax for the years 2016 and 2015.

16. Other Credit Balances

This item consists of the following:

	December 31,	
	2016	2015
	JD	JD
Shareholders' deposits	27,851	20,155
Remunerations due to employees	42,827	151,000
Accrued commissions *	-	200,000
Board of Directors' remunerations	30,600	35,000
Customers' deposits	1,517	1,517
Accrued expenses	6,412	5,829
Other	7,281	224
	116,488	413,725

* This item represents commissions due to the Parent Company (Jordan Kuwait Bank) for the sale of shares.

17. Paid-up Capital and Dividends

a. The paid-up capital of JD 8 million as of 31 December 2016 and 2015 is divided into 8 million shares with a par value of JD 1 per share.

b. The General Assembly of the Company, in its meeting held on April 23, 2016, approved the recommendation of the Board of Directors to distribute 10% of the paid-up capital of JD 8 million to the Company's shareholders out of the profits of the year 2015.

18. Statutory Reserve

The amounts accumulated in this account represent the appropriations at 10% from annual profit before tax in accordance with the Companies Law, and this reserve may not be distributed to the shareholders.

19. Voluntary Reserve

The amounts accumulated in this account represent the annual profits transferred from previous years before taxes at no more than 20% of paid-up capital. The voluntary reserve is used for purposes determined by the Board of Directors, and the General Assembly is entitled to distribute it, in whole or in part, as dividends to shareholders.

20. Net Trading Commissions

This item consists of the following:

	2016	2015
	JD	JD
Revenue from trading commissions	1,081,462	3,619,886
Less: Discounts *	(2,611)	(4,533)
Paid commissions **	-	(200,000)
	1,078,851	3,415,353

* According to the Board of Directors' decision, in its meeting held on 31 May 2007, it was agreed to grant discounts to some of the Company's distinguished customers.

** This item represents commissions paid to the parent company (Jordan Kuwait Bank) for the sale of shares.

21. Interest Income

This item consists of the following:

	2016	2015
	JD	JD
Bank interest income	13,889	20,587
Margin finance interest income	2,733	62,138
Interest income of the Settlement Guarantee Fund	3,381	4,927
	20,003	87,652

22. Employees' Expenses

This item consists of the following

	2016	2015
	JD	JD
Employees' salaries and benefits	460,269	472,095
Employees' remunerations	46,527	157,850
Company's share in social security	52,695	51,493
The Company's contribution to the Provident Fund	12,016	11,520
Health insurance	19,285	20,257
Training	400	913
Vacations allowance	28,972	29,284
	620,164	743,412

23. General and Administrative Expenses

This item consists of the following:

	2016	2015
	JD	JD
Mail, telephone and internet	17,394	19,258
Travel and transportation	3,042	3,822
Advertising	5,829	5,658
Vehicles expenses	8,057	4,795
Water, electricity and heating	3,675	14,685
Maintenance	15,702	21,065
Hospitality	2,474	1,698
Cleaning	973	974
Bank fees and charges	11,758	14,507
Financial brokerage fees and licenses	24,306	30,820
Professional fees	30,160	36,469
Subscription fees	27,576	20,332
Board of Directors' remunerations	30,600	35,000
Stationery	605	1,307
Annual report expenses	1,247	1,174
Other	25,761	24,194
	209,159	235,758

24. Investor's Protection Fund Expenses

This item represents fees paid to the Amman Stock Exchange and the Jordan Securities Commission for brokerage, financial advisory, and investment management services at a rate of 0.01% of the total transactions during the year.

25. (Loss)/Profit per Share for the Year

The details of this item are as follows:

	2016	2015
	JD	JD
(Loss) Profit for the Year	(1,043,353)	1,713,169
	Share	Share
Weighted average number of shares	8,000,000	8,000,000
	JD/Share	JD/Share
(Loss)/Profit per Share for the Year	(-/13)	-/214

26. Balances and Transactions with Related Parties

a. The balances and transactions with related parties during the year 2016 are as follows:

	December 31, 2016						For the Year Ended December 31, 2016	
	Bank Guarantees	Current Accounts	Financial Assets at Fair Value through Statement of Income and Comprehensive Income	Due from Related Parties *	Due to Related Parties	Other Credit Balances (Accrued Commissions)	Revenues**	Expenses
	JD	JD	JD	JD	JD	JD	JD	JD
rdan Kuwait Bank (Holding Company)	1,007,000	1,239,217	-	-	-	-	42,707	10,635
ard of Directors, Senior Management, nd their families	-	-	-	-	321,926	-	47,177	165,590
ntemporary for Housing Projects Company – Member of the Joint Board of Directors	-	-	19,800	-	8,891	-	5,233	-
m Group for Transportation & Tourism Investment Company	-	-	-	482,019	-		-	-
	1,007,000	1,239,217	19,800	482,019	330,817	-	95,117	176,225

b. Balances and transactions with related parties during the year 2015 are as follows:

	December 31, 2015						For the Year Ended December 31, 2015	
	Bank Guarantees	Current Accounts	Financial Assets at Fair Value through Statement of Income and Comprehensive Income	Due from Related Parties *	Due to Related Parties	Other Credit Balances (Accrued Commissions)	Revenues**	Expenses
	JD	JD	JD	JD	JD	JD	JD	JD
Jordan Kuwait Bank (Holding Company)	1,107,000	3,292,895	-	-	-	200,000	70,037	8,216
Board of Directors, Senior Management, and their families	-	-	-	1,652,975	85,457	-	50,560	198,223
Contemporary for Housing Projects Company - Member of the Joint Board of Directors	-	-	24,000	-	26,957	-	6,324	-
	1,107,000	3,292,895	24,000	1,652,975	112,414	200,000	126,921	206,439

* There is no repayment schedule for receivables from related parties, and these receivables bear no interest.

** Revenues are shown net of discounts of JD 2,611 for the year ended December 31, 2016 (JD 4,533 for the year ended December 31, 2015).

c. Salaries and bonuses for the Company's executive management totaled JD 294,063 for the year ended December 31, 2016 (JD 414,197 for the year ended December 31, 2015).

d. Sale and purchase of shares and financing of related parties are set forth in Note (6).

27. Fair Value Hierarchy

A. The fair value of financial assets and financial liabilities of the Company specified at fair value on an ongoing basis:

Some financial assets of the Company are evaluated at fair value at the end of each fiscal period. The following table shows the information about how to determine the fair value of these financial assets (evaluation methods and inputs used).

Financial Assets	Fair Value December 31, 2016	Fair Value December 31, 2015	Fair Value Level	Evaluation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	JD	JD				
Financial Assets at Fair Value Through Income Statement						
Shares with available market prices	4,240,803	2,574,197	Level One	Prices quoted on financial markets	Not Applicable	Not Applicable
	4,240,803	2,574,197				
Financial Assets at Fair Value through Comprehensive Income						
Shares with available market prices	19,800	417,600	Level One	Prices quoted on financial markets	Not Applicable	Not Applicable
Shares without market prices	257,422	279,908	Level Two	Owners' equity based on the last audited financial statements	Not Applicable	Not Applicable
Total Financial Assets at Fair Value	277,222	697,508				

These were no transfers between Level 1 and Level 2 during the years 2016 and 2015.

B -The fair value of financial assets and financial liabilities of the Company (non-specific fair value on an ongoing basis):

We believe that the carrying amount of financial assets and liabilities shown in the Company's financial statements approximates their fair value.

28. Analysis of Key Sectors

a. Information on the Company's business segments

For management purposes, the Company's work is organized into a single sector, including brokerage and margin financing.

b. Geographical distribution information

The geographical distribution of the Company's business is as follows:

	Inside the Kindom		Outside the Kingdom		Total	
	For the year ended December 31		For the year ended December 31		For the year ended December 31	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Total revenue	(249,125)	3,546,585	-	-	(249,125)	3,546,585
Total expenses	(1,176,718)	(1,472,953)	-	-	(1,176,718)	(1,472,953)
(Loss) for the year before tax	(1,425,843)	2,073,632	-	-	(1,425,843)	2,073,632
Save (expenses) Income tax					382,490	(360,463)
(Loss) Gain for the Year					(1,043,353)	1,713,169

	December 31,		December 31,		December 31,	
	2016	2015	2016	2015	2016	2015
	JD	JD	JD	JD	JD	JD
Assets	11,461,329	14,504,300	185,341	279,908	11,646,670	14,784,208
Liabilities	2,104,866	3,293,673	-	-	2,104,866	3,293,673

29. Risk Management

a. Capital risk management

The Company manages its capital to ensure its ability to continue and maximize returns to stakeholders by achieving an optimal balance between liabilities and shareholders' equity.

The Company follows a policy of maintaining a debt- to-shareholders' equity ratio (calculated by assessing total liabilities to total shareholders' equity) ensuring that total liabilities do not exceed the Company's capital as follows:

	December 31,	
	2016	2015
	JD	JD
Total liabilities	2,104,866	3,293,673
Total shareholders' equity	9,541,804	11,490,535
Debt-to-equity ratio	22%	28%

b. Liquidity risk

Liquidity risk, also known as financing risk, is the risk that the Company will face difficulty in providing funds to meet commitments. The Company manages liquidity risk by maintaining reserves, continuously monitoring actual cash flows, and matching the maturity of financial assets with financial liabilities. A portion of the Company's funds is invested in cash balances with banks, financial assets at fair value through the statement of income, and receivables, which are readily available to meet short- and medium-term funding requirements.

c. Credit risk

Credit risk is the risk that the other party will fail to meet its contractual obligations, causing losses to the Company. Moreover, the Company has a policy of dealing with creditworthy counterparties in order to mitigate the risk of financial losses arising from non-fulfillment of obligations. The Company also grants facilities to margin customers up to a maximum of 50% of the market value of the securities at the date of purchase, provided that this percentage is not less than 30% (the maintenance margin) of the customer's investment value guaranteed by the financed investments. The customers receivable and margin receivables are regularly monitored and are concentrated in five customers as of 31 December 2016, equivalent to 34% of the total receivables.

The Company's financial assets, which consist mainly of customers' accounts, financial assets at fair value through the statement of income, financial assets at fair value through the statement of comprehensive income, and cash and cash equivalents, are not significant concentrations of credit risk. Moreover, debtors are also widely distributed over customers' categories and geographic regions, and strict credit control is maintained where each customer's credit limits are monitored on an ongoing basis.

d. Market risk

Market risk is the loss in value resulting from changes in market prices such as changes in interest rates, foreign exchange rates, and equity prices, thus causing changes in the fair value of cash flows of financial instruments on and off the statement of financial position.

e. Foreign exchange risk

The Company's major transactions are in Jordanian Dinar, and the Company has financial assets at fair value through the statement of comprehensive income in currencies representing mainly US Dollars, UAE Dirhams, and Syrian Pounds.

Currency risk relates to changes in currency rates that apply to foreign currency payments. As the Jordanian Dinar (the Company's main currency) and the UAE Dirham are pegged to the US Dollar, the Company's management believes that the risk of foreign currency is not significant.

f. Risks of change in share prices

- Share price risk is the decline in the fair value of shares due to changes in the value of equity indices and individual share value changes.

- The change in the index of the financial market in which the securities are traded as at the date of the financial statements is a 5% increase or 5% decrease. The effect of the change on the Company's results of operations is as follows:

2016:

Index	Change in Index	Impact on Profit & Loss	Impact on Shareholders' Equity
	%	JD	JD
Amman Stock Exchange	5	212,040	13,861

2015:

Index	Change in Index	Impact on Profit & Loss	Impact on Shareholders' Equity
	%	JD	JD
Amman Stock Exchange	5	128,709	34,875

In the event of a negative change in the index, the effect is equal to the change above with an opposite sign.

g. Interest rate risk

Interest rate risk is the risk associated with changes in the value of a financial instrument as a result of changes in market interest rates.

The Company manages its exposure to interest rate risk on a regular basis and evaluates various considerations such as financing and renewing existing positions.

The sensitivity analysis below is determined in accordance with the exposure to interest rates relating to the receivables of the brokerage customers at the balance sheet date. The analysis is based on the assumption that the amount of the liability at the balance sheet date has been outstanding during the year. Moreover, an increase or decrease of 2 percentage points is used.

	2016		2015	
	+2%	-2%	+2%	-2%
	JD	JD	JD	JD
Profit (Loss)	3,905	(3,905)	4,075	(4,075)

30. Contingent Liabilities

On the date of the statement of financial position, the Company had contingent liabilities, representing bank guarantees of JD1,007,000 as of December 31, 2016 (JD1,107,000 as of December 31, 2015).

31. Prior Years' Adjustments

The Company has adjusted the opening balances of certain assets, liabilities, and shareholders' equity as at 1 January 2016, representing mainly 30% of the Company's ownership in a company reclassified from financial assets through comprehensive income to an investment in an associate relating to prior years. The opening balances of retained earnings, investment revaluation reserve, and deferred tax assets have been adjusted since it is not practical to adjust the figures of previous years.

The following table shows the effect of the above adjustments, which were recorded and adjusted as of the beginning of 2016, as follows:

	As of January 1, 2016		
	Declared Balance	Effect of Adjustment	Adjusted Balance
	JD	JD	JD
Assets			
Investment in an associate	-	41,672	41,672
Deferred tax assets	285,764	51,486	337,250
Shareholders' Equity			
Retained earnings	2,622,501	(463,376)	2,159,125
Financial assets revaluation reserve	(908,868)	556,534	(352,334)

SUMMIT AUTO TRADE FACILITIES
(PRIVATE SHAREHOLDING COMPANY)
AMMAN - JORDAN
STATEMENT OF FINANCIAL POSITION

	Note	December 31, 2016	December 31, 2015
ASSETS		JD	JD
Current Assets:			
Cash on hand and at banks	5	781,257	464,692
Short-term accounts receivable - net	6	8,677,923	9,711,802
Other debit balances	7	87,257	90,294
Total Current Assets		9,546,437	10,266,788
Non-Current Assets:			
Long-term accounts receivable - net	6	13,729,040	14,827,912
Computer software - net	8	3,536	5,774
Property and equipment - net	9	88,607	112,959
Deferred tax assets	14/d	367,605	351,948
Total Non-Current Assets		14,188,788	15,298,593
TOTAL ASSETS		23,735,225	25,565,381
LIABILITIES			
Current Liabilities:			
Due to banks	10	6,257,320	7,481,769
Loans installments maturing within one year	11	3,599,992	5,325,000
Accounts payable	12	59,715	97,291
Provision for taxes and contingent liabilities	14/a	274,903	252,769
Other credit balances	13	60,747	90,632
Provision for end of service indemnity	15	141,358	111,435
Total Current Liabilities		10,394,035	13,358,896
Non-Current Liabilities :			
Long-term loans installments	11	5,695,842	5,562,500
Total Non-Current Liabilities		5,695,842	5,562,500
TOTAL LIABILITIES		16,089,877	18,921,396
SHAREHOLDERS' EQUITY			
Paid-up capital	16	2,130,000	2,130,000
Statutory reserve	17	718,347	591,571
Retained earnings		4,797,001	3,922,414
Total Shareholders' Equity		7,645,348	6,643,985
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		23,735,225	25,565,381

THE ACCOMPANYING NOTES FROM (1) TO (25) CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDIT REPORT.