

AL ROU'YA FOR INVESTMENTS (PLC)

شركة الرؤية للاستثمار المساهمة العامة

REF: 931/rou/2018

DATE: 30 / 7 / 2018

الرقم: 931/روية/2018

التاريخ: 2018/7/30

للمرسل

\* بورصة عمان

\* السيد صالح

السيد عمر

السيد عباس

To: Jordan Securities Commission

Amman Stock Exchange

Securities Depository center

السادة: هيئة الأوراق المالية

السادة: بورصة عمان

السادة: مركز ايداع الأوراق المالية

Subject: Semi- Annual Report as of

30/06/2018

التاريخ:- الموضوع : التقرير نصف السنوي كما هو في

2018/06/30

Attached the company's Semi- Annual Report of (AL-Rou'ya For Investment (plc.)) As of 30/06/2018.

مرفق طيه نسخة من التقرير نصف السنوي لشركة (الرؤية للاستثمار المساهمة العامة) كما هو بتاريخ 2018/06/30م

Kindly accept our highly appreciation and respect

وتفضلوا بقبول فائق الاحترام...

AL ROU'YA  
AL ROU'YA FOR INVESTMENT - PLC

هيئة الأوراق المالية  
الادارة الادارية / الديوان  
٣٠ شتوز ٢٠١٨  
الرقم المتسلسل .....  
الجهة المختصة .....  
.....

JORDAN- AMMAN -UMAUTHAINA

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عنوان: ام القيوية، مبنى الادارية للتجارة - شارع الملك فيصل بن عبد العزيز - عمارة رقم 55 - بجانب وزارة البنية

**AL-ROUYA FOR INVESTMENTSCo.  
"Public Shareholding Company"  
Amman–The Hashemite Kingdom of Jordan  
Interim Financial Statements  
For the period ended  
30June 2018  
with  
Report on Review of Interim Financial Statements**

**AL-ROUYA FOR INVESTMENTS Co.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**

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## Report on Review of Interim Financial Statements

**To the Shareholders of**  
**Al Rouya For Investments Company**  
**Public Shareholding Company**  
**Amman - Jordan**

### Introduction

We have reviewed the accompanying Interim financial statement of Al Rouyafor Investments Company (P.S) as of June 30, 2018 and interim statement of profit or loss and other comprehensive income and Interim statement of changes in equity and interim statements of cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard (34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### Basis of Conclusion

- ✓ Referral to financial assets through other comprehensive income, it represents 5.41% of capital of Jordan Aviation Company (Private Shareholding) by 2,400,000 shares, and we were unable to determine the fair value of these financial assets at the date of preparation of these financial statements. We didn't receive the financial statements for Jordan Aviation Company for the fiscal year 2017 up to the date of issuing this report.



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- ✓ The company suffers from liquidity weakness as its current liabilities exceed its current assets by JD (3,134) as at June30, 2018.
- ✓ The company did not achieve revenues during the fiscal period.

### **Conclusion**

Based on our review, except what we mentioned above, nothing has come to our attention that causes us to believe that the accompanying interim financial Statements does not give a true and fair view of the financial position of the entity as at June30, 2018, and of its financial performance and its cash flows for the three – month period then ended in accordance with International Financial Reporting Standards.

On behalf of  
IPB Member of Kreston Int'l  
Dr. Reem AL-Araj  
License No. (820)

Amman - Jordan  
23 July 2018



**Al Rouya for Investments CO.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**InterimStatement of Financial Position (JOD)**

		As at	
	Notes	30/06/2018	31/12/2017
<b>Assets</b>			
Other debit balances	8	2,500	-
<b>Total current assets</b>		<b>2,500</b>	<b>-</b>
<b>Non – current assets</b>			
Financial assets available for sale	9	2,616,000	2,616,000
<b>Total non-current assets</b>		<b>2,616,000</b>	<b>2,616,000</b>
<b>Total assets</b>		<b>2,618,500</b>	<b>2,616,000</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Trade accounts payable		6,719	2,220
Other credit balances	10	853	-
<b>Total current liabilities</b>		<b>7,572</b>	<b>2,220</b>
<b>Non-current liabilities</b>			
Due for related parties	11	108,126	101,334
<b>Total non - current liabilities</b>		<b>108,126</b>	<b>101,334</b>
<b>Total liabilities</b>		<b>115,698</b>	<b>103,555</b>
<b>Equity</b>			
Capital		10,000,000	10,000,000
Statutory reserve		200,884	200,884
Special reserve		28,429	28,429
Other comprehensive income		(8,378,456)	(8,378,456)
Retained earnings		651,945	661,589
<b>Total Equity</b>		<b>2,502,802</b>	<b>2,512,446</b>
<b>Total Liabilities &amp; Equity</b>		<b>2,618,500</b>	<b>2,616,000</b>

The notes from page7 to 23 are an integral part of these financial statements

**Al Rouya for Investments CO.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Profit or Loss and Comprehensive Income(JOD)**

	<b>Note</b>	<b>For the period ended</b>	
		<b>30/06/2018</b>	<b>30/06/2017</b>
Revenues		-	-
Administrative and general expenses	12	(9,301)	(15,789)
<b>Gross (loss)</b>		<b>(9,301)</b>	<b>(15,789)</b>
<b>Other comprehensive income</b>			
Change in fair value Financial assets through OCI		-	-
<b>Comprehensive income</b>		<b>(9,301)</b>	<b>(15,789)</b>
Weighted average of shares		10,000,000	10,000,000
<b>Earnings per share</b>		<b>(0.0008)</b>	<b>(0.0015)</b>

The notes from page7 to 23 are an integral part of these financial statements

**Al Rouya for Investments CO.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Changes in Equity(JOD)**

	Capital	Statutory reserve	Special reserve	Other comprehensive income	Retained earnings	Total
<b>For the period ended 30, June 2018</b>						
Balance as at 1 January 2018	10,000,000	200,884	28,429	(8,378,456)	661,589	2,512,446
Previous years adjustments	-	-	-	-	(343)	(343)
Adjusted balance as at 1 January 2018	10,000,000	200,884	28,429	(8,378,456)	661,246	2,512,103
Comprehensive income						
(Loss) of the period	-	-	-	-	(9,301)	(9,301)
Total comprehensive income	-	-	-	-	(9,301)	(9,301)
Balance as at 30, June 2018	10,000,000	200,884	28,429	(8,378,456)	651,945	2,502,802
<b>For the period ended 30, June 2017</b>						
Balance as at 1 January 2017	10,000,000	200,884	28,429	(8,378,456)	644,486	2,495,343
Previous years adjustments	-	-	-	-	45,273	45,273
Adjusted balance as at 1 January 2018	10,000,000	200,884	28,429	(8,378,456)	689,759	2,540,616
Comprehensive income						
(Loss) of the period	-	-	-	-	(15,789)	(15,789)
Total comprehensive income	-	-	-	-	(15,789)	(15,789)
Balance as at 30, June 2017	10,000,000	200,884	28,429	(8,378,456)	673,970	2,524,827

The notes from page 7 to 23 are an integral part of these financial statements



**Al Rouya for Investments CO.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Cash Flows (JOD)**

	<b>For the period ended</b>	
	<b>30/06/2018</b>	<b>30/06/2017</b>
<b>Cash Flows from Operating Activities</b>		
(Loss)of the period	(9,301)	(14,843)
<b>Adjustments</b>		
Previous yearsadjustments	(343)	-
<b>Changes in:</b>		
Other debit balances	(2,500)	(7,533)
Trade accounts payable	4,499	2,220
Due to related parties	6,792	19,889
Other credit balances	853	267
<b>Net cash from operating activities</b>	-	-
Net increase in cash	-	-
Cash and cash equivalents at beginning of the year	-	833
<b>Cash and cash equivalent at ending of the year</b>	-	<b>833</b>

The notes from page 7to23are an integral part of these financial statements

**Al Rouya for Investments CO.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**InterimNotes to theFinancial Statements**

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**1- Reporting Entity**

Al Rouya for Investments Company was established and registered as a public limited company on 23, November 2005, under the number (374). With paid capital (10,000,000) JOD The working center for the company is Hashemite Kingdom of Jordan – Amman, the main purposes of the company are Investment in private and public companies, investment in shares, bonds and investment projects, in addition to the other purposes stated in the company's commercial register.

**2- Standards issued but not yet effective**

**A. Revenue from Contracts with Customers ( IFRS 15)**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS (18) Revenue and, IAS (11) construction contracts. IFRS (15) is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

▪ **Sales of goods**

For the sale of products, revenue is currently recognized when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership transfer. Revenue is recognized at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

▪ **Rendering of services**

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognized using the stage-of-completion method Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the company sells the services in separate transactions.

▪ **Construction contracts**

Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognized, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date. Under IFRS 15, claims and variations will be included in the contract accounting when they are approved.

**D- Financial Instruments IFRS(9)**

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets and their cash flow are managed. IFRS 9 contains three principal classification categories for financial assets which are measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses. IFRS (9) is effective for the annual periods beginning on or after 1 January 2018 with earlier adoption permitted.

**E- Leases IFRS (16)**

IFRS 16 introduces a single, one-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

## **Al Rouya For Investments Company**

### **Notes to the financial statements**

IFRS 16 replaces existing leases guidance including IAS(17), and IFRIC (4) which determining whether an arrangement contains a lease. The standard is effective for the annual periods beginning on or after 1 January 2019 with earlier adoption permitted.

#### **3- Basis of preparation**

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards. It was authorized for issue by the company's management.
- b. These financial statements have been prepared based on going concern assumption and under the historical cost basis (except those financial assets and other items that measured by fair value as at the date of financial statement in compliance with International Standards).
- c. These financial statements have been prepared under the accrual basis of accounting, under this basis the effects of transactions and other events are recognized when they occur and not as cash is received or paid and they are recorded in accounting records and reported in the financial statements of the period to which they related.

#### **4- Functional and presentation currency**

These financial statements are presented in JOD which is the company's functional currency. All amounts have been rounded to nearest Jordanian Dinar, unless otherwise indicated.

#### **5- Use of judgments and estimates**

- ✓ In preparing these financial statements, management has made judgments, estimates and assumptions that affect the application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- ✓ Estimates and underlying assumptions are reviewed on an ongoing basis revisions to estimates are recognized prospectively.

#### **6- Accounting policies**

The company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

**A-Foreign currency**

**Foreign currency transactions**

- ✓ Transactions in foreign currencies are translated into the respective functional currencies of company at the exchange rates at the dates of the transactions.
- ✓ Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of available-for-sale equity investments financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedges are effective are recognized in other comprehensive income.

**Foreign operations**

- ✓ The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into functional currency at the exchange rates at the dates of the transactions.
- ✓ Foreign currency differences are recognized in other comprehensive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to net comprehensive income.

## **Al Rouya For Investments Company**

### **Notes to the financial statements**

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- ✓ When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the company disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to net compressive income. When the company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

#### **B- Discontinued operation**

A discontinued operation is a component of the company's business, the operations and cash flows of which can be clearly distinguished from the rest of the company's and which:

- ✓ Represents a separate major line of business or geographic area of operations.
- ✓ Is part of a single co-ordinate plan to dispose off a separate major line of business or geographic area of operations
- ✓ is a subsidiary acquired exclusively with a view to re-sale.
- ✓ Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

#### **C- Revenue**

##### **▪ Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

##### **▪ Rendering of services**

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The company recognizes revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

▪ **Commissions**

If the company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of commission made by the company.

▪ **Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity an expected loss on a contract is recognized immediately in profit or loss.

**D-Investment property rental income**

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

**E- Employee benefits**

Employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated.

**F- Government grants**

Government grants including non-monetary grants at fair value shall not be recognized until there is reasonable assurance that:

- a- The entity will comply with a conditions attaching to them.
- b- The grants will be received.

Government grants shall be recognized in profit or loss on systematic basis over the periods in which the entity recognizes as expenses the related cost for which the grants are intended to compensate.

#### **G- Income tax**

Income tax for the period is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods tax expense is recognize in compliance with regulation.

#### **H- Inventories**

- ✓ Inventories are measured at the lower of cost and net realizable value.
- ✓ The cost of inventory includes the purchase prices and other cost incurred to bring it in use.

#### **I-Property, plant and equipment**

- ✓ Items of property, plant and equipment are measured at cost, which includes cost incurred to bring the asset to operation, in addition to capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.
- ✓ If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- ✓ Any gain or loss on disposal of an item of property plant and equipment is recognized in profit or loss.
- ✓ Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.
- ✓ Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.



**Al Rouya For Investments Company**  
**Notes to the financial statements**

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- ✓ Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.
- ✓ When the use of a property changes from owner-occupied to investment property, the property is recognized at cost as using fair value is prohibited by local legislation.

**K- Intangible assets**

- ✓ Expenditure on research activities is recognized in profit or loss as incurred.
- ✓ Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company's intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred.
- ✓ Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.
- ✓ Other intangible assets, including customer relationships, patents and trademarks that are acquired by the company's and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.
- ✓ Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.
- ✓ Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized.
- ✓ Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**L-Investments property**

- ✓ Investment property comprises non-owner occupied buildings held to earn rentals and for capital appreciation.

## **Al Rouya For Investments Company**

### **Notes to the financial statements**

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- ✓ After initial recognition when using the cost model and in the case of lower recoverable amount of investments than its book value it should be reduced to the recoverable amount and the impairment is recognized through profit and loss.

#### **M- Noncurrent assets held for sale**

- ✓ Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
- ✓ Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on measurement are recognized in profit or loss.
- ✓ Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

#### **N-Financial Instruments**

- ✓ Financial assets are classified into financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.
- ✓ Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.
- ✓ The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.
- ✓ The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.
- ✓ The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.
- ✓ Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

**Al Rouya For Investments Company**  
**Notes to the financial statements**

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- ✓ A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.
- ✓ Held-to-maturity financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.
- ✓ Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in other comprehensive income and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

**O-Impairment**

**- Financial assets**

- ✓ Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is an objective evidence of impairment such as indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security because of financial difficulties.

**- Non-financial assets**

- ✓ At each reporting date, the company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- ✓ The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

- ✓ An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.
- ✓ An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

#### **P-Leases**

- ✓ Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ✓ Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.
- ✓ Assets held under finance leases are recognized as assets of the company at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the statement of financial position as a finance lease obligation.
- ✓ Lease payments are apportioned between interest expenses and capital redemption of the liability. Interest is recognized immediately in profit or loss, unless attributable to qualifying assets.

#### **Q- Provisions**

- ✓ Provisions are recognized when the company has a presented obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.
- ✓ The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

#### **R- Operating profit**

- ✓ Operating profit is the result generated from the continuing principal revenue producing activities of the company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

**S- Fair value measurement**

- ✓ Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.
- ✓ A number of the company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- ✓ When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- ✓ If there is no quoted price in an active market, then the company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
- ✓ If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

**T- Borrowing costs**

- ✓ Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.
- ✓ Other borrowing costs are expensed in the period in which they are incurred.

**U-Related parties**

- ✓ A related party is a person or entity that is related to the entity that is preparing its financial statements.
- ✓ A person is a related party if that person has control or significant influence over the reporting entity; or is a member of the key management personnel. an entity is a related party if this entity and the reporting entity are members of the same group or one entity is an associate or joint venture of the other entity or the entity is controlled by a related person.

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- ✓ A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
- ✓ Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

**V- Events after the reporting period**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue and there are two kinds of events after the reporting period:.

- 1- Those that provide evidence of conditions that existed at the end of the reporting period and an entity shall adjust the amounts recognized in its financial statements
- 2- Those that are indicative of conditions that arose after the reporting period, an entity shall not adjust the amounts recognized in its financial statements.

**W- Contingent Liabilities**

Contingent liabilities are obligations that could result from a past event and will confirm their presence only by the occurrence or non-occurrence of a future uncertain and not within the control of the company and are not recognized in the records because it is not likely to flow release of economic benefits for the payment of the obligation cannot be measured amount of the obligation reliably.

**X- Capital management**

- ✓ The company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.
- ✓ Management monitors the return on capital, as well as the level of dividends to ordinary shareholder
- ✓ The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.

- ✓ The company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

#### **Y- Financial risk management**

The company has exposure to the following risks arising from financial instruments:

1-credit risk

2-liquidity risk

3-market risk

#### **Risk management framework**

- ✓ The company's board of directors has overall responsibility for the establishment and oversight of the company risk management framework. The company risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company activities.
- ✓ The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

#### **Credit risk**

- ✓ Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company receivables from customers and investments in debt securities.
- ✓ The carrying amount of financial assets represents the maximum credit exposure.
- ✓ The company exposure to credit from Trade and other receivables risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.

- ✓ The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three and six months .
- ✓ The company monitors risk cash and cash equivalents by dealing with banks with good reputation.
- ✓ Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
- ✓ The company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation.
- ✓ **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### **1-Currency risk**

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of company companies. Management monitors fluctuation in foreign currencies exchange rates and believes that the company is exposed to currency risk due to transactions in foreign currencies rather than USD since the functional currency of the company JOD has fixed exchange rate with USD.

### **2-Interest rate risk**

Interest rate risk arises from the effects of fluctuations in the levels of markets interest rates on the fair value of financial assets and liabilities and future cash flows.

### **3-Other risk**

The company is exposed to equity price risk, which arises from available-for-sale equity securities as well as from investments measured at fair value through profit or loss.



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**8- Other debit balances**

	<b>30/06/2018</b>	<b>2017</b>
	<b>JOD</b>	<b>JOD</b>
Prepaid expenses	2,500	-
<b>Total</b>	<b>2,500</b>	<b>-</b>

**9- Financial assets available for sale**

	<b>30/06/2018</b>	<b>31/12/2017</b>	<b>30/06/2018</b>	<b>31/12/2017</b>
	<b>Shares</b>	<b>Shares</b>	<b>JOD</b>	<b>JOD</b>
Jordan Aviation Company	2,400,000	2,400,000	10,994,456	10,994,456
Changes in fair value			(8,378,456)	(8,378,456)
<b>Total</b>		<b>2,400,000</b>	<b>2,616,000</b>	<b>2,616,000</b>

**10- Other credit balances**

	<b>30/06/2018</b>	<b>2017</b>
	<b>JOD</b>	<b>JOD</b>
Due to Social Security	113	-
Accrued expenses	740	-
<b>Total</b>	<b>853</b>	<b>-</b>

**11-Due to related parties**

	<b>30/06/2018</b>	<b>2017</b>
	<b>JOD</b>	<b>JOD</b>
Jordan Aviation Company	108,126	101,333
<b>Total</b>	<b>108,126</b>	<b>101,333</b>

**12- Administrative and general expenses**

	<b>30/06/2018</b>	<b>30/06/2017</b>
	<b>JOD</b>	<b>JOD</b>
Salaries and wages	2,400	1,800
Social security	342	257
Professional fees	1,500	2,610
Governmental fees	3,180	5,675
Stationery and prints	-	58
Miscellaneous	-	946
Transportation	450	921
Mail and phone	364	530
General assembly meetings	1,065	2,972
Hospitality and cleaning	-	20
<b>Total</b>	<b>9,301</b>	<b>15,789</b>