Omar M. Al-karasneh

From: Lana Senan <lsenan@firstjordan.com.jo>
Sent: حزيران، ٢٠٢٠ ١١:٣٠ ص 28
To: Omar M. Al-karasneh; disclosure
Subject: Financial Statment 2019 - First Jordan
Attachments: First Jordan -Financial Statment 2019.pdf

للإفصاح

* بورصة عمان
* أ. السيد صلاح
الشرعبالله

السادة / هيئة الأوراق المالية المحترمين

٦/٢٨

تحية وبعد،،،

نرفق لكم البيانات المالية لشركة الأردن الاولى للاستثمار لعام 2019 (النسخة الانجليزية).

Best regards,

Lana H. Senan | *Shareholder Officer*

First Jordan Investment Company PLC. | *Al Rabia Bld (4).*
Tel: (962) 6 556 2130 - Ext. (332) | *Fax: (962) 6 556 2129* |
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FIRST JORDAN
الأردن الأولى

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٢٨ حزيران ٢٠٢٠
الرقم المتسلسل ٢٧٩٢
الجهة المختصة ٢٠٢٠/١ إفصاح

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITIED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
FOR THE YEAR ENDED DECEMBER 31, 2019

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Independent Auditor's Report

AM/ 017165

To the Shareholders of
First Jordan Investment Company
(Public Shareholding Limited Company)
Amman - The Hashemite kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Qualified opinion

We have audited the consolidated financial statements of First Jordan Investment Company (the "Company") and its subsidiaries (together "the Group") which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effect for the matters described in the "Basis for Qualified Opinion" section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2019, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

1. The investments in subsidiaries, which are carried in the consolidated statement of financial position, includes an investment in Al-Baha Investment Company (the "subsidiary") with an amount JD 20,002. The results of the aforementioned subsidiary have not been consolidated in determining the results of the Group, which constitutes a departure from IFRS. We were unable to determine the adjustments necessary to the financial statements as a result of this matter. Our opinion for the prior year was also modified in respect of this matter.

2. The due from related parties, which are carried in the consolidated statement of financial position at JD 10,971,880, includes amounts due from Al-Baha Investment Company (the "subsidiary") of JD 10,654,575 as of December 31, 2019. We were unable to obtain sufficient appropriate audit evidence about the accuracy of the amounts due from the subsidiary, also we were unable to determine if the amount was recoverable due to ongoing legal proceedings with the subsidiary. Consequently, we were unable to determine whether any adjustments to this amount were necessary. Our opinion for the prior year was also modified in respect of this matter.

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 Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the company's consolidated 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 qualified opinion.

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Emphasis of Matters
We draw attention to:

1. Note (11/E) of the consolidated financial statements, which describes that a plot of land is registered in the names of existing and previous Board of Directors' members.

2. Note (27/B) of the consolidated financial statements, which describes details relating to a lawsuit raised by the Public Right prosecutor and United Group Holdings Company against the Company relating to a personal claim of JD 72 million.

Our opinion is not modified in respect to the emphasis of matter stated above.

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

Key Audit Matters
Key audit matters, in our professional judgment, are the most significant matters in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters descried below to be the key audit matters to be communicated in our report:

Key audit matter	How our audit addressed the key audit matter
Evaluation of real estate investments The Group's real estate investment properties comprise 57% of the total assets of the Company at the consolidated financial statement date. The Company's real estate investment properties are carried at JD 37,296,609 and are measured using the cost model. The Company is required to determine the fair value for disclosure purposes. The Company appointed independent external valuers to determine the fair value of the investment properties. The determination of fair values requires significant judgements to be applied and estimates to be made and consequently is considered to be a key audit matter. Refer to the following notes of the consolidated financial statements: • Note 2 – Significant accounting policies on investment properties; • Note 4 – Critical accounting judgement and key sources of estimation uncertainty of valuation of investment properties; and • Note 11 – Investment properties.	Our audit procedures performed included, but were not limited to, the following: - Obtaining an understanding of the Company's real estate investments and assessed the design and implementation of controls over the valuation process; - Reviewing the valuations performed by the independent external valuers and in particular assessing the judgements applied and estimates made in determining the valuations; - Assessing the skills, competence, objectivities and capabilities of the external valuers and assessed their terms of engagement with the Company to determine if the scope of their work was sufficient for audit purposes. - Assessing, for selected properties, whether the valuation approach and methods used are in accordance with the established standards regulating valuation of properties and whether these methods are suitable for use in determining the fair value of these properties; - Testing, on a sample basis, the accuracy of the standing data provided by the Company to the experts; - Performing the mathematical accuracy of the valuations on a sample basis; - Agreeing the results of the valuation performed by the experts to the amount reported in the consolidated financial statements; - Reviewing the disclosures in the financial statements relating to the fair value of investment properties against the requirements of IFRSs.

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Other Information
Management is responsible for other information. Other information consist of information provided in the annual report other than the consolidated financial statements and the related auditors report. We expect that the annual report will be provided to us at a later date of our report. Our opinion on the consolidated financial statements does not include other information and we do not express any type of assertion or conclusion about it.

Regarding to the audit of the consolidated financial statements it is our responsibility to read the above mentioned information as it becomes available to us, assessing whether the other information is not materially consistent with the consolidated financial statements or information obtained through our audit or that other information includes material misstatement.

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

In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the 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 Consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatements, 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 it 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 be reasonably expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatements of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than the one resulting from an 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 expressing an opinion on effectiveness of internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease in continuing as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company and its subsidiaries audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them 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 of most significance in the audit of the consolidated 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 in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements after taking into consideration the qualification and emphasis of matters paragraphs.

Amman – The Hashemite Kingdom of Jordan
June 14, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	Note	December 31, 2019	December 31, 2018
ASSETS		JD	JD
Current assets:			
Cash on hand and at banks	5	29,592	52,967
Financial assets at fair value through profit or loss	6	4,420,535	5,591,060
Due from related parties	25	10,971,880	11,262,438
Other debit balances	7	240,770	615,757
Total Current Assets		15,662,777	17,522,222
Non-Current assets:			
Financial assets at fair value through other comprehensive income	8	11,911,204	13,209,001
Investments in associates	9	2	2
Investment in non-consolidated subsidiary company	2	20,002	20,002
Property and equipment - net	10	348,746	350,779
Investment property - net	11	37,296,609	37,876,739
Projects under construction		22,000	22,000
Deferred tax assets	13/C	332,019	345,084
Total Non-Current Assets		49,930,582	51,823,607
Total Assets		65,593,359	69,345,829
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current Liabilities:			
Due bank loan installments	12	-	90,294
Bank loans due within one year	12	976,547	1,783,978
Brokers companies payables	14	526,515	545,138
Due to related parties	25	12,658	7,812
Unearned revenue		99,384	123,521
Other credit balances	15	1,097,016	1,074,328
Total Current Liabilities		2,712,120	3,625,071
Non-Current Liabilities:			
Banks loans due within more than one year	12	6,663,139	5,459,862
Total Non-Current Liabilities		6,663,139	5,459,862
Total Liabilities		9,375,259	9,084,933
Shareholder's Equity:			
Paid-up capital	1	75,000,000	75,000,000
Statutory reserve	16	327,276	327,276
Fair value reserve	17	(13,008,766)	(12,718,647)
Accumulated (losses)	18	(6,100,410)	(2,347,733)
Net Shareholders' Equity		56,218,100	60,260,896
Total Liabilities and Net Shareholders' Equity		65,593,359	69,345,829

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	For the Year Ended December 31, 2019	2018
		JD	JD
Rental revenue	19	607,492	605,195
(Loss) from financial assets at fair value through profit or loss	20	(1,167,233)	(374,138)
General and administrative expenses	21	(426,709)	(466,093)
Investment property expenses	22	(980,032)	(992,655)
Investment property impairment (loss)	11	-	(3,331,381)
Expected credit losses provision	25	(300,000)	-
Lawsuits provision		-	(75,000)
Financial securities transactions commissions		(1,475)	(803)
Other income		7,295	23,797
(Loss) / gain from currency exchange		(123)	(20,062)
Company's share from associate operations	9	-	(3,680)
(Loss) from Operating Activities		(2,260,785)	(4,634,820)
Interest income		1,870	3,518
Finance expenses	23	(797,153)	(692,268)
Net Finance Cost		(795,283)	(688,750)
(Loss) for the Year before Income Tax		(3,056,068)	(5,323,570)
Income tax expense	13/B	(13,065)	(221,670)
(Loss) for the Year		(3,069,133)	(5,545,240)
Other Comprehensive Income Items:			
Items that will not be reclassified subsequently to the statement of profit or loss:			
Net change in fair value of financial assets through other comprehensive income		(973,663)	(5,097,227)
Total Other Comprehensive (Loss) Items for the Year		(973,663)	(5,097,227)
Total Comprehensive (Loss) for the Year		(4,042,796)	(10,642,467)
(Loss) per Share for the Year - (Basic and Diluted)	24	(0.041)	(0.074)

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid-Up Capital	Statutory Reserve	Fair Value Reserve	Accumulated Losses	Net Shareholders' Equity
For the Year Ended December 31, 2019	JD	JD	JD	JD	JD
Balance - beginning of the year	75,000,000	327,276	(12,718,647)	(2,347,733)	60,260,896
(Loss) for the year	-	-	-	(3,069,133)	(3,069,133)
Net change in the fair value of financial assets through other comprehensive income.	-	-	(973,663)	-	(973,663)
Total comprehensive (loss) for the year	-	-	(973,663)	(3,069,133)	(4,042,796)
Loss from the sale of financial assets at fair value through other comprehensive income	-	-	683,544	(683,544)	-
Balance - End of the Year	75,000,000	327,276	(13,008,766)	(6,100,410)	56,218,100
For the Year Ended December 31, 2018					
Balance - beginning of the year (as reported)	75,000,000	327,276	(7,638,010)	3,214,097	70,903,363
(Loss) for the year	-	-	-	(5,545,240)	(5,545,240)
Net change in the fair value of financial assets through other comprehensive income.	-	-	(5,097,227)	-	(5,097,227)
Total comprehensive (loss) for the year	-	-	(5,097,227)	(5,545,240)	(10,642,467)
Loss from the sale of financial assets at fair value through other comprehensive income	-	-	16,590	(16,590)	-
Balance - End of the Year	75,000,000	327,276	(12,718,647)	(2,347,733)	60,260,896

- In addition to the accumulated (losses) an amount of JD 332,019, which is restricted from use as of December 31, 2019 (JD 345,084 as of December 31, 2018), against deferred tax assets including capitalization or distribution only to the extent that is actually realized.
- The negative value of fair value reserve in the amount of JD 13,008,766, is restricted as of December 31, 2019, including capitalization, distribution, amortization of losses, or any other action, only to the extent to the amount that is actually realized through sale transactions.

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – THE HASHEMITE KINGDOM OF JORDAN
CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
		JD	JD
Cash Flows from Operating Activities:			
(Loss) for the year before tax		(3,056,068)	(5,323,570)
Adjustments for:			
Depreciation of property and equipment	10	19,881	25,110
Depreciation of investment property	11/A	581,663	592,627
Investment property impairment loss	11/B	-	3,331,381
Expected credit losses provision	25	300,000	-
Company's share from associate loss	9	-	3,680
Unrealized losses of financial assets at fair value through profit or loss	20	1,168,900	2,575,750
Net finance cost		795,283	688,750
Lawsuits provision		-	75,000
(Gain) from the sale of financial assets at fair value through profit or loss	20	(767)	(4,305)
Dividends income	20	(900)	(2,197,307)
Net Cash Flows (used in) Operations before Changes in Working Capital		(192,008)	(232,884)
Decrease in other debit balances		374,987	2,572
(Increase) in due from related parties		(9,442)	(34,846)
(Decrease) increase in unearned revenue		(24,137)	(230,413)
Increase in other credit balances		22,688	492,128
Cash Flows from (used in) Operating Activities before Income Tax Paid		172,088	(3,443)
Income tax paid	13/B	-	(1,939)
Net Cash Flows from (used in) Operating Activities		172,088	(5,382)
Cash Flows from Investing Activities:			
Interest income		1,870	3,518
Proceeds from the sale of financial assets at fair value through other comprehensive income		324,134	41,275
Proceeds from the sale of financial assets at fair value through profit or loss		4,752	102,643
(Purchase) financial assets at fair value through profit or loss		(2,360)	(6,431)
(Purchase) investment property	11/C	(1,533)	(21,528)
(Purchase) property and equipment	10	(17,848)	(38,099)
Dividends distribution		900	1,814,371
Net Cash Flows from Investing Activities		309,915	1,895,749
Cash Flows from Financing Activities:			
Increase (decrease) in due to related parties		4,846	(1,025)
(Decrease) increase brokers payables		(18,623)	6,261
Loan installments paid during the Year	12	(882,248)	(1,353,914)
Borrowed funds during the year	12	1,187,800	-
Finance expense paid		(797,153)	(538,107)
Net Cash Flows (used in) Financing Activities		(505,378)	(1,886,785)
Net (Decrease) Increase in Cash		(23,375)	3,582
Cash and cash equivalent - beginning of the year		52,967	49,385
Cash and Cash Equivalent - End of the Year	5	29,592	52,967

The accompanying notes constitute an integral part of these consolidated financial statements and should be read with them and with the accompanying audit report.

FIRST JORDAN INVESTMENT COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
NOTES TO THE CONSOLIDATED
FINANCIAL STATEMENTS

1. General

a. First Jordan Investment Company was incorporated in Jordan as a Public Shareholding Company on May 3, 2006 under registration number (402) with paid up capital amounted to JD 150 Million at a par value of JD 1 per share.

On April 20, 2014 the Company's general assembly resolved to decrease its paid up through the amortization of its accumulated losses, accordingly the authorized and paid up capital reached JD 75 Million divided on to 75 Million Share. All legal producers of capital reduction were completed by the Ministry of Industry and Trade during 2014.

b. The Company's is located in Amman, Al-Rabia area, Abdullah Bin Rawaha Street, Building No. (4) - The Hashemite Kingdom of Jordan.

c. The parent company and its subsidiaries main objectives include the following:
Investment of the Company's funds in the industrial, economic, financial, real estate, commercial, and tourism fields, and the investment in securities of all kinds in addition to investment, construction, and rental of real estate, land purchase, establishment of residential apartments on them, and sale and management, and development of real estate.

d. The Company's Board of Directors approved the consolidated financial statements on June 10,2020.

2. Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements

The consolidated financial statements have been prepared in accordance with the standards issued by the International Accounting Standards Board and interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC), and prevailing local laws.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

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

The accompanying consolidated financial statements comprise the financial statements of the Company and its subsidiaries, as of December 31, 2019 and 2018 except for Al Baha for Investment Company. The details of the subsidiaries are as follows:

Company's Name	Authorized and Paid up Capital	Percentage Ownership	Main Activity	Country
	JD	%		
Al-Baha for Investment Company	50,000	55	Real Estate	Jordan
Al- Taher for Investment and Real Estate Development Company	750,000	100	Real Estate	Jordan
Al-Ada'a for Trading and Investment	50,003	100	Real Estate	Jordan
First Fuheis Investment Company	19,500	100	Real Estate	Jordan
Al-Tunaib for Real Estate Investment Company	19,500	100	Real Estate	Jordan
Pearl Hawara for Trading and Investment Company	19,500	100	Real Estate	Jordan
First Salt Investment Company	30,000	100	Investments	Jordan
Al-Mattar Investment Company (under liquidation)	19,500	100	Investments	Jordan

The following table illustrating the key financial information of the subsidiaries:

Company Name	As of December 31, 2019 Assets	Liabilities	Net Assets	As of December 31, 2018 Total Assets	Liabilities	Net Assets
	JD	JD	JD	JD	JD	JD
Al-Baha for Investment- (a)	16,181,962	16,286,002	(104,040)	16,181,962	16,276,925	(94,963)
Al- Taher for Investment and Real Estate Development- (b)	14,037,099	14,201,246	(164,147)	14,469,771	2,889,290	11,580,481
Al-Ada'a for Real Estate Development	11,007,829	7,650,960	3,356,869	11,261,946	4,849,010	6,412,936
First Fuheis for Investment (c)	5,030,790	5,015,489	15,301	5,030,782	248,110	4,782,672
Al-Tunaib for Real Estate Investment - (d)	1,327,422	1,308,029	19,393	1,327,422	9	1,327,413
Pearl Hawara for trading and Investment- (e)	1,005,130	985,765	19,365	1,005,131	9	1,005,122
First Salt for Investment- (f)	27,870	-	27,870	1,722	828	894
Al-Mattar for Investment (under liquidation) - (g)	49,122	8	49,114	44	9	35

Company Name	For the Year Ended December 31, 2019 Revenue	Expense	Net Income / (Loss)	For the Year Ended December 31, 2018 Revenue	Expense	Net (Loss)
	JD	JD	JD	JD	JD	JD
Al-Baha for Investment- (a)	-	9,077	(9,077)	-	26,575	(26,575)
Al- Taher for Investment and Real Estate Development - (b)	-	914,147	(914,147)	846	808,255	(807,409)
Al-Ada'a for Real Estate Development	612,492	752,426	(139,934)	596,905	816,894	(219,989)
First Fuheis for Investment- (c)	-	4,191	(4,191)	1,000	2,771,123	(2,770,123)
Al-Tunaib for Real Estate Investment - (d)	-	107	(107)	-	360,779	(360,779)
Pearl Hawara for trading and Investment - (e)	-	135	(135)	-	31,512	(31,512)
First Salt for Investment- (f)	-	422	(422)	-	1,017	(1,017)
Al-Mattar for Investment (under liquidation) - (g)	-	40	(40)	-	81	(81)

a. The Company did not consolidate the financial statement of Al-Baha for Investments Company (subsidiary) as of December 31, 2019 and 2018, even though, the Company acquired control over Al-Baha investment Company board of directors on March 3, 2013, to facilitate the required legal procedures of the raised lawsuit , noting that the figures disclosed above represents the financial position and the financial performance of Al-Baha Investments Company according to the latest unaudited financial information available to the Company's' management as of December 31, 2019 and 2018.

b. The General Assembly of Al- Taher for Investment and Real Estate Development Company approved in its extraordinary meeting held on June 16, 2019, to amortize the accumulated losses amounted to JD 807,409 as of December 31, 2018 through First Jordan Investment Company (parent) current account. Knowing that The General Assembly approved in its extraordinary meeting held on March 27, 2018, to amortize the accumulated losses amounted to JD 579,803 as of December 31, 2017 through First Jordan Investment Company (partner) current account.

   The accumulated losses of Al- Taher for Investment and Real Estate Development Company amounted to JD 914,147 as of December 31, 2019, equivalent to about 122% of the paid-up capital of the company, and this is the future management plan to address the company's financial conditions in amortizing the accumulated losses in the company's current account during the year 2020.

c. The General Assembly of First Fuheis for Investment Company approved in its extraordinary meeting held on June 16, 2019, to amortize the accumulated losses amounted to JD 2,770,123 as of December 31, 2018 through First Jordan Investment Company. Knowing that The General Assembly approved in its extraordinary meeting held on March 27, 2018, to amortize the accumulated losses amounted to JD 31,998 as of December 31, 2017 through First Jordan Investment Company (partner) current account.

d. The General Assembly of Al-Tunaib for Real Estate Investment Company approved in its extraordinary meeting held on June 16, 2019, to amortize the accumulated losses amounted to JD 361,567 as of December 31, 2018, through First Jordan Investment Company (partner) current account.

e. The General Assembly of Pearl Hawara for trading and Investment Company approved in its extraordinary meeting held on June 16, 2019, to amortize the accumulated losses amounted to JD 32,231 as of December 31, 2018, through First Jordan Investment Company (partner) current account.

f. The General Assembly of First Salt Company decided in its extraordinary meeting held on April 3, 2017 to reduce the capital of the First Salt Investment Company (limited liability company) by JOD 188,773 and to amortize the accumulated losses of the company as of December 31, 2016 at a value of JD 81,227 through the partner's current account to become the capital after the reduction and amortization JD 30,000, noting that the legal procedures have been completed on April 9, 2018.

g. The General Assembly of Al-Mattar Investment Company decided in its extraordinary meeting held on April 4, 2017 to liquidate the company as a voluntarily liquidation. The legal procedures have not yet been completed.

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those applied for the year ended December 31, 2018 except for the effect of adopting the new and modified standards stated in Note (3-a), The following are the most significant accounting policies adopted by the Company:

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries).control is achieved when the Company:

- has the power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affects its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more elements of that enable control listed above.

When the Company has less than a majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in consolidated statement of profit or loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries when necessary to bring the accounting policies used into line with the Company's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the members of the Group are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Group's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquires identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, the gain or loss on disposal recognised in statement of profit or loss is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Leases

Policy applicable from January 1, 2019

The Company as lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease

The lease liability is presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Company remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever:

- The lease term has changed or there is a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revise discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is re-measured by discounting the revised lease payments using a revised discount rate.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use of assets are presented as a separate line in the statement of financial position.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line 'Other expenses' in the statement of profit or loss.

The Company as lessor
Leases for which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Company applies IFRS 15 to allocate consideration under the contract to each component.

Policy applicable up to December 31, 2018
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.

The Company as lessor
Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term

The Company as lessee
Assets held under finance leases are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs. Contingent rentals are recognised as expenses in the periods in which they are incurred.

Operating lease payments are recognised as an expense on a straight-line basis over the lease term, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

Foreign currencies
For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in the functional currency of the Company, and the presentation currency for the consolidated financial statements.

The individual financial statements of each subsidiary company are presented in the currency of the primary economic environment in which it operates (its functional currency). In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of income in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks; and

- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations are translated at exchange rates prevailing on the statement of financial position date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognized in OCI and accumulated in a separate component of equity.

Financial instruments
Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Financial Assets
Financial assets are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets
Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows;
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

Amortised cost and effective interest method
The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Equity instruments classified at fair value through other comprehensive income
On the initial recognition of equity instruments designated at fair value through other comprehensive income, the Company may make an irrevocable election (on an instrument-by-instrument basis) to classify investments in equity instruments at fair value through other comprehensive income. Classification to fair value through other comprehensive income is not permitted if the equity investment is held for trading or if the contingent consideration was recognised by the acquirer in a business combination.

Equity instruments that are measured at fair value through other comprehensive income are initially measured at fair value plus transaction costs. Subsequently, it is measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The accumulated gains or losses are not reclassified to income on disposal of the equity investment instrument, instead, it is transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in the statement of income in accordance with IFRS 9, unless the dividends clearly represent a recovery of a part of the investment cost .

Financial assets at fair value through profit or loss
Financial assets that do not meet the criteria for being measured at amortised cost or fair value through other comprehensive income are measured at fair value at profit or loss .

Financial assets at fair value through profit or loss are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in the statement of income. The net gain or loss is recognised in the statement of income includes any dividend earned.

Foreign exchange gains and losses
The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in statement of profit or loss.

Impairment of financial assets
The Company recognises a loss allowance for expected credit losses on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime expected credit losses for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime expected credit losses when there has been a significant increase in credit risk since initial recognition. Lifetime expected credit losses represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Provision for expected credit loss
The Company has adopted the simplified approach to recognise the expected credit losses over the life of its receivables as permitted by IFRS 9. Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 2 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognised over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Write off
The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are past due for a long period of time, whichever occurs sooner.

Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

Derecognition of financial assets
The Company derecognises financial assets only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

Classification as debt or equity
Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments
An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in income statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities
All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through statement of profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables classified as financial liabilities are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities
The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in the consolidated statement of profit or loss.

Investment property
Investment properties are properties held to earn rentals and/or for capital appreciation Investment properties are measured at cost, including transaction costs .

Depreciation is calculated based on the estimated useful lives of the applicable assets on a straight-line basis commencing when the assets are ready for their intended use. The estimated useful lives and depreciation methods are reviewed at each statement of financial position date, with the effect of any changes in estimate accounted for on a prospective basis .

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of income in the period in which the property is derecognised.

Investments in associates
An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Company's share of the profit or loss and other comprehensive income of the associate. When the Company's share of losses of an associate exceeds the Company's interest in that associate (which includes any long-term interests that, in substance, form part of the Company's net investment in the associate), the Company discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Company's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in the statement of profit or loss in the period in which the investment is acquired.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount.

Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the interest in the associate.

Income tax
Income tax expenses represent accrued taxes and deferred taxes.

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

Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations and instructions in Jordan.

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

Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements, and are reduced when no benefit is expected to arise therefrom, partially or totally.

Fair value measurement
Fair value is defined as the a price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Company takes into consideration when determining the price of any asset or liability whether market participants are required to take these factors into account at the measurement date. The fair value of the measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement measures that are similar to fair value procedures and are not fair value such as fair value as used in IAS 36.

In addition, fair value measurements are classified for the purposes of financial reporting to level (1) or (2) or (3) based on the extent to which the inputs are clear to fair value measurements and the importance of inputs to the full fair value measurements, which are identified as follows:

Input Level (1) inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that the enterprise can obtain on the measurement date;

Input level (2) inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly; and;

Input level (3) are inputs to assets or liabilities that are not based on quoted market prices.

Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation.

When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Impairment of non-financial assets

At the reporting date, the Company assesses whether there is evidence that the asset has been impaired. If any evidence exists, or when an impairment test is required, the Company assesses the recoverable amount of the asset. The recoverable amount of the asset is the fair value of the asset or cash-generating unit less cost of sales and value in use whichever is higher and is determined for the individual asset, unless the asset does not generate substantially independent internal cash flows from those arising from other assets or assets of the company. When the carrying amount of the asset or cash-generating unit exceeds the recoverable amount, the asset is considered to be impaired and is written down to its recoverable amount. In assessing the fair value used, future cash flows are discounted to their present fair value using a pre-tax discount rate that reflects current market assessments of the time value of funds and the risks specific to the asset. In determining fair value less cost of sales, recent transactions in the market are taken into consideration if available. If such transactions cannot be identified, the appropriate valuation model is used.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

Property and Equipment

Property and equipment are stated at cost and depreciated, using the straight-line method at annual rates ranging from 2% to 20%.

When the expected recoverable amount of any property and equipment is less than its net book value, the net book value is reduced to the expected recoverable amount, and the impairment loss is taken to the consolidated statement of profit or loss.

Property and equipment's useful lives are reviewed at the end of each year and if the expected useful life differs from the previous estimate, the difference is recorded in subsequent years as a change in accounting estimates.

Property and equipment are disposed of when there are no expected future benefits from its use or its disposal.

3. Application of the new and revised International Financial Reporting Standards (IFRS)

a. Amendments with no material effect on the consolidated financial statements of the company:

The following new and revised IFRSs have been adopted and are effective for financial periods beginning on or after January 1, 2019 or thereafter in the preparation of the Company's consolidated financial statements that did not materially affect the amounts and disclosures in the consolidated financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and Revised IFRS Standards	Amendments to New and Revised IFRS Standards
Annual Improvements to IFRS Standards 2015–2017	Improvements include amendments to IFRS (3) "Business Combinations", (11) "Joint Arrangements", International Accounting Standards (12), "Income Taxes" and (23) "Borrowing Costs" and as the following: IAS 12 Income Taxes The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. IAS 23 Borrowing Costs The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. IFRS 3 Business Combinations The amendments clarify that when the Group obtains control of a business that is a joint operation, the Group applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. IFRS 11 Joint Arrangements The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Group does not remeasure its PHI in the joint operation.

New and Revised IFRS Standards	Amendments to New and Revised IFRS Standards
IFRIC 23 Uncertainty over Income Tax Treatments	The interpretation addresses the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. It specifically considers: • Whether tax treatments should be considered collectively; • Assumptions for taxation authorities' examinations; • The determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and • The effect of changes in facts and circumstances.
Amendments to IFRS 9 Prepayment Features with Negative Compensation and Modification of financial liabilities	The amendments to IFRS 9 clarify that for the purpose of assessing whether a prepayment feature meets the SPPI condition, the party exercising the option may pay or receive reasonable compensation for the prepayment irrespective of the reason for prepayment. In other words, prepayment features with negative compensation do not automatically fail SPPI.
Amendments to IAS 28 Investment in Associates and Joint Ventures: Relating to long-term interests in associates and joint ventures.	These amendments clarify that an entity applies IFRS 9 Financial Instruments to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied.
Amendments to IAS 19 Employee Benefits Plan Amendment, Curtailment or Settlement	The amendments to IAS 19 Employee Benefits clarify the accounting for defined benefit plan amendments, curtailments and settlements.
IFRS 16 "Leases"	IFRS 16 defines how the preparer of the reports can recognise, measure, display and disclose lease contracts. The Standard also provides a separate accounting model for tenants that requires the lessee to recognise the assets and liabilities of all lease contracts unless the lease is 12 months or less or the asset is of low value. Lenders continue to classify leases as operating or financing leases. The approach of IAS 16 on accounting of lessors has not changed significantly from IAS 17.

b. New and revised International Financial Reporting Standards in issue but not yet effective:

At the date of authorization of these consolidated financial statements, the company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and Revised Standards	Amendments to New and Revised IFRSs
Amendment to IAS 1 *"Presentation of financial statement"* (Effective form on January 1,2020)	These amendments are related to definition of material. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'
Amendment to IFRS 3 *"Business Combinations"* (Effective form on January 1, 2020).	These amendments clarify the definition of business as the International Accounting Standards Board published the Conceptual Financial Reporting Framework. This includes revised definitions of assets and liabilities as well as new guidance on measurement, derecognition, presentation and disclosure. In addition to the amended conceptual framework, the IASB issued amendments to the guidelines on the conceptual framework in the IFRS Standards, which contain amendments to IFRS 2, 3, 6 and 14 and IAS 1, 34, 37 and 38) and IFRIC 12, Interpretation 19, Interpretations 20 and 22 and Interpretations of the Standing Committee for the Interpretation of Standards No. 32 in order to update those statements with regard to references and quotations from the framework or to refer to a reference to a different version of the conceptual framework.
IFRS 17 *"Insurance Contracts"* (Effective form on January 1, 2022).	It provides a more consistent measurement and presentation approach to all insurance contracts. These requirements are aimed at achieving a consistent, principled accounting objective for insurance contracts. IFRS 17 replaces IFRS 4 Insurance Contracts. IFRS 17 requires measurement of insurance liabilities at the present value of the liability.
Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 *"Investments in Associates and Joint Ventures (2011)"* (Effective date deferred indefinitely. Adoption is still permitted).	These amendments are related to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.

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

4. Significant accounting judgments and key sources of uncertainty

The preparation of the consolidated financial statements and the adoption of accounting policies requires the management to make judgments, estimates and assumptions that affect the amounts of financial assets, financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses and provisions in general and expected credit losses. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. These mentioned estimates are based on a multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Judgments, estimates and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change has occurred and only if the change affects the same financial period. Moreover, the effect of the change in estimates is recognized in the financial period in which the change has occurred and in future periods in case the change affects the financial period and future financial periods.

Management believes that its estimates in the consolidated financial statements are reasonable. The key estimates used by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Useful life of tangible assets

The management periodically re-estimates the useful life of tangible assets for the purpose of calculating the annual depreciation based on the general condition of those assets and estimated future useful lives. The impairment loss is recognize in the consolidated statement of profit or loss for the year.

Income tax

The fiscal year is charged to its related income tax expense in accordance with the regulations, laws and accounting standards. The deferred taxes and income tax provision are calculated and recognized.

Lawsuit provision

A provision is booked to meet any potential litigation obligations based on the legal study prepared by the Company's legal counsel that identifies potential risks in the future and periodically reviews the study.

Assets and liabilities presented at cost

Management reviews the assets and liabilities at cost periodically for the purpose of estimating any impairment in value, any impairment loss is recognized in the consolidated statement of Profit or Loss for the year.

Evaluation of Investments in Properties

Investments in properties are evaluated using assumptions which mainly depends on the conditions and prices of the market. The average of three accredited real estate experts was adopted, the latest was at the end of the year 2019.

Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the Company uses available observable market data. In case of the absence of level 1 inputs, the Company conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Calculation of provision for expected credit losses

The group's management is required to use significant judgments and estimates to assess the future cash flows amounts and its time and assess the risk of a significant increase in credit risk for the financial assets after the initial recognition on it and the future measurement information for expected credit losses.

The expected credit loss is measured as an equivalent provision to the expected credit loss over the lifetime of the asset.

5. Cash on hand and at banks

This item consists of the following:

	December 31, 2019	December 31, 2018
	JD	JD
Cash on hand	3,231	5,026
Current accounts *	26,361	47,941
	29,592	52,967

* This item include accounts with an annual interest rate of 1%.

6. Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	December 31, 2019	December 31, 2018
	JD	JD
Local companies shares	18,838	23,836
Investment in foreign investment funds	4,401,697	5,567,224
	4,420,535	5,591,060

7. Other Debit Balance

This item consists of the following:

	December 31, 2019	December 31, 2018
	JD	JD
Dividends receivables *	-	382,936
Income tax deposits	88,924	120,485
Rent receivable and accrued rent revenue	93,235	73,798
Refundable deposits	38,249	28,771
Prepaid expenses	3,073	3,701
Account receivables - brokerage	1,201	3,493
Employee receivables	3,510	2,573
Cheques under collection **	12,500	-
Other	78	-
	240,770	615,757

* This item represents dividend income from investment in an external investment fund, noting that dividends were received during the year 2019.

** This item represent cheques collected form customers which are due within three months or less as of December 31, 2019.

8. Financial Assets at Fair Value through Other Comprehensive Income

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Local Companies traded shares:		
Jordan Commercial Bank (1)	11,641,203	12,529,000
Al-Israa for Islamic Finance and Investment Company (2)	270,000	680,000
	11,911,203	13,209,000
Local Companies non-traded shares:		
United Group Holdings Company PLC – under liquidation (3)	1	1
	1	1
	11,911,204	13,209,001

1.a. Jordan Commercial Bank's shares include 1,724,138 restricted shares with a fair value of JD 1,362,069, as of December 31, 2019 (JD 1,465,517 as of December 31, 2018) against a lawsuit raised by the public prosecutor and United Group Holding Company as illustrated in Note (27/B).

b. Jordan Commercial Bank's shares include 10,000 restricted shares with a fair value of JD 7,900 as of December 31, 2019 (JD 8,500 as of December 31, 2018) against the Board of Directors' membership.

c. Jordan Commercial Bank's shares include 2,449,998 mortgaged shares with a fair value of JD 1,935,498 as of December 31, 2019 (JD 2,082,498 as of December 31, 2018) against some bank loans – Note (12).

2. Restriction on Al-Israa for Islamic Finance and Investment Company's shares has been lifted due to the elapse of six months from the date of exit from the Board of Directors' membership (JD 17,000 as of December 31, 2018).

3. On January 21, 2018, United Group Holding Company's shares were delisted from trading due to the Company's compulsory liquidation. Accordingly, the Company's shares were valued at JD 1 based on the assessment of the Company's management. Moreover, there are 10,000 restricted shares as of December 31, 2019 and 2018 against the Board of Directors' membership.

9. Investments in Associates

This item consists of the following:

	Country	Ownership Percentage	December 31, 2019	December 31, 2018
	JD	%	JD	JD
First Ramtha for Investments Company *	Jordan	22	1	1
Citadel First for Financial Investments Company **	Jordan	30.77	1	1
			2	2

The movement on investment in associates for the year is as follows:

	For the Year Ended December 31, 2019	For the Year Ended December 31, 2018
	JD	JD
Balance – beginning of the year	2	3,682
Company's share from associate losses	-	(3,680)
Balance – End of the Year	2	2

* Summarized financial information in respect of First Ramtha for Investments Company, is as follows:

	December 31, 2019	December 31, 2018
	JD	JD
Total Non-Current Assets	968,155	968,155
Total Assets	968,155	968,155
Total Current Liabilities	-	824
Total Non- Current Liabilities ***	2,391,905	2,391,539
Total Liabilities	2,391,905	2,392,363
Net Assets	(1,423,750)	(1,424,208)

	For the year Ended December 31, 2019	For the year Ended December 31, 2018
	JD	JD
Revenue	824	-
Expense	366	1,452,801
Net profit / (Loss)	458	(1,452,801)

** The financial statements of Citadel First for Financial Investments Company are not available for the management of First Jordan Investment Company PLC. However, a provision was taken for the Company's entire investment balance in Citadel First for Financial Investment Company during the previous years. Moreover, the Company did not recognize its share in the losses of Citadel First for Financial Investment Company, since it has recognized an impairment in its share arising from the losses equivalent to its entire investment value.

*** Non-current liabilities represent the balance due to the Company of JD 617,306 and from the other partner of JD 1,774,599 as of December 31, 2019.

10. Property and Equipment - Net

This item consists of the following:

	Buildings – Group's Offices	Tools and Equipment	Furniture and Fixtures	Computers	Vehicles	Decorations	Total
	JD	JD	JD	JD	JD	JD	JD
For the Year Ended December 31, 2019							
Cost:							
Balance – beginning of the year	393,996	72,350	45,275	19,734	102,060	37,572	670,987
Additions	-	348	-	-	17,500	-	17,848
Disposals	-	-	-	-	(56,800)	-	(56,800)
Balance – End of the Year	393,996	72,698	45,275	19,734	62,760	37,572	632,035
Accumulated Depreciation:							
Balance – beginning of the year	103,141	61,286	40,679	19,734	73,060	22,308	320,208
Depreciation	9,360	2,548	401	-	5,491	2,081	19,881
Disposal	-	-	-	-	(56,800)	-	(56,800)
Balance – End of the Year	112,501	63,834	41,080	19,734	21,751	24,389	283,289
Net Book Value as of December 31, 2019	281,495	8,864	4,195	-	41,009	13,183	348,746
For the Year Ended December 31, 2018							
Cost:							
Balance – beginning of the year	393,996	65,551	44,975	19,734	71,060	37,572	632,888
Additions	-	6,799	300	-	31,000	-	38,099
Balance – End of the Year	393,996	72,350	45,275	19,734	102,060	37,572	670,987
Accumulated Depreciation:							
Balance – beginning of the year	93,781	56,702	37,097	19,734	71,060	16,724	295,098
Depreciation	9,360	4,584	3,582	-	2,000	5,584	25,110
Balance – End of the Year	103,141	61,286	40,679	19,734	73,060	22,308	320,208
Net Book Value as of December 31, 2018	290,855	11,064	4,596	-	29,000	15,264	350,779

- Fully depreciated property and equipment amounted to JD 128,094 as of December 31, 2019 (JD 184,894 as of December 31, 2018).

11. Investment Property - Net

a. This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Plots of land	20,102,478	20,102,478
Properties	21,526,253	21,524,720
	41,628,731	41,627,198
Less: Accumulated depreciation *	(4,332,122)	(3,750,459)
	37,296,609	37,876,739

* The movement on the accumulated depreciation during the year is as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Balance - beginning of the year	3,750,459	3,157,832
Depreciation for the Year	581,663	592,627
Balance - End of the Year	4,332,122	3,750,459

b. The fair value of investment properties was assessed by three accredited real estate evaluators, and the average market value of the most recent valuations prepared during the year ended 2019 amounted to JD 43,475,680. In this regard, the fair value of the investment properties is determined by comparing it to the market value of similar investment properties. This valuation did not result in any impairment loss in value during the year 2019. Meanwhile, the Company recorded an impairment loss for some of its real estate investments for an amount of JD 3,331,381 during the year 2018.

c. Additions to investment properties during the year ended December 31, 2019 amounted to JD 1,533 (JD 21,528 for the year ended December 31, 2018).

d. Certain plots of land within investment properties with a cost of JD 9,574,098 and a fair value of JD 14,885,267, were mortgaged against some bank loans.

e. The plots of land balance includes a plot of land of JD 1,775,633, registered in the names of some of the existing and previous Board of Directors' members as of December 31, 2019 and 2018. Such registration is due to the fact that this plot of land is located within the territory of the Jordan Valley Authority, and as such, it may be registered in the names of only natural persons with national identification numbers. In return, the Company holds written declarations by the said Board of Directors' members that the land ownership and return thereon belong to the Company. Moreover, these declarations were filed with the Companies Control Department and the Jordan Valley Authority to preserve the rights of the shareholders.

12. Bank Loans

This item consists of the following:

	December 31, 2019			
	Due and unpaid installments	Loans installments due within one year *	Loans installments due within more than one year	Total
	JD	JD	JD	JD
Jordan Commercial Bank (a)	-	296,981	3,870,887	4,167,868
Arab Jordan Investment Bank(b)	-	272,812	2,084,182	2,356,994
Al-Etihad Bank (c)	-	295,101	567,534	862,635
Egyptian Arab Land Bank (d)	-	111,653	140,536	252,189
	-	976,547	6,663,139	7,639,686

	December 31, 2018			
	Due and unpaid installments	Loans installments due within one year *	Loans installments due within more than one year	Total
	JD	JD	JD	JD
Jordan Commercial Bank (a)	-	729,116	3,254,679	3,983,795
Arab Jordan Investment Bank(b)	-	448,017	2,140,121	2,588,138
Al-Eithad Bank (c)	26,388	296,124	-	322,512
Egyptian Arab Land Bank (d)	24,050	167,538	-	191,588
Jordan Commercial Bank (e)	39,856	143,183	65,062	248,101
	90,294	1,783,978	5,459,862	7,334,134

* These amounts represent the value of the Group's liabilities as of December 31, 2019 and 2018, which consist of the loan principal that will fall due within a year from this date, in addition to only accrued interest as of December 31, 2019 and 2018. These amounts will be paid on the due date of the loan installments according to the contracts with the banks. Moreover, the interest on these loans is charged monthly.

a. On September 28, 2010, Al-Ada'a for Trading and Investment Company (subsidiary company) obtained a declining loan from Jordan Commercial Bank. On December 24, 2017, this loan was rescheduled for repayment in 21 quarterly installments of JD 281,000 each, and the loan bears interest at a rate of 8.5%. Moreover, the first installment was due on March 31, 2018, and the last installment is due on April 1, 2023. As guarantee against this loan, a plot of land in Al-Rabia area, owned by the Company with an estimated fair value of JD 5,188,067, was first-mortgaged during the last quarter of the year. On April 9, 2019, the loan was increased by JD 209,800, and the increase was used to repay the loan of Al-Fuhais Investment Company (subsidiary company). Meanwhile, Al-Ada'a for Trading and Investment Company pledges to pay the interest and commissions due thereon in 14 semi-annual installments, comprising interest, of JD 285,000 each. The first installment was due on September 30, 2019, and the remaining installments are due every 6 months until full repayment.

b. On December 6, 2012, Al-Taher for Investment and Real Estate Development Company (subsidiary company) obtained a declining loan from Arab Jordan Investment Bank of JD 4,200,000, at an annual interest rate of 7%. The loan installments and interest thereon are to be paid in 20 quarterly installments of JD 250,000 each. Moreover, the last installment is due on October 5, 2023. Meanwhile, the loan is granted against mortgaging 1,199,998 shares of Jordan Commercial Bank's shares owned by the Company with a fair value of JD 947,998 as of December 31, 2019, in addition to a second-degree mortgage of a plot of land in Al-Abdali area, which is owned by Al- Taher for Investment and Real Estate Development Company (subsidiary company). On January 29, 2019, the loan balance was restructured, and accordingly, the loan outstanding balance as of the restructuring date with the related interest are to be paid in semi-annual installments of JD 250,000 each, at an annual interest rate of 9.75%.

c. On August 12, 2017, First Jordan Investment Company was granted a declining loan by Al-Eithad Bank of JD 600,000, at an annual interest rate of 9.75%. The loan installments and interest thereon are to be paid in 24 monthly installments of JD 27,136 each. Moreover, the first installment was due on December 23, 2017, and the last installment is due on November 30, 2019. During the year 2019, the loan was increased by JD 728,000, and accordingly, the loan outstanding balance as of the increase date and interest thereon are to be paid in monthly installments of JD 25,500 each, starting from May 31, 2019. Meanwhile, the remaining balance is due on April 2023 and bears interest at an annual rate of 10.25%, calculated and paid monthly. A total of 1,250,000 shares of Jordan Commercial Bank's shares with a fair value of JD 987,000 as of December 31, 2019 have been mortgaged against this loan. In addition, a plot of land in Al-Tunaib area, owned by First Fuhais Investments Company (subsidiary company), with an estimated fair value of JD 5,030,781 was first-mortgaged during the year 2019 against this increase. In this regard, the Company pledges to transfer the rent amounts to the bank accounts of the lessees of Al-Ada'a for Trading and Investment Company (subsidiary company)

d. First Jordan Investment Company obtained a declining loan from Egyptian Arab Land Bank of JD 425,000 with an interest rate of 8.75%. The loan installments and interest thereon are to be paid in quarterly installments for 24 months. The first installment was due on November 30, 2017, and the last is due on October 30, 2019.

   On September 22, 2019, the Company was granted a new declining loan by the Egyptian Arab Land Bank of JD 250,000 with an interest rate (PLR + 1.5%), which is equivalent to 11%, and without commission. The loan and interest thereon are to be paid in quarterly installments, starting from December 31, 2019. Moreover, the loan was granted against mortgaging a plot of land in Al-Shmeisani area, owned by to Al-Ada'a for Trading and Investment Company (a subsidiary company), with a fair value estimated at JD 3,289,500 during the year 2019.

e. On October 19, 2015, First Fuhais Investments Company (a subsidiary company) was granted a declining loan by Jordan Commercial Bank of JD 500,000, at an annual interest rate of 8.5%. The loan installments and interest are to be paid in 16 quarterly installments of JD 38,955 each. Moreover, the last installment is due on April 30, 2020. The loan is granted against a second-degree mortgage of a plot of land in Al- Rabieh area, which is owned by Al-Ada'a for Trading and Investment Company (a subsidiary company), with a fair value of JD 5,188,067 as estimated during the year 2018. During 2019, the entire loan balance was paid against increasing the loan balance of Al-Ada'a for Trading and Investment company (a subsidiary company).

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Balance – beginning of the year	7,334,134	8,688,048
Borrowed fund during the year	1,187,800	-
Loan installments paid during the year	(882,248)	(1,353,914)
Balance – End of the Year	7,639,686	7,334,134

13. Income Tax

a. Tax status

- A settlement has been reached with the Income and Sales Tax Department for the Company and its subsidiary as follows:

Company's Name	Final Settlements Up To
First Jordan Investment Company	2016
First Fuheis Investment Company	2018
First Salt Investment Company	2018
Al-Mattar Investment Company (under liquidation)	2017
Al-Tunaib for Real Estate Investment Company	2018
Pearl Hawara for Trading and Investment Company	2018
Al-Ada'a for Trading and Investment *	2016*
Al- Taher for Investment and Real Estate Development Company	2016

* Al-Ada'a for Trading and Investment (subsidiary) has reached a final settlement with the Income and Sales Tax Department until the year ended 2016, except for the years 2012 and 2013, whereby the said department issued a decision, claiming income tax and legal compensation of JD223,000 for the years 2012 and 2103. Moreover, the Company has appealed the said decision at the Tax Court of First Instance and claimed tax refunds in its favor. During the year 2019, the Court of Cassation issued a decision, which included annulment of the claim for taxes of JD 20,000 imposed on the taxable years 2012 and 2013, and an obligation on the said department to effect tax refunds to the Company's favor of JD 71,671. In the opinion of the Company's management and its tax advisor, the decision is irrevocable, and the refund procedures have already been initiated.

b. Income Tax Provision

The company and its subsidiaries did not book any income tax expense for the year ended December 31,2019, due to incurring losses for the year . In the opinion of the management and its tax advisor, no provision against Tax liability is required.

- Income tax in the consolidated statement of profit or loss and other comprehensive income represents the following:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Amortization of deferred tax assets for the Year	-	219,731
Write off deferred tax assets for the year *	13,065	-
Income tax of prior years	-	1,939
	13,065	221,670

c. Deferred Tax Assets

- The movement on the deferred tax assets during the year is as follows:

	December 31, 2019	December 31, 2018
	JD	JD
Balance – beginning of the year	345,084	564,815
Amortization of deferred tax assets for the year	-	(219,731)
Write off deferred tax assets for the year	(13,065)	
Balance – End of the Year	322,019	345,084

* Al Taher for Investment and Real Estate Development Company (subsidiary company) has written off deferred tax assets of JD 13,065, as the Company's management believes that no future benefits will arise from these assets.

14. Brokers Payables

This item represents a payable against margin trading account with brokerage companies, at an annual interest rate 10% during 2019 and 2018.

15. Other Credit Balances

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Property and national contribution tax due and unpaid	734,146	441,519
Deposits for others	188,000	292,000
Chairman remuneration	86,880	52,080
Lawsuit provision	75,000	75,000
Accrued expense and payable	7,931	31,806
Accrued and unpaid interest	154	178,015
Others	4,905	3,908
	1,097,016	1,074,328

16. Statutory Reserve

In accordance with the Jordanian Companies Law no. (22) for the year 1997 and its amendments, the public shareholding company shall deduct 10% of its annual net profit for the account of the statutory reserve, and shall continue to deduct the same percentage each year provided that the total amounts for the said reserve shall not exceed 25% the company's paid up capital.

17. Fair Value Reserve

This item represents accumulated gains and losses arising from changes in fair value of financial assets classified at fair value through other comprehensive income. Movement on fair value reserve is as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Balance – beginning of the year	(12,718,647)	(7,638,010)
Realized losses on sale of financial assets classified at fair value through other comprehensive income	683,544	16,590
Unrealized loss on financial assets classified at fair value through other comprehensive income	(973,663)	(5,097,227)
Balance – End of the Year	(13,008,766)	(12,718,647)

18. Accumulated Losses

In addition to the accumulated (losses), an amount of JD 332,019 is restricted from use as of December 31, 2019 (JD 345,084 as of December 31, 2018), against deferred tax assets, including capitalization or distribution, except for any amounts actually realized therefrom.

An amount equivalent to the negative fair value reserve of JD 13,008,766 is restricted from use as of December 31, 2019, including capitalization, distribution, amortization of losses, or any other use, except for any amounts actually realized therefrom through sale transactions.

19. Rental Revenues

This item consists of the rental revenue of Al Rabia building of JD 607,492 as of December 31, 2019 and JD 605,195 as of December 31, 2018.

20. Net (Losses) Gains of Financial Assets at Fair Value through Profit or Loss

This item consists of the following:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Recognized gains	767	4,305
Unrecognized (losses)	(1,168,900)	(2,575,750)
Dividends	900	2,197,307
	(1,167,233)	(374,138)

21. General and Administrative Expenses

This item consists of the following:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Salaries and wages	103,368	167,344
Social security contribution	14,093	13,839
Chairman's remuneration	84,000	56,000
Board of directors transportation allowance	39,272	47,486
Board of directors meetings	1,800	1,800
Professional fees	26,590	36,850
Depreciation	19,881	25,110
Governmental expenses	22,642	22,127
General assembly meeting	15,092	12,650
Maintenance	8,793	12,163
Utilities expenses	11,018	10,174
Insurance	10,755	10,751
Telephone and post mail	5,950	6,354
Bank charges	36,482	5,903
Subscriptions and computer services	6,817	5,038
Employees travel and transportation	5,129	4,973
Stationery and printings	2,605	4,883
Hospitality and cleaning	3,799	4,226
Advertisement expenses	2,273	3,037
Others	6,350	15,385
	426,709	466,093

22. Investment Property Expenses

This item consists of the following:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Depreciation	581,663	592,627
Property tax	330,780	306,938
Security expenses	30,292	50,503
Service allowance	19,403	23,937
Maintenance	9,449	12,645
Insurance	3,048	3,027
Others	5,397	2,978
	980,032	992,655

23. Finance Expenses

This item consists of the following:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
Loans interest	747,969	642,541
Interest on margin accounts	49,184	49,727
	797,153	692,268

24. (Loss) per Share for the Year

(Loss) per share is calculated by dividing the (loss) by the weighted average shares outstanding during the year and its details are as follows:

	For the Year Ended December 31,	
	2019	2018
	JD	JD
(Loss) for the year	(3,069,133)	(5,545,240)
	Share	Share
Weighted average shares outstanding	75,000,000	75,000,000
	JOD/Share	JOD/Share
(Loss) per Share for the Year - (Basic and Diluted)	(0.041)	(0.074)

25. Related Parties Balances and Transactions

The balances and transactions with related parties were as follows:

a. Consolidated Statement of Financial Position Items:

Due from related parties:

	Relationship Nature	December 31, 2019	December 31, 2018
		JD	JD
Al-Baha for Investments Company *	Unconsolidated subsidiary	10,654,575	10,645,498
First Ramtha for Investment Company	Associate	617,305	616,940
Citadel First for Financial Investments Company	Associate	3,937,066	3,937,066
		15,208,946	15,199,504
Provision of expected credit loss		(4,237,066)	(3,937,066)
		10,971,880	11,262,438

* The Company's ability to recover its receivables due from al-Baha for Investments Company is tied to the final outcome of the lawsuit raised by Al-Baha Investments Company as disclosed in Note (27/D).

** The movement on provision for expected credit losses were as follows:

	December 31, 2019	December 31, 2018
	JD	JD
Balance - beginning of the year	3,937,066	3,937,066
Expected credit losses expense during the year	300,000	-
Balance - End of the Year	4,237,066	3,937,066

Due to related parties:

	Relationship Nature	December 31, 2019	December 31, 2018
		JD	JD
Board of directors payables	Shareholders	12,658	7,812
		12,658	7,812

Bank loans:

	Relationship Nature	December 31, 2019	December 31, 2018
		JD	JD
Jordan Commercial Bank - Note (12)	Shareholders and Board of Director Member	4,167,868	4,231,896
		4,167,868	4,231,896

b. Consolidated Statement of Income and Comprehensive Income Items:

	For Year Ended December 31, 2019	For Year Ended December 31, 2018
	JD	JD
Bank interest income - Jordan Commercial Bank	1,870	3,517
Finance expenses - Jordan Commercial Bank	(389,330)	(412,919)
Executive management salaries and bonuses	(167,953)	(204,266)
	(555,413)	(613,668)

26. Risk Management

The Company is exposed to various financial risks related to its operations, Moreover, operating risks are inherent in business activities, As such, management endeavors to strike a proper balance between risks and rewards, and works to mitigate the risks with probable adverse effects on the Company's financial performance. The most significant risks faced by the Company are credit risks resulting from liquidity risks, market risks, and geographic risks. Moreover, the Company's Board of Directors is responsible for setting up the framework for monitoring and managing these risks, accordingly, the Board of Directors together with executive management periodically follow up on the various risks to monitor and manage the financial risks related to the Company's operations and activities through preparing and issuing internal reports on risk management, thus analyzing the risks to which the Company is exposed.

Capital Risk Management

The Company manages its capital to ensure its ability to continue as a going concern and to maximize the return to stakeholders through achieving an optimal balance between equity and debts.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in financial a loss to the Company. The Company has adopted a policy to support and guarantee the Company's position of late payment through proper documentation by possessing necessary documents, as appropriate, with the assistance of its legal advisor. Moreover, the Company monitors its credit risk through analysis of the debtors' level of solvency to mitigate the risks of financial loss from defaults, as well as checking that the total accumulated credit related to certain parties is approved by management. Review and approval of the credit limits are performed regularly.

The book value of the financial assets recorded in the Company's consolidated financial statements net after discounting the impairment losses represent the maximum risks to which the Company could be exposed.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet its commitments. The Company mitigates liquidity risk by maintaining reserves and by continuously monitoring actual cash inflows as well as matching the maturities of current assets with current liabilities as follows:

	December 31,	
	2019	2018
	JD	JD
Current assets	15,662,777	17,522,222
Less : Current liabilities	2,712,120	3,625,071
Working Capital	12,950,657	13,897,151

If the balances due from the related parties had been excluded from current assets, the working capital amount would have been JD 1,978,777 as of December 31, 2019 (JD 2,634,713 as in December 31, 2018).

The Company management diversify its sources of finance, managing assets and liabilities and monitoring their maturities, securing a suitable source of finance at the proper time to match the liabilities and payment of operational and investment expenses.

Interest Rate Risk

Are the risks arising from changes in the prevailing market interest rates. The Company manages the interest rate risk through the application of sensitivity analysis for the financial instruments that are subject to interest rates, so that it is not reflected negatively on the net interest income.

The Company manages its interest rate risk regularly by evaluating the different alternatives such as funding and renewing current positions and alternative funding.

The sensitivity analysis is determined below in accordance with the interest rates related to banks and loans at the balance sheet date. The analysis was also prepared on the assumption that these outstanding amounts at the balance sheet date were available throughout the year, an increase or decrease in an amount (1%) is used, which represents the Company management's assessment of the likely change in interest rates.

Sensitivity Analysis for the year 2019		Sensitivity Analysis for the year 2018	
Effect of the increase in interest rate by 1% on the Statement of Profit or Loss	Effect of the decrease in interest rate by 1% on the Statement of Profit or Loss	Effect of the increase in interest rate by 1% on the Statement of Profit or Loss	Effect of the decrease in interest rate by 1% on the Statement of Profit or Loss
JD	JD	JD	JD
(76,397)	76,397	(73,341)	73,341

Foreign Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates, The Jordanian Dinar is the Company's functional currency, and the Company also monitors foreign currency positions continually and follows certain strategies to mitigate the effects of these risks.

The following is the concentration of assets and liabilities as of December 31, 2019 and 2018 according to the currency type:

	December 31, 2019 / Jordanian Dinar				
	JD	USD	AED	KWD	Total
Assets					
Cash on hand and at banks	29,592	-	-	-	29,592
Financial assets at fair value through profit or loss	18,838	4,391,469	-	10,228	4,420,535
Due from related parties	317,305	-	10,654,575	-	10,971,880
Other debit balances	240,770	-	-	-	240,770
Financial assets at fair value through other comprehensive income	16,089,982	-	-	-	16,089,982
Investments in associates	2	-	-	-	2
Investment in non-consolidated subsidiary	20,002	-	-	-	20,002
Property and equipment - net	348,746	-	-	-	348,746
Investment property - net	37,296,609	-	-	-	37,296,609
Projects under construction	22,000	-	-	-	22,000
Deferred tax assets	345,084	-	-	-	345,084
	50,537,087	4,391,469	10,654,575	10,228	65,593,359
Liabilities					
Due bank loan installments	976,547	-	-	-	976,547
Brokers companies payables	526,515	-	-	-	526,515
Due to related parties	12,658	-	-	-	12,658
Unearned revenues	99,384	-	-	-	99,384
Other credit balances	1,097,055	-	-	-	1,097,055
Banks loans due within more than one year	6,663,139	-	-	-	6,663,139
	9,375,259	-	-	-	9,375,259
Net Position	41,161,828	4,391,469	10,654,575	10,228	56,218,100

	December 31, 2018 / Jordanian Dinar				
	JD	USD	AED	KWD	Total
Assets					
Cash on hand and at banks	52,967	-	-	-	52,967
Financial assets at fair value through profit or loss	23,836	5,551,327	-	15,897	5,591,060
Due from related parties	616,940	-	10,645,498	-	11,262,438
Other debit balances	232,821	382,936	-	-	615,757
Financial assets at fair value through other comprehensive income	13,209,001	-	-	-	13,209,001
Investments in associates	2	-	-	-	2
Investment in non-consolidated subsidiary	20,002	-	-	-	20,002
Property and equipment - net	350,779	-	-	-	350,779
Investment property - net	37,876,739	-	-	-	37,876,739
Projects under construction	22,000	-	-	-	22,000
Deferred tax assets	345,084	-	-	-	345,084
	52,750,171	5,934,263	10,645,498	15,897	69,345,829
Liabilities					
Due bank loan installments	90,294	-	-	-	90,294
Bank loans due within one year	1,783,978	-	-	-	1,783,978
Brokers companies payables	545,138	-	-	-	545,138
Due to related parties	7,812	-	-	-	7,812
Unearned revenues	123,521	-	-	-	123,521
Other credit balances	1,074,328	-	-	-	1,074,328
Banks loans due within more than one year	5,459,862	-	-	-	5,459,862
	9,084,933	-	-	-	9,084,933
Net Position	43,665,238	5,934,263	10,645,498	15,897	60,260,896

The Company's management believes that the foreign currency risk is immaterial due to the Jordanian Dinar is pegged against the US dollar.

27. Contingent Liabilities

a. Other than the cases mentioned below, there are legal cases raised against the Company and its subsidiaries arising from its ordinary operations. The compensations and claims related to these cases amounted to JD 566,234 as of December 31, 2019. In the opinion of the Company's management, the Company's position as regards these cases is strong.

b. The Company and others (legal and natural persons) appear as defendants in a lawsuit raised by the Public Prosecutor and United Group Holdings Company. In a personal claim, the plaintiffs claim an amount of JD 72 million from the defendants. Moreover, First Jordan Investment Company owns 340,000 shares of United Group Holdings Company as of December 31, 2018. According to the Company's legal advisor and management, the Company's position in the legal case is strong, since the Company submitted its defense arguments to the Court, which prove that the Company did not seize any funds belonging to United Group Holdings Company, and that the Company was not involved in any decisions issued by United Group Holdings Company's Board of Directors.

c. The Income and Sales Tax Department issued a decision, claiming income tax and legal compensation from Al-Ada'a for Trading and Investment (subsidiary) of JD223,000 for the years 2012 and 2103. Moreover, the Company has appealed the said decision at the Tax Court of First Instance and claimed tax refunds in its favor. During the year 2019, the Court of Cassation issued a decision, which included annulment of the claim for taxes of JD 20,000 imposed on the taxable years 2012 and 2013, and an obligation on the said department to effect tax refunds to the Company's favor of JD 71,671. In the opinion of the Company's management and its tax advisor, the decision is irrevocable, and the refund procedures have already been initiated.

d. On March 15, 2014, Al-Baha for Investments Company (non-consolidated subsidiary) filed a lawsuit in Dubai against Gulf General Investment Company (GGICO) and Mr. Mohammed Abdullah Juma Al-Seri, demanding cancellation of the Partnership Agreement signed between Al-Baha Investment Company, Gulf General Investment Company, and others and obligating them to pay an amount of AED 84,110,000 (equivalent to JD 16,234,000 as of December 31, 2019), a compensation for the Company of AED 100 million (equivalent to JD 19,305,650 as of December 31, 2019), in addition to interest at a rate of 12% interest, effective from the date of the claim until full settlement, plus fees, expenses, and attorney fees.

Subsequent to the date of the consolidated financial statements, on February 27, 2020, Dubai Court of Cassation issued its decision assigning a company in the United Arab Emirates to inspect the land and buildings erected on it and estimate their market price. Furthermore, a session is to be held on March 26, 2020, whereby the expert would submit his report, according to which the liquidator should complete his work. In the opinion of the Company's legal adviser and management, the legal situation of Al-Baha Investments Company is very good, and the collection of the claim amount is subject to the sale of the project and the collection of the sale amount

e. As of the consolidated financial statements date, the Company has contingent liabilities representing bank guarantees of JD 155,500, against cash margins of JD 15,500 as of December 31, 2019 and 2018.

28. 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 and liabilities of the Company are measured at fair value at the end of each fiscal Year. The following table shows information about how the fair value of these financial assets and liabilities is determined (valuation methods and inputs used).

Financial Assets / Financial Liabilities	Fair Value as of December 31, 2019	Fair Value as of December 31, 2018	Fair Value Level	Valuation Method and Inputs Used	Important Intangible Inputs	Relation between Fair Value and Significant Intangible Inputs
	JD	JD				
Financial assets at fair value						
Local Companies traded shares	11,930,041	13,232,836	Level I	Prices issued in market values	N/A	N/A
Local Companies non- traded shares	1	1	Level II	Last trading price	N/A	N/A
Foreign investment funds	4,401,697	5,567,224	Level II	Fund Manager valuation price	N/A	N/A
Total	**16,331,739**	**18,800,061**				
Financial liabilities at fair value						
Loans	7,639,686	7,334,134	Level I	Prices issued in market	N/A	N/A
Brokers payables – margin financing	526,515	545,138	Level I	Prices issued in market	N/A	N/A
Total	**8,166,201**	**7,879,272**				

There was no transfers between the first level and second level during the Year ended December 31, 2019 and 2018.

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 value of financial assets and financial liabilities in the consolidated financial statements of the Company approximates their fair value, as the Company's management believes that the carrying value of the items listed below approximated their fair value, due to either their short-term maturity or repricing of interest rates during the year.

	December 31, 2019		December 31, 2018		
	Book Value	Fair Value	Book Value	Fair Value	Fair Value Level
Financial Assets with an Unspecified Fair Value	JD	JD	JD	JD	
Investments property	37,296,609	43,475,680	37,876,739	43,475,680	Level II
Total Financial Assets with an Unspecified Fair Value	**37,296,609**	**43,475,680**	**37,876,739**	**43,475,680**	

For the above-mentioned items, the 2nd level financial liabilities and financial assets have been determined at fair value according to the agreed-upon pricing model, which reflects the credit risk of the parties dealt with.

29. Subsequent Event

- Subsequent to the date of the consolidated financial statements, the existence of Novel Coronavirus (COVID-19) was confirmed in January 2020. After that date, the virus has spread to many other countries around the world. Meanwhile, this event was declared by the World Health Organization as a global pandemic, which would affect the world economy in so many ways during the year 2020. In the opinion of the Company's management, this event occurred after the date of the consolidated financial statements, and therefore, and does not require any adjustments to the consolidated financial statements covered by the audit report. Accordingly, the Company has not made any adjustments to the consolidated financial statements in this regard.

- Management has taken into consideration these unique circumstances, and has studied the Group's risk exposures. In addition, Management has evaluated the expected effects on the Group's business and operations in order to review and assess the potential risks arising from this event. Meanwhile, the Group's management will continue to monitor this event and update its effect on the Group as a going concern, including the fair value of financial assets through the statement of profit or loss and through the statement of other comprehensive income and provision for expected credit loss against financial assets. In this respect, the Group's management will evaluate its subsidiaries / associates and real estate investments. Furthermore, other relevant matters will be considered in the determination of the Group's estimates during the year 2020.

30. Comparative figures

Some comparative figures for the year 2018 have been reclassified in line with the classification of the figures for the year ended December 31, 2019, and such classification has had no impact on the statement of profit or loss and shareholders' equity for the year 2018.