

البيانات المالية لشركة لاسراء للتعليم والاستثمار لعام 2019 باللغة الانجليزية

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Sent: Monday, June 29, 2020 2:57 PM

To: disclosure

Attachments: 1~البيانات المالية باللغة الـ.pdf (12 MB)

نرفق البيانات المالية 2019 لشركة الاسراء للتعليم والاستثمار باللغة الانجليزية

م. الفصاح
مدير عام
البيانات
2020



**Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan**

**Consolidated Financial Statements and
Independent Auditor's Report
for the year ended December 31, 2019**

Alisra for Education and Investment Company (PLC)
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

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Independent Auditor's Report

To Messrs. Shareholders
Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

Report on the audit of the consolidated financial statement

Opinion

We have audited the consolidated financial statements of Alisra for Education and Investment Company (Public Shareholding Company), which comprise the consolidated statement of financial position as at December 31, 2019, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the consolidated Financial Statements* section of our report.

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. 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.



Investments property

According to requirements of International Financial Standards Reporting, the investment property is measured initially at cost including transactions cost. The carrying value of investment property in the consolidated financial statements are reviewed for impairment when events or changes in the circumstances indicate that the carrying value may not be recoverable.

If any such indication of impairment exists, impairment losses are calculated in accordance with impairment of assets policy

Expected credit losses

The company has applied expected credit losses requirements of IFRS (9) where the provision for expected credit losses for student's receivables amounted to JD 16,788,764 as of December 31, 2019.

Scope of audit

Audit procedures that we have made among other things, obtaining evaluation from certified real estate experts to help us in determining the market value for these investment properties as of the date of the consolidated financial statement.

Scope of audit

We conducted comprehensive assessment to identify the key controls used to determine expected credit losses, data collection and completeness, and related estimates and assumptions used by the management, and we have tested key control systems on the modeling process.

Other Information

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

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

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

Responsibilities of Management 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 International Financial Reporting Standard, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate and it evidence regarding, the consolidated financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying consolidated financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International



Mohammad Al-Azraq
(License # 1000)

Amman - March 9, 2020

Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
ASSETS		JD	JD
Non-Current Assets			
Property and equipment	3	20,095,168	20,629,794
Investment property	4	6,365,292	6,365,292
Total Non-Current Assets		26,460,460	26,995,086
Current Assets			
Stationery inventory and consumables		144,010	117,080
Financial assets at fair value through profit or loss	5	2,348,372	2,615,071
Other debit balances	6	379,121	466,511
Student and trade receivables	7	7,151,744	10,668,351
Cash and cash equivalents	8	4,855,108	2,608,609
Total Current Assets		14,878,355	16,475,622
TOTAL ASSETS		41,338,815	43,470,708

The accompanying notes constitute an integral part of these financial statements

Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2019

	<u>Notes</u>	<u>2019</u>	<u>2018</u>
LIABILITIES AND EQUITY		JD	JD
Equity			
Capital		15,000,000	15,000,000
Statutory reserve	9	3,872,019	3,872,019
Voluntary reserve	10	4,892,472	4,892,472
Retained earnings	11	10,864,178	11,349,482
Total Equity		34,628,669	35,113,973
LIABILITIES			
Non-Current Liabilities			
End of service indemnity provision	12	14,999	25,154
Current Liabilities			
Income tax provision	13	829,839	1,767,740
Other credit balances	14	1,581,949	1,499,758
Accounts payable	15	2,033,313	1,870,153
Deferred revenues		2,250,046	3,193,930
Total Current Liabilities		6,695,147	8,331,581
Total liabilities		6,710,146	8,356,735
TOTAL LIABILITIES AND EQUITY		41,338,815	43,470,708

The accompanying notes constitute an integral part of these financial statements

Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income for the year ended December 31, 2019

	Notes	2019	2018
		JD	JD
Education activities revenues	16	16,460,335	18,430,947
Education activities expenses	17	(8,871,485)	(8,293,628)
Gross profit		7,588,850	10,137,319
Net loss of students canteen	18	(15,118)	(22,835)
Other revenue, net	19	883,800	2,714,102
Change in fair value of financial assets at fair value through profit or loss	5	(266,699)	(109,086)
Administrative expenses	20	(1,540,483)	(1,526,108)
Expected credit losses		(535,632)	(3,686,499)
Bad debts		(861,862)	-
Board of directors rewards		(45,000)	(45,000)
Finance costs		(31,169)	(34,730)
Profit before tax and national contribution		5,176,687	7,427,163
Income tax	13	(1,105,516)	(2,184,244)
National contribution		(56,475)	-
Comprehensive income		4,014,696	5,242,919
Weighted average number of shares during the year		15,000,000	15,000,000
Earnings per share		JD -/27	JD -/35

The accompanying notes constitute an integral part of these financial statements

Consolidated statement of changes in equity for the year ended December 31, 2019

	Capital		Statutory reserve		Voluntary reserve		Retained earnings		Total	
	JD	JD	JD	JD	JD	JD	Realized	Unrealized	JD	JD
Balance as at January 1, 2018	15,000,000	3,861,856	4,892,472	4,892,472	11,824,159	121,444	11,945,603	11,945,603	35,699,931	
Effect of applying IFRS (9) as at January 1, 2018	-	-	-	-	(2,828,877)	-	(2,828,877)	(2,828,877)	(2,828,877)	
Beginning balance - adjusted	15,000,000	3,861,856	4,892,472	4,892,472	8,995,282	121,444	9,116,726	9,116,726	32,871,054	
Distributed dividends	-	-	-	-	(3,000,000)	-	(3,000,000)	(3,000,000)	(3,000,000)	
Comprehensive income	-	-	-	-	5,352,005	(109,086)	5,242,919	5,242,919	5,242,919	
Statutory reserve	-	10,163	-	-	(10,163)	-	(10,163)	(10,163)	-	
Balance as at December 31, 2018	15,000,000	3,872,019	4,892,472	4,892,472	11,337,124	12,358	11,349,482	11,349,482	35,113,973	
Distributed dividends	-	-	-	-	(4,500,000)	-	(4,500,000)	(4,500,000)	(4,500,000)	
Comprehensive income	-	-	-	-	4,281,395	(266,699)	4,014,696	4,014,696	4,014,696	
Balance as at December 31, 2019	15,000,000	3,872,019	4,892,472	4,892,472	11,118,519	(254,341)	10,864,178	10,864,178	34,628,669	

The accompanying notes constitute an integral part of these financial statements

Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

Consolidated statement of cash flows for the year ended December 31, 2019

	<u>2019</u>	<u>2018</u>
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax and national contribution	5,176,687	7,427,163
Adjustments for:		
Depreciation	881,109	1,098,203
Slow moving inventory	-	99,331
Change in fair value of financial assets at fair value through profit or loss	266,699	109,086
Expected credit losses	535,632	3,686,499
Bad debts	861,862	.
Gain on sale of property and equipment	-	(4,900)
Changes in operating assets and liabilities:		
Checks under collection	-	43,433
Stationery inventory and consumables	(26,930)	3,403
Other debit balances	87,390	(64,592)
Student and trade receivables	2,119,113	(3,968,962)
End of service indemnity provision	(10,155)	(5,824)
Other credit balances	25,716	(208,916)
Trade payables	163,160	(92,864)
Deferred revenues	(943,884)	(383,107)
	<u>9,136,399</u>	<u>7,737,953</u>
Income tax paid	(2,043,417)	(1,675,779)
Net cash from operating activities	<u>7,092,982</u>	<u>6,062,174</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(346,483)	(510,292)
Proceeds from sale of property and equipment	-	4,900
Net cash from investing activities	<u>(346,483)</u>	<u>(505,392)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Bank overdraft	-	(180,647)
Distributed dividends	(4,500,000)	(3,000,000)
Net cash from financing activities	<u>(4,500,000)</u>	<u>(3,180,647)</u>
Net change in cash and cash equivalents	<u>2,246,499</u>	<u>2,376,135</u>
Cash and cash equivalents - beginning of year	2,608,609	232,474
Cash and cash equivalents - end of year	<u><u>4,855,108</u></u>	<u><u>2,608,609</u></u>

The accompanying notes constitute an integral part of these financial statements

Alisra for Education and Investment Company
Public Shareholding Company
Amman-The Hashemite Kingdom of Jordan

Notes to the consolidated financial statements for the year ended December 31, 2019

1. Legal status and activity

- The following is the legal status of the parent company and its subsidiary:

Name	Legal status	Registry date	Registry No.	Main objectives
Alisra for Education and Investment Company	Public Shareholding Company	August 3, 2004	350	Establishment and building private university in the Kingdom under the name of Isra University, teaches topics approved by the Ministry of Higher Education, and any other work related to this agreement stipulated in the memorandum of association
Al Fareed Investment Company	Limited Liability Company	April 24, 2005	10027	Investment in the fields of tourism, agricultural and commercial

- The Company's Board of Directors approved the financial statements in its meeting held on March 8, 2020 and these financial statements require approval from the general assembly of shareholders.

2. Basis for preparation of financial statements and significant accountant policies

2-1 Basis for financial statement preparation

- Financial statements preparation framework

The financial statements have been prepared in accordance with International Financial Reporting Standards issued by International Accounting standard Board.

- Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- Functional and presentation currency

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

2-2 Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and currying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates are reviewed on a constant basis and shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for expected credit losses, inventory obsolescence, useful lives of depreciable assets, provisions, and any legal cases against the entity.

2-3 Application of new and modified International Financial Reporting Standards

New and modified standards adopted by the entity

- International Financial Reporting Standard No. (16)

As of January 1, 2019, the entity adopted the International Financial Reporting Standard No. (16) Lease contracts, which replaces:

- IAS 17 Leases.
- IFRIC- 4 Determining whether an Arrangement contains a lease.
- SIC-15 Operating Leases - Incentives.
- SIC-27 Evaluating the Substance of Transactions Involving the legal form of a lease.

The International Financial Reporting Standard No. (16) brings significant changes in accounting requirements and treatments of the operating leases, primarily for lessees, whereby all lease contracts were capitalized as assets and recognize an obligations against them with narrow exceptions to this recognition principle for leases where the underlying asset is of low value and for short term leases (i.e. those with a lease term of 12 months or less). The accounting treatment of the lease contracts has remains largely unchanged, as the lessor will continue to classify the lease contracts as either operating lease or finance lease, using principles similar to those in International Accounting Standard No. (17).

- The entity has chosen to apply this standard with modified retrospective approach (without adjusting the comparative figures) which is allowed by the standard.
- The most important impact of IFRS (16) on lease contracts in terms of:

- **Definition of lease contracts**

What distinguishes this standard is the concept of control, whereby lease and service contracts are classified on the basis of whether the customer has control over the use of an identified asset for a period of time in exchange for a consideration.

- **Lessee's accounting treatments for lease contracts (operating lease)**

What distinguishes this standard is the way the entity account for operating lease contracts as they are outside the financial statements.

Applying the standard to all lease contracts with the exception for leases where the underlying asset is of low value and for short term leases (i.e. those with a lease term of 12 months or less). the entity does the following:

- A recognition of the right-of-use assets and liabilities of the lease contracts in the statement of financial position initially at the present value of future lease payments.
- The depreciation of the right-of-use assets and profits is recognized on the lease liabilities in the income statement.
- In the statement of cash flows, the payments that reduces lease liability are classified within financing activities and the amounts related to the interest expense of the lease liabilities are classified within operating or financing activities. As for short-term lease contracts or low-value leases (non-capitalized) contracts, they are classified under operating activities.
- The principle amount of the lease contract within financing activities and profits on lease liabilities within operating activities.

For short-term lease contracts of one year or less, and lease contracts for low-value leased assets are recognized as an expense in the income statement on a straight-line basis.

The International Financial Reporting Standard No. (16) provides for testing the impairment of the right of use assets in accordance with Accounting Standard No. (36) Impairment of Assets, and this is different from the International Accounting Standard No. (17), which required recognition of a provision for onerous lease contracts.

- **Lessee's accounting treatments for lease contracts (finance lease)**

What distinguishes this standard is the residual value guarantees provided by the lessee to the lessor, whereby the expected amount to be paid is recognized as part of the lease liability, while International Accounting Standard No. (17) recognizes the maximum for the guaranteed amount.

Standards and Interpretations issued but not yet effective

Standard number or interpretation	Description	Effective date
Accounting Standard No. (1) Presentation of financial statements. Accounting Standard No. (8) Accounting policies, changes in accounting estimates and errors	Definition of material 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.	January 1, 2020 or after
International Financial Reporting Standard (17) Insurance Contracts	IFRS (17) replaces IFRS (4), which requires measuring insurance liabilities at the present value of the consideration and provides a more consistent approach to measurement and presentation of all insurance contracts.	January 1, 2022 or after
Amendments to IFRS (3) Business Combinations.	Modifications to the definition of business. In order to be considered business it must be an integrated set of activities and assets and include as a minimum inputs and an objective process that together contribute greatly to the ability to create outputs. It should have the ability to contribute to the creation of outputs rather than the ability to create outputs	January 1, 2020 or after
Amendments to the International Financial Reporting Standard No. (10) Consolidated Financial Statements and International Accounting Standard No. (28) Associates and Joint Ventures.	These amendments relate to the sale or contribution of assets between the investor, the associate and / or the joint venture.	Undetermined date

– **Basis of consolidation (deemed appropriate)**

- The consolidated financial statements comprise the financial statements of the parent (Masafat for Specialized Transport Company) and the following subsidiaries which are controlled by the Entity :

Name of subsidiary	Ownership %	
	2019	2018
Al Fareed Investment Company	100	100

- Control is presumed to exist when the investor is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- Intergroup balances, transactions, income and expenses among the group (the parent and the subsidiaries) shall be eliminated in full.
- Non-controlling interests represent the equity in a subsidiary not attributable, directly or indirectly, to the parent.

- If a parent loses a control of a subsidiary, the parent derecognize the assets and liabilities of the subsidiary and non-controlling interests and other equities, recognize any profit or loss resulted from loss of control in the statement of comprehensive income, recognize any investment retained after loss of control at its fair value.

- **Property and equipment**

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. land is not depreciated.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

<u>Category</u>	<u>Depreciation rate</u>
Buildings and construction	2 %
Machinery and equipment	10-20 %
Furniture and office equipment	10-15 %
Computers and software's	20 %
Vehicles	15 %

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- **Impairment of non-financial assets**

- At each statement of financial position date, management reviews the carrying amounts of its non-financial assets (property, plant and equipment and investment property) to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- For the purpose of impairment valuation, assets are grouped at the lower level that have cash flow independently (cash generating unit), previous impairment for non-financial assets (excluding goodwill) is reviewed for the possibility of reversal at the date of the financial statements.

– **Investment property**

- Investment property is property (land or building- or part of a building- or both):
 - Held by the entity to earn rentals,
 - For capital appreciation, or both, rather than for use in production or supply of goods or services or for administrative purposes, or for sale in the ordinary course of business.
- Investment property is measured initially at its cost, including transaction costs.
- After initial recognition, investment property is carried, in the statement of financial position, at its cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.
- The carrying values of investments property are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the investment property, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– **Inventories**

- Inventories are measured at the lower of cost and net realizable value.
- Inventory costs comprise all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.
- The cost of inventory is assigned using the weighted average cost formula.
- Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to necessary usage process completion.

– **Related parties**

- Transactions with related parties represent transfer of resources, services, or obligations between related parties.
- Terms and conditions relating to related party transactions are approved by management.

Financial assets

- A financial asset is any asset that is:
 - (a) Cash;
 - (b) An equity instrument of another entity;
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
 - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset, but for financial assets at fair value through profit or loss, transaction costs are recognized in profit or loss.
- Financial assets are classified to three categories as follows:
 - Amortized cost.
 - Fair value through other comprehensive income.
 - Fair value through profit or loss.
- A financial asset is measured at amortized cost if both of the following conditions are met:
 - (a) the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 - (b) 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.

- Financial assets are measured at fair value through other comprehensive income if both of the following conditions are met:
 - The financial assets 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 assets give rise on specified dates to cash flows that are solely payments of principal and interests on that principal amount outstanding.
- All other financial assets (excluding financial assets at amortized cost or at fair value through other comprehensive income) are subsequently measured at fair value in profit or losses.
- On initial recognition of an equity investment that is not held for trading, the entity may irrevocably elect to present subsequent changes in the investments fair value in other comprehensive income.

Subsequent measurement of financial assets

Subsequently financial assets are measured as follows:

Financial assets	Subsequent measurement
Financial assets at fair value through profit or loss	Are subsequently measured at fair value net gains or losses, including interests revenues or dividends, are recognized in profit or loss
Financial asserts at amortized cost	Are subsequently measured at amortized cost using effective interests method. <ul style="list-style-type: none"> - Amortized cost is reduced by impairment losses. - Interests income, gain and loss of foreign exchange and impairment loss are recognized in profit or loss. - Gain and loss from disposal are recognized in profit or loss.
Equity instruments at fair value through other comprehensive income	Are subsequently measured at fair value <ul style="list-style-type: none"> - Dividends are recognized as income in profit or loss, unless the dividends clearly represent a recovery of part of investment cost. - Other net gains and losses are recognized in other comprehensive income (OCI) and are never reclassified from equity to profit or loss.
Debts instruments at their value through other comprehensive income	Are subsequently measured at fair value <ul style="list-style-type: none"> - Interests income is calculated using effective interests method, gains and losses from foreign exchange, impairment losses are recognized in profit or loss. - Other net gains or losses are recognized in other comprehensive income. - On derecognition accumulated gains and losses in other comprehensive income are reclassified into profit or loss.

Derecognition of financial assets

Derecognition of financial assets (or a part of a group of similar financial assets) when:

- The contractual rights to the cash flow from the financial assets expire, or
- It transfers the contractual rights to receive the cash flows of the financial assets or assume a contractual obligation to pay the cash flows entirely to a third party.

– **Financial liabilities**

– A financial liability is any liability that is:

(a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity; or

(b) A contract that will or may be settled in the entity's own equity instruments.

– Financial liabilities are initially recognized at fair value less transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.

– After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.

– Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

– **Offsetting financial instruments**

A financial asset and a financial liability are offset and the net amount presented in the statement of financial position when, and only when, an entity currently has a legally enforceable right to set off amounts and intends either to settle in a net basis, or through realize the asset and settle the liability simultaneously.

– **Cash and cash equivalents**

Cash comprises cash on hand, current accounts and short term deposits at banks with a maturity date of three months or less, which are subject to an insignificant risk of changes in value.

– **Trade receivables**

– Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

– Trade receivables are stated at invoices (claims) amount net of allowance for expected credit losses which represents the collective impairment of receivables.

– **Impairment of financial assets**

– At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVTOCI are credit - impaired. A financial assets is "credit impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred.

– The entity recognizes loss allowance for expected credit loss (ECL) on:

– Financial assets measured at amortized cost.

– Debt investments measured at FVOCI.

– Contract assets.

– The entity measures loss allowances at an amount equal to lifetime ECLs.

– Loss allowances for trade receivables and contract assets are always measured at an amount equal to lifetime ECLs.

– When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Entity considers reasonable and supportable information that is relevant and available without undue cost or effort based in the entity's historical experience and forward looking information.

- The entity considers a financial asset to be in default when:
 - The client is unlikely to pay its credit obligations to the entity in full, without recourse by the entity to actions such as realizing security (if any); or
 - The financial asset is more than 360 days past due.
- Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.
- A financial assets is written of when there is no reasonable expectation of recovering the contractual cash flows. The entity write of the gross carrying amount of the financial asset is in case of, liquidation, bankruptcy or issuance of a court ruling to reject the claim for financial asset.
- **Provisions**
 - Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
 - Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.
 - If the entity expected to be reimbursed for a part or full provision, the reimbursement shall be recognized within assets, when it is virtually certain and its value can be measured reliably.
 - Where the effect of the time value of money is material, provisions are discounted by using a currently pre-tax discount rate that reflect the risks specific to the liability, when using discount any increase in provision is recognized as a financial cost over time.
- **End of service indemnity**

End of service indemnity is provided for in accordance with Jordanian Labor Laws and Regulations
- **Revenue recognition**
 - Revenue from tuition is recognize when providing the educational service.
 - Revenues are recognized based on consideration specified in contract with customer that expected to be received excluding amounts collected on behalf of third parties.
- **Dividend and interest revenue**
 - Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.
 - Interest revenue is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.
- **Borrowing costs**
 - Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
 - Borrowing costs are expensed in the period in which they are incurred.
- **Income tax**

Income tax is calculated in accordance with Jordanian laws and regulations.

– **Basic earnings per share**

Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year.

– **Foreign currencies**

– In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.

– Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

– **Contingent liabilities**

– Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.

– Contingent liabilities are not recognized in the financial statements.

Notes to the consolidated financial statements for the year ended December 31, 2019

3. Property and equipment

Cost	Lands (*)		Buildings and construction (*)		Machinery and equipment		Furniture and office equipment		Computers and software's		Vehicles		Solar energy system		Payments for the purchases of plants and equipment		Total	
	2019	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning of year balance	6,131,103	6,131,103	18,967,413	18,967,413	3,511,035	3,511,035	3,384,696	3,384,696	1,876,401	1,876,401	2,342,593	2,342,593	640,000	640,000	30,000	30,000	36,883,241	36,883,241
Additions	-	-	104,665	104,665	86,188	86,188	107,171	107,171	19,244	19,244	-	-	14,215	14,215	15,000	15,000	346,483	346,483
Transfer	-	-	-	-	45,000	45,000	-	-	-	-	-	-	-	-	(45,000)	(45,000)	-	-
End of year balance	6,131,103	6,131,103	19,072,078	19,072,078	3,642,223	3,642,223	3,491,867	3,491,867	1,895,645	1,895,645	2,342,593	2,342,593	654,215	654,215	-	-	37,229,724	37,229,724
Accumulated depreciation																		
Beginning of year balance	-	-	5,708,138	5,708,138	3,371,809	3,371,809	3,368,250	3,368,250	1,865,472	1,865,472	1,793,111	1,793,111	146,667	146,667	-	-	16,253,447	16,253,447
Depreciation	-	-	379,535	379,535	194,758	194,758	37,538	37,538	16,890	16,890	123,204	123,204	129,184	129,184	-	-	881,109	881,109
End of year balance	-	-	6,087,673	6,087,673	3,566,567	3,566,567	3,405,788	3,405,788	1,882,362	1,882,362	1,916,315	1,916,315	275,851	275,851	-	-	17,134,556	17,134,556
Net	6,131,103	6,131,103	12,984,405	12,984,405	75,656	75,656	86,079	86,079	13,283	13,283	426,278	426,278	378,364	378,364	-	-	20,095,168	20,095,168
2018																		
Beginning of year balance	6,131,103	6,131,103	18,939,884	18,939,884	3,366,771	3,366,771	3,367,347	3,367,347	1,863,212	1,863,212	2,289,621	2,289,621	-	-	610,911	610,911	36,568,849	36,568,849
Additions	-	-	27,529	27,529	109,264	109,264	17,349	17,349	13,189	13,189	37,372	37,372	-	-	305,589	305,589	510,292	510,292
Transfer	-	-	-	-	35,000	35,000	-	-	-	-	211,500	211,500	640,000	640,000	(886,500)	(886,500)	-	-
Disposals	-	-	-	-	-	-	-	-	-	-	(195,900)	(195,900)	-	-	-	-	(195,900)	(195,900)
End of year balance	6,131,103	6,131,103	18,967,413	18,967,413	3,511,035	3,511,035	3,384,696	3,384,696	1,876,401	1,876,401	2,342,593	2,342,593	640,000	640,000	30,000	30,000	36,883,241	36,883,241
Accumulated depreciation																		
Beginning of year balance	-	-	5,329,401	5,329,401	3,260,616	3,260,616	3,175,255	3,175,255	1,761,374	1,761,374	1,824,498	1,824,498	-	-	-	-	15,351,144	15,351,144
Depreciation (**)	-	-	378,737	378,737	111,193	111,193	192,995	192,995	104,098	104,098	164,513	164,513	146,667	146,667	-	-	1,098,203	1,098,203
Disposals	-	-	-	-	-	-	-	-	-	-	(195,900)	(195,900)	-	-	-	-	(195,900)	(195,900)
End of year balance	-	-	5,708,138	5,708,138	3,371,809	3,371,809	3,368,250	3,368,250	1,865,472	1,865,472	1,793,111	1,793,111	146,667	146,667	-	-	16,253,447	16,253,447
Net	6,131,103	6,131,103	13,259,275	13,259,275	139,226	139,226	16,446	16,446	10,929	10,929	549,482	549,482	493,333	493,333	30,000	30,000	20,629,794	20,629,794

(*) Included in the lands, buildings and construction item, lands and buildings with a book value of JD 7,000,000 that are mortgaged in favor of Arab Bank against credit facilities granted to the Company.

(**) The following is allocation of depreciation:

	<u>2019</u>	<u>2018</u>
	JD	JD
Educational activity expenses	792,999	988,382
Administrative expenses	88,110	109,821
Total	<u><u>881,109</u></u>	<u><u>1,098,203</u></u>

4. Investment property

This investment property has been estimated by two real estate appraisers for the amount of JD 18,677,854 as of February 27, 2020. .

5. Financial assets at fair value through profit or loss

	<u>2019</u>	<u>2018</u>
	JD	JD
Balance - beginning of year	2,615,071	2,724,157
Change of fair value	(266,699)	(109,086)
Balance - end of year	<u><u>2,348,372</u></u>	<u><u>2,615,071</u></u>

6. Other debit balances

	<u>2019</u>	<u>2018</u>
	JD	JD
Employees receivable	246,474	299,976
Less : Allowance for expected credit losses (*)	(102,243)	(85,273)
Net	<u><u>144,231</u></u>	<u><u>214,703</u></u>
Guarantees deposits	167,368	167,368
Refundable deposits	45,547	45,547
Petty cash	12,123	15,810
Prepaid expenses	7,111	20,770
Other deposits	2,741	2,313
Total	<u><u>379,121</u></u>	<u><u>466,511</u></u>

(*) The following is movement of the allowance for expected credit losses:

	<u>2019</u>	<u>2018</u>
	JD	JD
Beginning of year balance	85,273	69,000
Provided during the year	16,970	16,273
Ending of year balance	<u><u>102,243</u></u>	<u><u>85,273</u></u>

7. Student and trade receivables

	<u>2019</u>	<u>2018</u>
	JD	JD
Students receivable (*)	23,147,545	25,871,584
Trade receivables and other	525,466	543,487
Checks under collection	267,497	523,383
Less: allowance for expected credit losses (**)	<u>(16,788,764)</u>	<u>(16,270,103)</u>
Net	<u>7,151,744</u>	<u>10,668,351</u>

(*) Aging of students receivable as following:

	<u>2019</u>	<u>2018</u>
	JD	JD
First semester - 2019/2020	4,414,393	4,065,078
Summer semester - 2018/2019	502,242	336,958
Second semester - 2018/2019	1,437,476	1,871,501
First semester - 2018/2019	1,143,487	2,100,778
Before that	<u>15,649,947</u>	<u>17,497,269</u>
Total	<u>23,147,545</u>	<u>25,871,584</u>

(**) The following is the movement of allowance for expected credit losses during the year:

	<u>2019</u>	<u>2018</u>
	JD	JD
Balance - beginning of year	16,270,103	9,771,000
Provided during the year	518,661	3,670,226
Effect of applying IFRS (9)	-	<u>2,828,877</u>
Balance - end of year	<u>16,788,764</u>	<u>16,270,103</u>

8. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
	JD	JD
Deposits at bank (*)	4,000,000	2,000,000
Current accounts at banks - JD	852,507	606,968
Current accounts at banks - foreign currency	<u>2,601</u>	<u>1,641</u>
Total	<u>4,855,108</u>	<u>2,608,609</u>

(*)The deposit is tied monthly, with interest rate at 4.25%.

9. Statutory reserve

Public Shareholding Company (Parent Company)

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.

For the general assembly after exhaust other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

Limited Liability Company (Subsidiary Company)

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.

For the general assembly after exhaust other reserves to decide in an extraordinary meeting to quench its losses from the accumulated amounts in statutory reserve, and to rebuild it in accordance with the provisions of the law.

10. Voluntary reserve

This reserve is determined in accordance with the Jordanian Companies Law by allocating not more than 20% annually of the profit to this reserve.

11. Retained earnings

The percentage of proposed distributed dividends to shareholders is (30%) for the current year or equivalent to JD (4,500,000) and (30% for 2018) and this percentage is subject to the approval of the general assembly of the shareholders.

12. End of service indemnity provision

	2019	2018
	JD	JD
Balance - beginning of year	25,154	30,978
Paid during the year	(11,035)	(10,709)
Provided during the year	880	4,885
Balance - end of year	14,999	25,154

13. Income tax provision

	2019	2018
	JD	JD
Balance - beginning of year	1,767,740	1,259,275
Provided during the year	1,105,516	2,184,244
Paid during the year	(1,767,740)	(1,259,275)
Advance payment to income tax	(275,677)	(416,504)
Balance - end of year	829,839	1,767,740

14. Other credit balances

	<u>2019</u>	<u>2018</u>
	JD	JD
Legal claims provision	499,766	499,766
Sherholders deposits	399,947	399,740
Students deposits	381,216	345,243
Social security deposits	75,504	83,150
National contribution deposits	56,475	-
Board of directors rewards	45,000	45,000
Employees payable	40,414	41,203
Contractors retentions	29,419	29,419
Accrued expenses	23,795	32,161
Other deposits	18,089	24,076
Employees income tax deposits	12,324	-
Total	<u><u>1,581,949</u></u>	<u><u>1,499,758</u></u>

15. Trade payable

Trade payables concentrate in the scientific research fund payable which constitute 76% of total payables.

16. Educational activities revenues

	<u>2019</u>	<u>2018</u>
	JD	JD
Hours fees (tuition)	12,223,082	13,851,486
Semester registration fees	3,900,381	3,750,078
Registraion fees, new student	335,090	818,733
Student transportaion	1,285	9,165
Health insurance revenue	497	1,485
Total	<u><u>16,460,335</u></u>	<u><u>18,430,947</u></u>

17. Education activities expenses

	2019	2018
	JD	JD
Salaries, wages and other benefits	5,160,837	4,843,726
Depreciation	792,999	988,382
Scientific research and training courses	696,474	535,919
Social security	543,153	522,833
Overtime	351,893	340,194
Buses fuel	323,694	288,390
Maintenance	174,512	92,634
Public and private accreditation	130,650	149,000
Health insurance	123,426	138,817
Electricity and water	135,710	36,380
Heating	79,050	45,057
Buses expenses	60,219	41,132
Buses maintenance	56,723	79,869
Stationery and printing	55,813	28,052
Subscription and governmental fees	48,163	43,455
Student activities and parties	42,961	21,946
Communication	31,398	27,702
Laboratory materials	30,788	28,203
Work permits	13,097	21,893
Cleaning	6,959	6,044
Fixed assets insurance	5,979	3,736
Advertising	5,586	9,855
Miscellaneous	1,401	409
Total	8,871,485	8,293,628

18. Net loss of students canteen

	2019	2018
	JD	JD
Students canteen revenues	32,690	25,427
Students canteen expenses	(47,808)	(48,262)
Net	(15,118)	(22,835)

19. Other revenues, net

	<u>2019</u>	<u>2018</u>
	JD	JD
Students services	433,932	2,071,028
Dividends distribution	146,309	221,402
Bank interests	92,331	32,761
Recovery of students sent abroad	82,431	120,226
Recovery of provisions	60,000	-
Rents	47,558	189,872
Miscellaneous	21,239	73,913
Gain form disposal of property and equipment	-	4,900
Total	<u><u>883,800</u></u>	<u><u>2,714,102</u></u>

20. Administrative expenses

	<u>2019</u>	<u>2018</u>
	JD	JD
Salaries, wages and related benefits	932,336	875,026
Professional fees and consulting	184,899	183,006
Social security	95,851	92,265
Depreciation	88,110	109,821
Board of trustees rewards	46,035	30,129
Electricity and water	33,928	9,095
Donations	31,157	30,162
Transportation of board of directors	21,600	21,600
Heating	19,763	11,264
Maintenance	19,390	10,293
Health insurance	13,714	15,424
Subscription and governmental fees	12,068	13,509
Communication	7,850	6,925
Staff clothes	7,337	-
Stationery and printing	6,201	3,116
Hospitality	5,941	2,361
Money transfer	4,437	-
Miscellaneous	3,539	58
Work permits	2,311	3,863
Cleaning	1,740	1,511
Advertising	1,396	2,464
End of service indemnity	880	4,885
Slow moveing inventory	-	99,331
Total	<u><u>1,540,483</u></u>	<u><u>1,526,108</u></u>

21. Contingent Liabilities

The Company has at the statement of financial position date contingent liabilities as follows:

	Amount	Deposit	Net
	JD	JD	JD
Guarantee	966,399	167,368	799,031

22. Litigations

As stated in the legal consular letter at the date of statement of financial position there are legal cases filed against others amounting to JD 1,954,289 , and there are legal cases to prevent the claim of the Ministry of Higher Education amounting to JD 1,623,677 , for dispute on the calculation of the scientific research and capacity, a provisions have been taken against these cases and there is one legal case raised by others on the company with undetermined value.

23. Risk management

a) Capital Risk

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.

c) Interest rate risk

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates received by the entity on its deposits with banks and on interest rates paid by the entity on borrowing from the banks:

<u>As of December 31, 2019</u>	<u>Change in interest</u>	<u>Effect on profit(loss) and equity</u>
	%	JD
Deposit	0,5 ±	20,000

d) Other price risk

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.

Notes to the consolidated financial statements for the year ended December 31, 2019

- The following table shows the sensitivity to profit or loss and equity to the changes in the listed prices of investments in equity instruments, assuming no changes to the rest of other variables:

As of December 31, 2019	Change in prices	Effect on profit(loss)
Financial assets at fair value through profit or loss	5	± 117,419
As of December 31, 2018	Change in prices	Effect on profit(loss)
Financial assets at fair value through profit or loss	5	± 130,754

e) **Credit risk**

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) **Liquidity risk:**

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	2019 JD	2018 JD
Financial assets:		
Financial assets at fair value through profit or loss	2,348,372	2,615,071
Other debit balances	372,010	445,741
Student and trade receivables	7,151,744	10,668,351
Cash and cash equivalents	4,855,108	2,608,609
Total	14,727,234	16,337,772
Financial liabilities:		
Other credit balances	1,082,183	999,992
Trade payables	2,033,313	1,870,153
Total	3,115,496	2,870,145

24. Fair value of financial instruments

The entity shall classifies measuring fair value methods using fair value hierarchy that reflects the significance of inputs used in making the easements. The hierarchy of fair value of financial instruments have the following levels:

- Level (1): quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level (2): inputs other than quoted prices included within level (1) that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level (3): inputs for the asset or liability that are not based on observable market data.

As of December 31, 2019	Levels			Total
	1	2	3	
Financial assets	JD	JD	JD	JD
Financial assets at fair value through profit or loss	2,348,372	-	-	2,348,372

25. Financial statement for the subsidiary company

Included in the consolidated financial statement the financial statement of the subsidiary company as at December 31, 2019 as follows:

Name	Legal status	Capital	Total assets	Total liabilities	Accumulated losses
		JD	JD	JD	JD
Al Fareed Investment Company	Limited Liability Company	5,000,000	5,772,731	2,314,973	(1,664,261)

26. Reclassification

2018 balances have been reclassified to conform to the adopted classification in 2019.