

الرقم التسلسلي ٣٠٥٩٤
الجهة المختصة ١١٠٥٤٤١١٠٥

Al Amin Investment
Public Shareholding Company
Consolidated Financial Statements
31 December 2018

**Al Amin Investment Company
Public Shareholding Company**

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INDEPENDENT AUDITORS' REPORT

To The Shareholders of
Al Amin Investment Company
Public Shareholding Company
Amman - Jordan

Opinion

We have audited the consolidated financial statements of Al Amin Investment Company PLC, which comprise the consolidated statement of financial position as at 31 December 2018, 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 31 December 2018, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 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 consolidated financial statements in the Hashemite Kingdom of Jordan, 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 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

(1) Provision for Expected Credit Loss

Included in the accompanying consolidated financial statements at the end of the year 2018 financial assets totaling JOD (6,848,641), as the provision for expected credit loss of these financial assets are dependent on the management's estimates of different variables, the adequacy of the provision is considered a key audit matter. The audit procedures performed by us to address this key audit matter included inquiring from management about the methodology used in calculating the provision and assessing the reasonableness of estimates and assumptions used by the management in calculating the provision amount. We have also inquired about the management's collection procedures and the amounts collected post year end.

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 auditor's 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 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 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.

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

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

- Identify and assess the risks of material misstatement of the 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 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 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 audit evidence regarding the 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 to 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 auditor's 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 maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith, and we recommend the General Assembly to approve it.

10 February 2019
Amman - Jordan




Arab Professionals
Amin Samara
License No. (481)

Al Amin Investment Company
Public Shareholding Company
Consolidated Statement of Financial Position
As at 31 December 2018

(In Jordanian Dinar)

	Notes	2018	2017
Assets			
Cash and cash equivalents	3	2,834,943	2,720,335
Financial assets at fair value through statement of profit or loss	4	6,080,193	7,039,777
Financial assets at amortized cost	5	3,978,744	4,000,000
Brokerage receivables		4,261	983
Other receivables	6	42,032	41,031
Property and equipment		3,538	2,936
Total Assets		12,943,711	13,805,062
Liabilities and Equity			
Liabilities			
Brokerage payables		130,500	173,226
Shareholder's withholdings		183,071	183,509
Other liabilities	7	26,089	88,250
Total Liabilities		339,660	444,985
Equity	8		
Paid in capital		10,000,000	10,000,000
Statutory reserve		2,248,455	2,248,455
Retained earnings		239,798	986,029
Equity attributable to owners of the parent		12,488,253	13,234,484
Non-controlling interest		115,798	125,593
Total Equity		12,604,051	13,360,077
Total Liabilities and Equity		12,943,711	13,805,062

"The accompanying notes from (1) to (18) are integral part of these consolidated financial statements"

Al Amin Investment Company
Public Shareholding Company
Consolidated Statement of Comprehensive Income
For the Year Ended 31 December 2018

(In Jordanian Dinar)

	<u>Notes</u>	<u>2018</u>	<u>2017</u>
(Loss) Profit from sale of financial assets at fair value through profit or loss		(67,787)	46,704
Changes in fair value of financial assets through profit or loss		(790,047)	69,501
Dividends from financial assets		320,158	273,720
Brokerage commissions		41,444	29,194
Bank deposits profits		20,837	18,685
Profit from financial assets at amortized cost		155,341	139,043
Other income		1,188	1,081
Provision for expected credit loss		(3,477)	-
Administrative expenses	9	<u>(400,766)</u>	<u>(398,798)</u>
Comprehensive (loss) income for the year		<u>(723,109)</u>	<u>179,130</u>
Comprehensive (loss) income for the year attributable to:			
Shareholders of the company		(713,836)	184,408
Non-controlling interest		<u>(9,273)</u>	<u>(5,278)</u>
		<u>(723,109)</u>	<u>179,130</u>
 Basic and diluted (loss) earnings per share	 10	 <u>(0.071)</u>	 <u>0.018</u>

"The accompanying notes from (1) to (18) are integral part of these consolidated financial statements"

Al Amin Investment Company
Public Shareholding Company
Consolidated Statement of Changes in Equity
For the Year Ended 31 December 2018

(In Jordanian Dinar)

	Paid in capital	Statutory reserve	Retained earnings	Total shareholder's equity	Non- controlling interest	Total equity
Balance at 1 January 2018	10,000,000	2,248,455	986,029	13,234,484	125,593	13,360,077
Impact of adopting IFRS (9)	-	-	(32,395)	(32,395)	(522)	(32,917)
Restated opening balance under IFRS (9)	10,000,000	2,248,455	953,634	13,202,089	125,071	13,327,160
Total comprehensive loss for the year	-	-	(713,836)	(713,836)	(9,273)	(723,109)
Balance at 31 December 2018	10,000,000	2,248,455	239,798	12,488,253	115,798	12,604,051
Balance at 1 January 2017	10,000,000	2,230,014	820,062	13,050,076	130,871	13,180,947
Total comprehensive income for the year	-	-	184,408	184,408	(5,278)	179,130
Statutory reserve	-	18,441	(18,441)	-	-	-
Balance at 31 December 2017	10,000,000	2,248,455	986,029	13,234,484	125,593	13,360,077

"The accompanying notes from (1) to (18) are integral part of these consolidated financial statements"

**Al Amin Investment Company
Public Shareholding Company
Consolidated Statement of Cash Flows
For the Year Ended 31 December 2018**

(In Jordanian Dinar)

	2018	2017
Operating Activities		
Profit for the year	(723,109)	179,130
Depreciation	1,243	1,801
Changes in fair value of financial assets through profit or loss	790,047	(69,501)
Provision for expected credit loss	3,477	-
Changes in Working Capital		
Financial assets at fair value through profit or loss	169,537	236,874
Brokerage receivables	(3,278)	(983)
Other receivables	(1,001)	59,732
Brokerage payables	(42,726)	67,316
Shareholder's withholdings	(438)	(3,439)
Other liabilities	(62,161)	52,203
Net cash flows from operating activities	<u>131,591</u>	<u>523,133</u>
Investing Activities		
Property and equipment	<u>(1,845)</u>	<u>(1,150)</u>
Change in cash and cash equivalents	129,746	521,983
Cash and cash equivalents, at beginning of year	<u>2,720,335</u>	<u>2,198,352</u>
Cash and cash equivalents, at end of year	<u><u>2,850,081</u></u>	<u><u>2,720,335</u></u>

"The accompanying notes from (1) to (18) are integral part of these consolidated financial statements"

Al Amin Investment Company
Public Shareholding Company
Notes to the Consolidated Financial Statements
31 December 2018
(In Jordanian Dinar)

1 . General

Al Amin Investment Company was established on 2 November 1995 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (298). The Company head office is in the Hashemite Kingdom of Jordan. The Company's main objective is investing in stocks, bond and financial assets compatible with the Islamic Directions.

The Company shares are listed in Amman Stocks Exchange.

The accompanying consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 10 February 2019, and it is subject to the General Shareholders Assembly approval.

2 . Summary of significant accounting policies

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on historical cost basis except for financial assets at fair value.

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

The accounting policies are consistent with those used in the previous year, except for the adoption of new and amended standards effective as at the beginning of the year.

Starting 2018, the Company has changed the loan loss impairment policy by replacing the incurred loss approach with the expected credit loss (ECL) approach as described by the provisions of IFRS 9 which has resulted in a change to the opening balance of the retained earnings by JOD (32,395).

Basis of Consolidation

The consolidated financial statements comprise of the financial statements of the parent and its subsidiary where the Company has the power to govern the financial and operating policies of the subsidiary so as to obtain benefits from their activities. The financial statements of the subsidiary are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiary are eliminated.

Subsidiary are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiary are consolidated in the statement of profit or loss from the acquisition date which is the date on which control over subsidiary is transferred to the Company. The results of operation of the disposed subsidiary are consolidated in the comprehensive income to the disposal date which is the date on which the Company loses control over the subsidiary.

Non- controlling interest represent the subsidiary equity not owned by the parent shareholders.

The following is the information of the subsidiary that has been consolidated:

Company	Activity	Ownership	Paid capital	Registration country
Amman for Investments & Financial Instrument	Brokerage services	94,45%	1,500,000	Jordan

Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2018. Management anticipates that the adoption of new and revised Standards will have no material impact on the consolidated financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 16	Leases	1 January 2019
IFRS 17	Insurance Contracts	1 January 2021

Use of Estimates

Preparation of the consolidated financial statements and the application of accounting policies require the Company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect certain elements of the Company's assets, liabilities and provisions, and revenue and expenses, and require estimating and assessing the amounts and timing of future cash flows. The aforementioned estimates and assumptions are based on multiple factors with varying degrees of assessment and uncertainty. Moreover, the actual results may differ from the estimates due to the changes resulting from the conditions and circumstances of those estimates in the future.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

Cash and Cash Equivalents

Cash and cash equivalents comprise of cash on hand, deposits held at call with banks, other short-term highly liquid investments.

Accounts Receivable

Accounts receivables are carried at original invoice amount less an estimate made for expected credit loss based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Financial Assets at Fair Value through Statement of Profit or Loss

It is the financial assets held by the company for the purpose of trading in the near future and achieving gains from the fluctuations in market prices in the short term or trading margins.

Financial assets at fair value through profit or loss are initially stated at fair value at acquisition date (purchase costs are recorded at the consolidated statement of profit or loss upon acquisition) and subsequently measured at fair value. Moreover, changes in fair value are recorded in the consolidated statement of profit or loss including the change in fair value resulting from translation of non-monetary assets stated at foreign currency. Gains or losses resulting from the sale of these financial assets are taken to the consolidated statement of profit or loss.

Dividends and interests from these financial assets are recorded in the consolidated statement of profit or loss.

Financial Assets at Amortized Cost

Financial assets at amortized cost are the financial assets which the company management intends according to its business model to hold for the purpose of collecting the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium\discount is amortized using the effective interest rate method, and recorded to interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is registered in the consolidated statement of profit or loss and should be presented subsequently at amortized cost less any impairment losses.

Impairment of financial assets

The Company has changed the loan loss impairment method by replacing IAS 39's incurred loss approach with an expected credit loss approach as described by the provisions of IFRS 9.

The expected credit loss allowance is based on the credit losses expected to arise over the life of the asset (the lifetime expected credit loss), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit loss.

The 12 months' expected credit loss is the portion of lifetime expected credit loss that represent the expected credit loss that result from default events on a financial instrument that are possible within the 12 months after the reporting date.

The Company has established a policy to perform an assessment, at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

Based on the above process, the Company groups its assets that are subject to impairment test into Stage 1, Stage 2, and Stage 3 as described below:

Stage 1: Includes financial instruments that have not deteriorated significantly in credit quality since initial recognition or that has low credit risk at the reporting date. At this stage, a 12-month expected credit losses are recognized and interest revenue is calculated on the gross carrying amount of the asset.

Stage 2: Includes financial instruments that have deteriorated significantly in credit quality since initial recognition but that do not have objective evidence of a credit loss event. At this stage, a lifetime expected credit losses are recognized Interest revenue is still calculated on the asset's gross carrying amount.

Stage 3: Includes financial assets that have objective evidence of impairment at the reporting date. At this stage, a lifetime expected credit losses are recognized Interest revenue is calculated on the net carrying amount (i.e. reduced for expected credit losses).

Trading and Settlement Date Accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Fair Value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the consolidated statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

Property and Equipment

Property and Equipment are stated at cost and depreciated using the straight-line method over their estimated useful lives.

Accounts Payables and Accruals

Accounts payable and accrued payments are recognized upon receiving goods or performance of services.

Provisions

Provisions are recognized 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 the obligation, and a reliable estimate can be made of the amount of the obligation.

Offsetting

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

Revenue Recognition

Revenues from sale of goods are recognized when control transferred to the buyer, while revenues from rendering services are recognized over time and according to percentage of completion. In all cases, it is necessary that the amount of revenue can be measured reliably.

Financial assets are recognized on the trading date which is the date the company commits itself to purchase or sell the financial assets.

Commissions recognized upon the executing the trading for the benefit of the clients.

Dividends income is recognized when it is declared by the General Assembly of the investee Company.

Other revenues are recognized on the accrual basis.

Income Tax

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

3 . Cash and Cash Equivalents

	<u>2018</u>	<u>2017</u>
Cash on hand	1,440	1,174
Current accounts at Jordan Islamic Bank	1,891,985	1,880,379
Deposits at Jordan Islamic Bank	956,656	838,782
	<u>2,850,081</u>	<u>2,720,335</u>
Provision for expected credit loss	(15,138)	-
	<u>2,834,943</u>	<u>2,720,335</u>

Deposits at Jordan Islamic Bank mature within 1 to 3 months and profit recognized upon the declaration date at the deposits.

The movement on the provision for expected credit loss was as follow:

	<u>2018</u>	<u>2017</u>
Impact of adopting IFRS (9)	13,320	-
Provision for expected credit loss for the year	1,818	-
	<u>15,138</u>	<u>-</u>

4 . Financial Assets at Fair Value through Statement of Profit or Loss

All investments are listed in Amman Stock Exchange.

5 . Financial assets at Amortized cost

	<u>2018</u>	<u>2017</u>
Jordan Islamic Bank bonds	4,000,000	4,000,000
Provision for expected credit loss	(21,256)	-
	<u>3,978,744</u>	<u>4,000,000</u>

The movement on the provision for expected credit loss was as follow:

	<u>2018</u>	<u>2017</u>
Impact of adopting IFRS (9)	19,597	-
Provision for expected credit loss for the year	1,659	-
	<u>21,256</u>	<u>-</u>

6 . Other receivables

	2018	2017
Settlement Guarantee Fund	25,000	25,000
Income tax withholdings	10,289	10,289
Prepaid expenses	5,535	5,547
Securities Depository Center reconciliation	1,013	-
Refundable deposits	195	195
	<u>42,032</u>	<u>41,031</u>

7 . Other Liabilities

	2018	2017
Accrued expenses	8,643	9,185
Provision for income tax (Note 13)	16,076	16,076
Securities Depository Center reconciliation	-	61,619
Miscellaneous	1,370	1,370
	<u>26,089</u>	<u>88,250</u>

8 . Equity

Paid - in capital

The Company's authorized, subscribed and paid in capital is JOD (10) millions divided equally into (10) millions share with par value of JOD (1) per share at 31 December 2018 and 2017.

Statutory Reserve

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law.

Non -Controlling Interest

This presents the non-controlling interest of the Company from the subsidiary's shareholders equity, and the non-controlling interest is presented as a separate account into the consolidated statements of financial position, consolidated statement of profit or loss and consolidated statement of changes in equity.

9 . Administrative Expenses

	2018	2017
Wages , salaries and other benefits	236,660	232,463
Board of Directors transportation and travel	54,755	53,703
Rents	22,268	25,740
Governmental and subscription fees	20,062	20,489
Professional fees	22,040	19,205
Health insurance	13,860	12,737
Secretariat of the Board of Directors	5,400	5,400
Maintenance	4,662	4,366
Bank charges	5,753	6,055
Advertisement	4,923	6,031
Telecommunications	2,128	2,098
Stationary and printing	1,734	2,602
Depreciation	1,243	1,801
Hospitality	925	-
Companies Controller fees	600	600
Miscellaneous	3,753	5,508
	<u>400,766</u>	<u>398,798</u>

10 . Basic and Diluted (Loss) Earnings per Share

	2018	2017
(Loss) profit for the year attributable to shareholders	(713,836)	184,408
Shares weighted average	<u>10,000,000</u>	<u>10,000,000</u>
	<u>(0.071)</u>	<u>0.018</u>

11 . Executive Management Salaries and Remunerations

The remuneration of the executive management during the years 2018 and 2017 amounted to JOD (118,025) and JOD (117,395) respectively.

12 . Segments Reporting

The Company's activity is in securities, brokerage activities and bonds investment inside the Hashemite Kingdom of Jordan, and as follows:

	2018	2017
(Loss) profit generated from investing in securities	(537,676)	389,925
Revenues generated from brokerage activities	41,444	29,194
Assets from investment activities in securities	6,080,193	7,039,777
Assets from brokerage activities	2,129,947	1,955,359

13 . Income Tax

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

	2018	2017
Balance at beginning of the year	16,076	16,076
Income tax expense for the year	-	-
Prior years income tax	-	-
Income tax paid	-	-
Balance at end of the year (Note 7)	<u>16,076</u>	<u>16,076</u>

- The Company has settled its tax liability with Income Tax Department up to the year ended 2014.
- The income tax returns for the years 2015, 2016 and 2017 has been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision has been calculated for the year 2018 as taxable expenses exceeded its taxable revenues.

14 . Contingent Liabilities

The Company is contingently liable with respect to bank letters of guarantee amounting to JOD (215,000).

15 . Analysis of the Maturities of Assets and Liabilities

The following table illustrates the analysis of assets and liabilities according to the expected period of their recoverability or settlement.

2018	Up to one year	More than one year	Total
Assets			
Cash and cash equivalents	2,834,943		2,834,943
Financial assets at fair value through statement of profit or loss	6,080,193		6,080,193
Financial assets at amortized cost	3,978,744		3,978,744
Brokerage receivables	4,261		4,261
Other receivables	42,032		42,032
Property and equipment	-	3,538	3,538
Total Assets	12,940,173	3,538	12,943,711
Liabilities			
Brokerage payables	130,500	-	130,500
Shareholder' withholdings	183,071	-	183,071
Other liabilities	26,089	-	26,089
Total Liabilities	339,660	-	339,660
2017	Up to one year	More than one year	Total
Assets			
Cash and cash equivalents	2,720,335	-	2,720,335
Financial assets at fair value through statement of profit or loss	7,039,777	-	7,039,777
Financial assets at amortized cost	4,000,000	-	4,000,000
Brokerage receivables	983	-	983
Other receivables	41,031	-	41,031
Property and equipment	-	2,936	2,936
Total Assets	13,802,126	2,936	13,805,062
Liabilities			
Brokerage payables	173,226	-	173,226
Shareholder' withholdings	183,509	-	183,509
Other liabilities	88,250	-	88,250
Total Liabilities	444,985	-	444,985

16 . Fair Value Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, other receivables and securities. Financial liabilities of the Company include brokerage payables.

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Financial assets and financial liabilities measured at fair value in the consolidated statement of financial position are grouped into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

- 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 or indirectly.
- Level 3: unobservable inputs for the asset or liability.

2018	Level 1	Level 2	Level 3	Total
Financial assets at fair value through statement of profit or loss	6,080,193	-	-	6,080,193
2017	Level 1	Level 2	Level 3	Total
Financial assets at fair value through statement of profit or loss	7,039,777	-	-	7,039,777

17 . Financial Risk Management

Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Currency Risk

The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk and the Company's results or equity to movements in exchange rates is not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents and quoted securities.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date.

2018	Less than one year	More than one year	Total
Brokerage payables	130,500	-	130,500
Shareholder's withholdings	183,071	-	183,071
Other liabilities	26,089	-	26,089
	<u>339,660</u>	<u>-</u>	<u>339,660</u>

2017	Less than one year	More than one year	Total
Brokerage payables	173,226	-	173,226
Shareholder's withholdings	183,509	-	183,509
Other liabilities	88,250	-	88,250
	<u>444,985</u>	<u>-</u>	<u>444,985</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments.

The sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

Equity Price Risk

Equity price risk results from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the consolidated comprehensive income for the year 2018 would have been reduced / increased by JOD (608,019) (2017: JOD 703,978).

18 . Capital Management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by investing the Company's assets commensurately with the level of risk.