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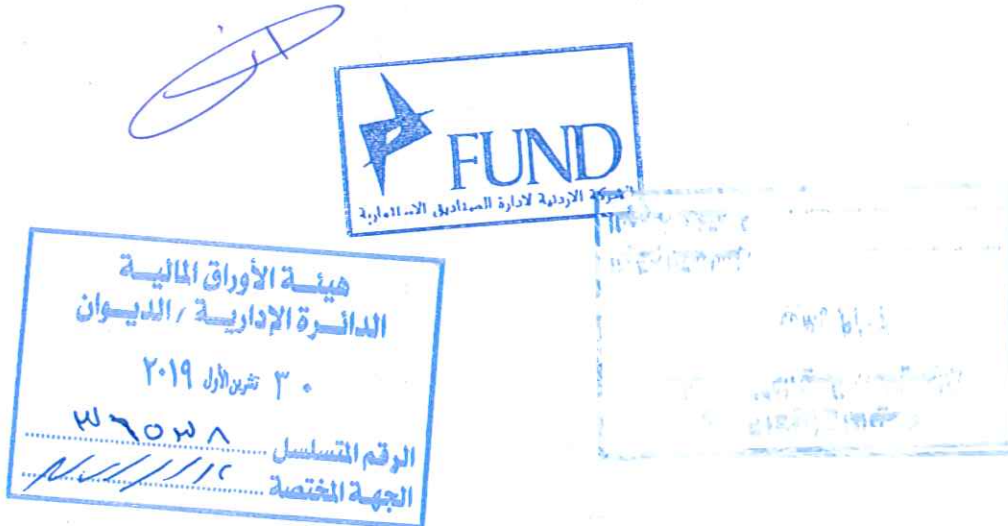
السادة هيئة الأوراق المالية المحترمين
السادة بورصة عمان المحترمين

الموضوع: ايداع القوائم المالية الربع سنوية ٢٠١٩/٩/٣٠

تحية طيبة وبعد،

نرفق لكم طيا القوائم المالية الموحدة للفترة المالية من ٢٠١٩/٠١/٠١ ولغاية ٢٠١٩/٠٩/٣٠ الخاصة بالشركة الاردنية لإدارة الصناديق الاستثمارية م.ع.م شاكرين لكم حسن تعاونكم .
وتفضلوا بقبول فائق الاحترام...

الشركة الأردنية لإدارة الصناديق الاستثمارية



Jordanian Mutual Funds Management Company
"Limited Public Shareholding Co."
Amman – The Hashemite Kingdom of Jordan
Interim Consolidated Financial Statements
& Independent Auditor's Report for the Period Ended
as at 30 September 2019

Jordanian Mutual Funds Management Company
“Limited Public Shareholding Co.”
Amman – The Hashemite Kingdom of Jordan

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Review Report for the Interim Consolidated Financial Statements

Amman: 29/10/2019

No: 60001/2019/446

Jordanian Mutual Funds Management Company
Limited Public Shareholding Company
Amman – Jordan

Introduction

We have reviewed the accompanying interim consolidated financial statements of **Jordanian Mutual Funds Management Company. PLC**, comprising the interim consolidated statement of financial position as at 30, September 2019, and the related interim consolidated statement of comprehensive income, interim consolidated statement of changes in shareholders' equity and interim consolidated statement of cash flows for nine-months then ended. Management is responsible for the preparation and presentation of this interim consolidated financial statement in accordance with international financial reporting standard (IAS 34) Interim Financial Reporting. Our responsibility is to express a conclusion on this interim consolidated financial statement based on our review.

Scope of Review

We conducted our review in accordance with the international standard on review engagements (2410) *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with international standards on auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial statements are not prepared, in all material respects, in accordance with international financial reporting standard (IAS 34) Interim Financial Reporting.

Explanatory Note

The financial year ends on the 31st of December and the interim consolidated financial statements were conducted to meet the demands of the Jordan Securities Commission and the Management of the Company.

The Scientific Office for Auditing,

Accounting and Consulting

Jamal M. Falah

License No. "285"

Jordanian Mutual Funds Management Company

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The Interim Consolidated Statement Financial Position as at 30 September 2019

	<u>Note</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
<u>Assets</u>			
<u>Current assets</u>			
Cash on hand and at banks	3	40,336	52,191
Checks under collection		40,950	65,700
Financial assets in fair value through income statement	4	866,855	632,643
Other current assets	5	1,000	1,000
Accounts receivable	6	27,521	2,771
Total Current Assets		976,662	754,305
<u>Non-current Assets</u>			
Investments in associate company	7	6,208,560	6,812,675
Financial assets in fair value through other comprehensive income statement	8	23,829	29,192
Properties and equipment	9	6	1,115
Total Non-current Assets		6,232,395	6,842,982
Total Assets		7,209,057	7,597,287
<u>Liabilities and Shareholders' Equity</u>			
<u>Current Liabilities</u>			
Shareholder's deposit	10	196,448	196,448
Accounts payable and other current liabilities	11	772,755	501,610
Associated companies acc.	7	187,285	187,285
Total Current Liabilities		1,156,488	885,343
<u>Shareholders' Equity</u>			
Authorized capital		6,500,000	6,500,000
Paid capital		6,000,000	6,000,000
Share premium		3,000,000	3,000,000
Compulsory reserve		63,947	63,947
Fair value reserve		(76,171)	(70,808)
Retained losses		(2,935,207)	(2,281,195)
Net Shareholders' Equity		6,052,569	6,711,944
Total Liabilities and Shareholders' Equity		7,209,057	7,597,287

The accompanying notes are an integral part of this statement.

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Jordanian Mutual Funds Management Company

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The Interim Consolidated Statement of Comprehensive Income for the Period Ended at 30 September 2019

<u>Description</u>	<u>Note</u>	<u>Nine-months ended at 30 September</u>		<u>Three-months ended at 30 September</u>	
		<u>2019</u>	<u>2018</u>	<u>2019</u>	<u>2018</u>
		<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>Comprehensive income</u>					
Realized gain (losses) of financial assets in fair value through income statement		9,242	(5,792)	4,296	1,417
Unrealized losses in assessment of financial assets at fair value through comprehensive income items		(3,745)	(6,200)	(13,502)	(14,107)
Share of the results of an associate		(604,115)	(330,674)	(604,115)	(330,674)
Cash dividend		12,870	-	-	-
Commissions on selling and purchasing financial assets through income statement		(45,872)	(14,244)	(15,216)	(3,263)
Net revenues		(631,620)	(356,910)	(628,537)	(346,627)
General and Administrative expenses	12	(22,392)	(47,925)	(3,093)	(12,235)
Gain of properties and equipment sale		-	50	-	-
Reversed provisions		-	14,169	-	-
Loss of liquidation of a subsidiary (Al Adhamiya Real Estate Investment Company)		-	(3,983)	-	-
Losses of the Period		(654,012)	(394,599)	(631,630)	(358,862)
<u>Other Comprehensive Income Items</u>					
Unrealized gain of financial assets in fair value through other comprehensive income items		(5,363)	-	(5,363)	-
Total Comprehensive Income of the Period		(659,375)	(394,599)	(636,993)	(358,862)
		<u>JD / Share</u>	<u>JD / Share</u>	<u>JD / Share</u>	<u>JD / Share</u>
Earnings Per Share		(0.110)	(0.066)	(0.106)	(0.060)
Weighted Average Number of Shares		6,000,000	6,000,000	6,000,000	6,000,000

The accompanying notes are an integral part of this statement.

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Interim Consolidated Statement of Changes in Shareholders' Equity for the Period Ended at 30 September 2019

<u>Description</u>	<u>Capital</u>	<u>Share Premium</u>	<u>Compulsory Reserve</u>	<u>Fair Value Reserve</u>	<u>Retained (Losses)</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>Balance at 31/12/2018</u>	6,000,000	3,000,000	63,947	(70,808)	(2,281,195)	6,711,944
Losses of the period	-	-	-	-	(654,012)	(654,012)
Fair value reserve	-	-	-	(5,363)	-	(5,363)
<u>Balance at 30/09/2019</u>	<u>6,000,000</u>	<u>3,000,000</u>	<u>63,947</u>	<u>(76,171)</u>	<u>(2,935,207)</u>	<u>6,052,569</u>
<u>Balance at 31/12/2017</u>	6,000,000	3,000,000	63,947	(46,718)	(1,429,937)	7,587,292
Losses of the period	-	-	-	-	(394,599)	(394,599)
Prior year adjustments	-	-	-	-	388	388
<u>Balance at 30/09/2018</u>	<u>6,000,000</u>	<u>3,000,000</u>	<u>63,947</u>	<u>(46,718)</u>	<u>(1,824,148)</u>	<u>7,193,081</u>

Retained losses include unrealized gain of financial assets at fair value with the amount of " 3,745 JD "

The accompanying notes are an integral part of this statement.

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The Interim Consolidated Statement of Cash Flows for the Period Ended at 30 September 2019

	<u>30-Sep-2019</u>	<u>30-Sep-2018</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows from Operating Activities</u>		
Comprehensive income of the period	(659,375)	(394,599)
<u>Adjustments</u>		
Depreciation	1,109	3,000
Unrealized losses in assessment of financial assets at fair value through comprehensive income items	3,745	6,200
Share of the results of an associate	604,115	330,674
Financial assets in fair value through other comprehensive income statement	5,363	-
Gain of sale properties and equipment	-	(50)
Operating (Losses) Before Changes in the Working Capital	(45,043)	(54,775)
Accounts receivable and other current assets	(24,750)	(21,003)
Accounts payable and other current liabilities	271,145	18,377
Checks under collection	24,750	26,624
Financial assets in fair value through comprehensive income statement	(237,957)	(46,956)
Net Cash from Operating Activities	(11,855)	(77,733)
<u>Cash Flows from Investing Activities</u>		
Sale of property and equipment	-	112
Net Cash Flows from Investing Activities	-	112
<u>Cash Flows from Financing Activities</u>		
Prior year adjustments	-	388
Net Cash Flows from Financing Activities	-	388
Net Cash from Activities	(11,855)	(77,233)
Cash opening balance	52,191	104,662
Cash Closing Balance	40,336	27,429

The accompanying notes are an integral part of this statement.

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Jordanian Mutual Funds Management Company

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Accounting Policies

Basics of Preparing the Interim Condensed Consolidated Financial Statements

- The interim consolidated financial statements have been prepared in accordance with the Historical Cost Principle, except for financial assets at fair value through the other comprehensive income, and financial assets at fair value through the income statement, which appear at fair value on the date of the consolidated financial statements.
- The interim consolidated financial statements have been prepared in accordance to the International Financial Reporting Standard No. (34).
- The financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.
- The results of this interim consolidated statements do not necessarily represent the expected result for the whole financial year.

The Basis for the Consolidation of the Financial Statements

The interim consolidated financial statements include assets, liabilities and the results of the operations of Jordanian Mutual Funds Management Company PLC; Ithmar Transportation Company, which is 100% owned by the parent Company.

Use of Estimates:

Preparing financial statements and applying accounting policies require the Management of the Company to make some estimates and suppositions that may affect the financial statements and the accompanying notes. Such estimates are based on assumptions of different accuracy and certainty. Therefore, actual results in the future may differ from the Management's estimates due to the variations of conditions and circumstances of these assumptions.

Below are the most important estimates applied in the preparation of the financial statements:

The accompanying notes are an integral part of this statement.

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Accounting Policies

- Management periodically reevaluates the useful life of tangible assets for the purpose of calculating the annual depreciation based on the general condition of those assets and estimated useful life in the future. The impairment loss (if any) is taken in the income statement.
- Management periodically reviews financial assets that are presented at cost to estimate any impairment in value and are stated in the consolidated statement of income.
- The Management of the Company estimates the value of the provision for bad debts taking into consideration the possibility of collecting such liabilities.

Cash on Hand and at Banks

Are represented by cash on hand and at banks and they do not involve risks of change in their value.

Financial Assets at Fair Value Through the Comprehensive Income Statement

Investing in shares and bonds held for trading to gain profit from short-term market fluctuations. Change differences are recorded in the fair value of the financial assets defined at fair value from the other comprehensive income. The limited value of financial assets in the other comprehensive income statement that have market prices in active financial markets are demonstrated at fair value after deducting the impairment accumulated losses in their fair value.

The limited value of financial assets in the other comprehensive income statement that do not have market prices and which their fair value could not be reliably defined, are demonstrated at cost and any impairment in their value is recorded in the other comprehensive income statement.

The distributed dividends or acquired benefits from these assets are recognized in the income statement.

The accompanying notes are an integral part of this statement.

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Accounting Policies

Checks Under Collection

Checks under collection are presented at fair value upon receipt.

Date of Financial Assets Recognition

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

Fair Value

Closing prices in active markets represent the fair value of financial assets. In the absence of quoted prices or lack of active trading for certain financial assets, their fair value will be estimated by comparing them to the fair value of a similar financial instrument or by calculating the present value of future cash flows. If the fair value of the financial asset cannot be reliably measured, it will be presented at cost after deducting any impairment in value.

Accounts Receivable

Accounts receivable are reflected at cost after deducting the provision for bad debts. Debts are written off when there is subjective evidence on the possibility of not collecting liabilities.

Property and Equipment

Property and equipment appear at cost after decreasing the accumulated depreciation, and the depreciated assets (except lands) they are depreciated when they are ready to be used at a fixed rate throughout their expected useful life in percentages (2-20%).

The accompanying notes are an integral part of this statement.

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Jordanian Mutual Funds Management Company

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Accounting Policies

Financial Assets at Fair Value Through Other Comprehensive Income

Financial assets are recorded at fair value through statement of comprehensive income when buying at fair value in addition to acquisition expenses and revalued subsequently at fair value; the change is shown at the fair value in the statement of comprehensive income and in equity, including the change in fair value that results from exchange differences in non-cash items in foreign currencies. In the case of selling these assets or part of them thereof the results of profits or losses are recorded in the statement of comprehensive income and in equity. And the evaluated sold asset reserve balance is transferred directly to the retained earnings and not through the income statement.

These assets are not subject to this impairment test. And profit is recognized in the statement of income.

Accounts Payable and Accruals

Accounts payable and accruals are recognized after taking an advantage of the provided services for the Company, whether they were claimed by the supplier or not.

Provisions

Provisions are recognized when the Company has an obligation (legal or expected) as a result of past event, and the payment of the liability is probable and can be reliably measured.

The accompanying notes are an integral part of this statement.

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Accounting Policies

Setoff

Financial assets and financial liabilities are set-off and the net amount is reflected in the financial statements upon the availability of legally binding rights, and when they are settled on the setoff basis or when assets realization and liabilities settlements take place at the same time.

Revenues

Revenues are recognized in accordance with the accrual accounting method.

Foreign Currencies

Transactions made in foreign currencies are registered at the current exchange rates on the date of conducting such transactions. Financial liabilities and assets balance are transferred to foreign currency by using current exchange rates on the date of financial statements by the Central Bank of Jordan. Profits and losses arising from balances exchange to foreign currency are registered in foreign currencies in the income statement.

Income Tax

Income tax is calculated on the basis of taxable profits. Taxable profits differ from the reported profits in the financial statements because the declared profits include non-taxable income or non-deductible expenses in the fiscal year but sometimes in subsequent years. Also, accumulative losses that are taxable or non-taxable or acceptable for deduction for tax purposes.

The accompanying notes are an integral part of this statement.

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Notes to the Interim Consolidated Financial Statements

1. General:

The Establishment of the Company:

- Jordanian Mutual Funds Management Company was established as a public liability company and registered at the registry of the public liability companies at the Companies Control Department under No. 446 on 15/11/2007. It was registered under its former name Al-Fatihoun Al-Arab for Investment, the name was changed by the General Assembly in its Extraordinary Meeting held on 03.10.2015. To "Arabian Aviation Investment Company." Also, the name of the company was changed again to Jordanian Mutual Funds Management Company by the General Assembly in its Extraordinary Meeting held on 01/08/2018.
- On 26/03/2016, the Extraordinary General Assembly decided to increase the authorized capital to become 6.000.000 JD/share instead of 3.000.000 JD/share, and the Company has completed the legal procedures at 26/2/2017.
- On 20/04/2017, the Extraordinary General Assembly decided to increase the authorized capital to become 6.500.000 JD/share instead of 6.000.000 JD/share, and the Company is still finalizing the required legal procedures.
- Then interim consolidated financial statements were approved by the Board of Directors on 29/10/2019.

The Objectives of the Company

Establishing Mutual Funds, managing the investment funds, purchase and sales of stocks and share for business purposes except for financial brokerage.

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3- Cash on Hand and at Banks:

<u>Description</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
Cash on hand	4	160
Checks under collection on hand	39,520	43,520
Cash at banks	812	8,511
Total	40,336	52,191

4- Financial Assets at Fair Value Through Income Statement:

<u>Description</u>	<u>Shares</u> <u>2019</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>Shares</u> <u>2018</u>	<u>31-Dec-2018</u> <u>JD</u>
Century Investment Group Co.	130,620	312,084	76,500	182,835
Arab Union International insurance Co.	142,996	183,035	142,996	188,755
Rum Financial Brokerage Co.	96,796	155,675	79,787	116,489
Rum Group for Transportation & Tourism Investment Co.	360,972	216,061	245,024	144,564
Total		866,855		632,643

5- Other Current Assets :

<u>Description</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
Guarantee insurance	1,000	1,000
Total	1,000	1,000

6- Accounts Receivable:

<u>Description</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
Clients' accounts	81,008	81,008
Returned Checks under collection / for accounts receivable	50,898	26,148
Total	131,906	107,156
Less provision of impairment of accounts receivable	(104,385)	(104,385)
Total	27,521	2,771

- Below is a summary of the provision of impairment of accounts receivable during the period:

<u>Description</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
Balance at the beginnig of the period	104,385	104,385
Additions	-	-
Total	104,385	104,385

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Notes to the Interim Consolidated Financial Statements

7- Investment in Associates:

- This Item constitutes the Company's investments in other companies by no less than 20% and no more than 50% of the total voting rights of these companies.

<u>Description</u>	<u>Ownership Percentage</u>	<u>30-Sep-2019 JD</u>	<u>31-Dec-2018 JD</u>
Rum Aviation Investment Co.	36.40%	6,208,560	6,812,675
Total		6,208,560	6,812,675

- Below is a summary of the investment transactions during the period:

	<u>Opening Balance</u>	<u>Share from Operations Result</u>	<u>Closing Balance</u>
Rum Aviation Investment Co.	6,812,675	(604,115)	6,208,560
Total	6,812,675	(604,115)	6,208,560

Below is the most important information about the companies in which the Company invested in:

<u>Description</u>	<u>Capital</u>	<u>Investment</u>	<u>Establishment Date</u>	<u>Main Objectives</u>	<u>Legal Capacity</u>
Rum Aviation Investment Co.	14,000,000	5,100,000	23/05/2010	Investment in the aviation companies	Private holding co.

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Notes to the interim consolidated financial statements

8- Financial Assets at Fair Value Through other Comprehensive Income:

This item constitutes the Company's investments in other companies by no more than 20% of the voting rights, and it does not have any control over it.

<u>Description</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
Arkan Financial Investments Co.	100,000	100,000
Fair Value Reserve	(76,171)	(70,808)
Total	23,829	29,192

Below is the most important information about the companies in which the Company invests:

<u>Description</u>	<u>Investment</u>	<u>Legal Capacity</u>	<u>Main Objectives</u>	<u>Capital</u>	<u>Establishment Date</u>
Arkan Financial Investments Co.	100,000	Private holding co.	Financial investments	2,500,000	12/20/2016

Below is the most important transaction for the fair value reserve during the period :

<u>Description</u>	<u>30-Sep-2019</u> <u>JD</u>	<u>31-Dec-2018</u> <u>JD</u>
Opening balance	(70,808)	(46,718)
Share of business results	(5,363)	(24,090)
Closing Balance	(76,171)	(70,808)

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Notes to the Interim Consolidated Financial Statements

10- Shareholders' Deposit:

The shareholders' balance of decreasing the number of shares resulting from decreasing the capital in previous years, as well as the subscription refunds.

11- Accounts Payable and Other Current Liabilities

<u>Description:</u>	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>
Other accounts payable	303,138	125,661
Financial brokerage	457,801	371,865
Accrual expenses	7,798	1,063
Other deposit	2,296	2,296
Income tax acc.	1,674	677
Fractional shares	48	48
Total	772,755	501,610

12- Administrative Expenses:

<u>Description</u>	<u>30/09/2019</u>	<u>30/09/2018</u>
	<u>JD</u>	<u>JD</u>
Employee benefits	2,940	11,183
Rentals	4,125	4,750
Government fees	9,524	12,624
Professional & Consulting fees	2,610	6,360
Others	2,084	5,008
The Board of Directors exp.	-	5,000
Deprecation	1,109	3,000
Total	22,392	47,925