Omar M. Al-karasneh

From: Randa Hamarshehi <randa@mgc-afaq.com>
Sent: تموز، ٠٢:٥٩ ٢٠٢٠ م 01
To: disclosure; info; Omar M. Al-karasneh
Subject: FW: Afaq real estate Investment ebc 31 DEC 20191.pdf
Attachments: Afaq real estate Investment ebc 31 DEC 20191.pdf

تحيه واحترام

مرفق بطيه ميزانية شركة آفاق القابضه النسخه الانجليزيه

مع الشكر

Best Regards,

MANASEER Invest

1992 - 2019

Randa Hamarsheh
Internal Auditor

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الدائرة الإدارية / الديوان
٢ تموز ٢٠٢٠
الرقم المتسلسل 2926
الجهة المختصة

SGS SGS SGS NRMCA

AFAQ HOLDING FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of AFAQ HOLDING FOR INVESTMENT AND REAL ESTATE DEVELOPMENT Public Shareholding Company

Amman – Jordan

Report on the Audit of the Consolidated Financial Statements

Qualified Opinion

We have audited the Consolidated financial statements of Afaq Holding for Investment and Real Estate Development a public shareholding limited company ("the Company") and its subsidiaries ("the Group"), which comprise the Consolidated statement of financial position as at 31 December 2019, the Consolidated statement of comprehensive income, Consolidated statement of changes in equity and the Consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies

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

Basis for Qualified Opinion

The Group did not provide us with the details of Goodwill amounting to JD 24,661,180 and its related estimates used in assessing the impaired value as at 31 December 2019. Thus, we could neither obtain sufficient appropriate audit evidence nor perform alternative procedures to verify the Goodwill value or any impairment there is. We were unable to determine if any necessary adjustment needed to adjust the Group's financial data.

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 Financial Statements section of our report. We are independent of the Group 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 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 qualified opinion.

Emphasis of Matter

1-Without qualifying our conclusion, as it is disclosed in note (2) to the financial statements, the Group's short-term liabilities exceeded its current assets by JD 8,612,763 as at 31 December 2019, noting that the short-term liabilities comprise an amount of JD 15,903,100 related to Jordan Modern Oil & Fuel Services Co. (the sister Company). These events or conditions indicate that a material uncertainty exists that may cast significant doubt about the Group's ability to continue as a going concern. The Group's parent has expressed its intention to support the Group to pay its obligations and continue its operations for at least 12 months from the date of these financial statements.

2- Without qualifying our conclusion, as it is disclosed in note (6) to the financial statements, the note includes property, plant and equipment amounting to JD 503,915 not registered under the name of the Group

Other Matter

The consolidated financial statement for the year ended 31 December 2018 were audited by another auditor. Unqualified opinion was issued on these consolidated financial statements on 18 March 2019.

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 for the year ended 31 December 2019. 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. For each matter below, our description of how our audit addressed the matter provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

<table>
<tr><td colspan="2">1- Revenue recognition</td></tr>
<tr><td>Key Audit matter

The Group’s revenues amounted to JD 54,887,343 for the year ended 31 December 2019 (2018: JD71,951,826). There is a risk that, if revenue not recognized in the appropriate period, this could misstate earnings of the Group.</td><td>How the key audit matter was addressed in the audit

Our audit procedures included the following:

•We assessed the appropriateness of the Group’s revenue recognition accounting policies in accordance with International Financial Reporting Standards and distribution agreement;

•We obtained understanding, tested and evaluated the Group’s controls over revenue recognition.

•We performed year-end cut-off audit procedures to assess whether revenue had been recorded in the correct period.

Refer to revenue’s disclosure note (16) in the consolidated financial statements.</td></tr>
<tr><td colspan="2">2. Assessment of the appropriateness of expected credit loss provision</td></tr>
<tr><td>Key Audit matter
Our audit procedures included the following:

•We assessed the appropriateness of the Group’s revenue recognition accounting policies in accordance with International Financial Reporting Standards and distribution agreement;

•We obtained understanding, tested and evaluated the Group’s controls over revenue recognition.

•We performed year-end cut-off audit procedures to assess whether revenue had been recorded in the correct period.

Refer to revenue’s disclosure note (16) in the consolidated financial statements.</td><td>How the key audit matter was addressed in the audit.
Our audit procedures included the following:

•We have obtained the expected credit loss provision calculation as of yearend.

•We have evaluated management’s assessment of the appropriateness of assumptions used in the historical loss rate calculation. These considerations include whether there are regular receipts from the customers, past collection history as well as an assessment of the customers’ credit ability to make repayments.

•We have recalculated Lifetime expected credit loss allowance

•We checked the reasonableness of customers categorizations by common risk characteristics.

Refer to expected credit losses for trade receivables disclosure note (8,12) in the consolidated financial statements.</td></tr>
</table>

Other information included in the Group's 2019 annual report.

Other information consists of the information included in the Group's 2019 Annual Report other than the consolidation financial statements and our auditor's report thereon. Management is responsible for the other information.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

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

Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material 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 exist. 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 Group’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 Group’s ability to continue as a going concern. If we conclude that a material uncertainty exist, 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 Group 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.

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 reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which agree with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Ali Samara, license number 503.

Amman – Jordan
15 June 2020

AFAQ HOLDING FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
ASSETS			
Non-Current assets			
Goodwill		24,661,180	24,661,180
Property and equipment	6	52,921,538	61,656,809
Right of use assets	3	16,634,699	17,307,847
		94,217,417	103,625,836
Current assets			
Prepaid expenses and other current assets	10	3,757,274	3,411,104
Inventory and spare parts	11	2,118,111	5,866,555
Accounts receivable and checks under collection	12	27,516,224	22,434,754
Due from related parties	8	1,984,763	18,795,639
Cash on hand and at banks	7	182,790	67,823
		35,559,162	50,575,875
Property and equipment held for sale	6	9,431,743	13,883,383
TOTAL ASSETS		139,208,322	168,085,094
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid in capital	1	80,000,000	80,000,000
Statutory reserve		7,402,418	7,402,418
Accumulated losses		(17,358,167)	(8,709,081)
Total shareholders' equity		70,044,251	78,693,337
LIABILITIES			
Non-Current Liabilities			
Long term loans and murabaha	9	2,727,854	3,672,082
Long term lease liabilities	14	6,725,454	7,807,898
Long term post-dated checks		425,053	603,368
Due to related parties	8	5,682,042	7,081,965
		15,560,403	19,165,313
Current liabilities			
Accrued expenses and other current liabilities	13	1,908,674	2,094,579
Accounts payables		2,996,956	3,572,100
Current portion of long term post-dated checks		4,985,246	21,591,634
Short term lease liabilities	14	3,164,109	2,569,149
Current portion of long term loans		131,957	1,575,373
Current portion of long term loans and murabaha	9	1,194,633	2,246,102
Due to related parties	8	19,205,943	14,298,262
Due to banks	15	20,016,150	22,279,245
		53,603,668	70,226,444
TOTAL LIABILTIES		69,164,071	89,391,757
TOTAL EQUITY AND LIABILITIES		139,208,322	168,085,094

The accompanying notes from 1 to 27 form part of these consolidated financial statements

AFAQ HOLDING FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
Revenues	16	54,887,343	71,951,826
Cost of revenues		(52,025,504)	(66,564,656)
Gross profit		2,861,839	5,387,170
Administrative, selling and marketing expenses	17	(3,465,319)	(3,885,027)
Finance costs		(3,454,525)	(3,898,662)
Provision for expected credit loss	8,12	(1,362,561)	(72,958)
Provision for slow moving inventory	11	(2,991,259)	-
Other income and expenses	18	(237,261)	(227,540)
Loss for the year before income tax		(8,649,086)	(2,697,017)
Income tax expense	19	-	(76,016)
Loss for the year		(8,649,086)	(2,773,033)
Add: Other comprehensive income items - net of tax		-	-
Total comprehensive income for the year		(8,649,086)	(2,773,033)
		JD/Fils	JD/Fils
Basic and diluted losses per share from loss for year	20	(0.11)	(0.035)

The accompanying notes from 1 to 27 form part of these consolidated financial statements

AFAQ HOLDING FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Paid in capital	Statutory reserve	Distributed dividends to shareholders	(Accumulated losses)	Total
	JD	JD	JD	JD	JD
2019-					
Balance as at 1 January	80,000,000	7,402,418	-	(8,709,081)	78,693,337
Total comprehensive income for the year	-	-	-	(8,649,086)	(8,649,086)
Balance as at 31 December 2019	80,000,000	7,402,418	-	(17,358,167)	70,044,251
2018-					
Balance as at 1 January	80,000,000	7,402,418	3,376,557	(5,936,048)	84,842,927
Dividends distributed	-	-	(3,376,557)	-	(3,376,557)
Total comprehensive income for the year	-	-	-	(2,773,033)	(2,773,033)
Balance as at 31 December 2018	80,000,000	7,402,418	-	(8,709,081)	78,693,337

The accompanying notes from 1 to 27 form part of these consolidated financial statements

AFAQ HOLDING FOR INVESTMENT AND REAL ESTATE DEVELOPMENT COMPANY
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
OPERATING ACTIVITIES			
Loss for the period before tax		(8,649,086)	(2,697,017)
Adjustments for-			
Depreciation of property and equipment		5,045,560	6,010,259
Right of use assets amortization		682,647	-
Loss from sale of property and equipment/property and equipment held for sale		331,267	-
Impairment losses of financial assets at fair value through other comprehensive income		-	43,783
(Profit) loss on sale of property and equipment		(55,066)	195,108
Finance costs		3,454,525	3,898,662
Working capital changes-			
Accounts receivable and checks under collection		(5,081,470)	5,303,326
Prepaid expenses and other current assets		(346,170)	617,207
Inventory and spare parts		3,748,444	1,025,650
Post-dated checks (long and short term)		(16,784,703)	(12,047,456)
Accounts payable		(575,144)	8,072,100
Accrued expenses and other current liabilities		(185,905)	422,151
Due from related parties		16,810,876	(2,083,431)
Due to related parties		3,507,758	8,162,218
Income tax paid		-	(489,585)
Net cash flows from operating activities		1,903,533	16,432,975
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(540,249)	(1,835,731)
Proceeds from sale of property and equipment/ property and equipment held for sale		8,405,399	649,460
Net cash flows from (used in) investing activities		7,865,150	(1,186,271)
FINANCING ACTIVITIES			
Repayment of loans		(3,439,113)	(8,021,127)
Lease liabilities		(496,983)	(3,279,640)
Dividends paid		-	(3,376,557)
Finance costs paid		(3,454,525)	(3,898,662)
Net cash flows used in financing activities		(7,390,621)	(18,575,986)
Net increase (decrease) in cash and cash equivalents		2,378,062	(3,329,282)
Cash and cash equivalents at the beginning of the period		(22,211,422)	(18,882,140)
Cash and cash equivalents at end of the year	6	(19,833,360)	(22,211,422)

The accompanying notes from 1 to 27 form part of these consolidated financial statements

(1) GENERAL

Afaq Holding for Investment and Real Estate Development Company ("the Company") was registered as a Jordanian public shareholding company on 30 November 2005 under the commercial registration number (375) by the Ministry of Industry and Trade after its legal status was transferred from a limited liability company to a public shareholding Company. The Company's paid-in capital is JD 80,000,000 divided to of 80,000,000 shares at par value of JD 1.

The principal activities of the group are as follows:

- Manage the Group’s subsidiaries or other companies in which it holds shares.
- Investing its funds in shares, bonds and securities.
- Providing loans, guarantees to finance its subsidiaries.
- Own, exploit and lease patents, trademarks, franchises and other rights to its subsidiaries or to companies in which it holds shares.

The consolidated financial statements were approved for issuance by the Board of Directors in its meeting held on June 15th 2020.

(2) BASIS OF PREPARATION

- The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS).

- The financial statements are prepared under the historical cost convention.

- The financial statements have been presented in Jordanian Dinars ”JD”, which is the functional currency of the group

The Group’s short-term liabilities exceeded its short-term assets by JD 8,612,763 as of 31 December 2019, the short-term liabilities include an amount of JD 15,903,100 belonging to the Jordan Modern Oil and Fuel Services Company (sister company). These events and circumstances may raise material uncertainty about the company's ability to continue as a going concern, however, the parent company has pledged to provide the necessary funding for the company to fulfill its obligations and to continue its activities for at least 12 months from the date of these financial statements.

(3) CHANGES IN THE ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

IFRS 16 Leases

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option (‘short-term leases’), and lease contracts for which the underlying asset is of low value (‘low-value assets’).

The Group has lease contracts for various items of plant, equipment (land and truck heads). Before the adoption of IFRS 16, the Group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Group; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Group applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Group.

• *Leases previously classified as finance leases*

The Group did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

Property and equipment amounting to JD 17,307,848 related to lands and truck heads under IAS 17 was reclassified to right of use assets as a result of the adoption of International Financial Reporting Standard 16.

Impact on the consolidated statement of financial position (increase/(decrease)) as at 1 January 2019:

	JD
Non-current assets	
Right of use assets	17,307,847
Property and equipment-net	**(17,307,847)**

• *Leases previously accounted for as operating leases*

	2019
	JD
Non-current assets	
Right-of-use assets	709,016
Current Assets	
Prepaid expenses	(86,761)
Liabilities	
Lease Liabilities	(622,255)
Total adjustment on equity	-

A) Nature of the effect of adoption of IFRS 16

The Company has lease contracts for various items of plant, equipment. Before the adoption of IFRS 16, the group classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. A lease was classified as a finance lease if it transferred substantially all of the risks and rewards incidental to ownership of the leased asset to the Company; otherwise it was classified as an operating lease. Finance leases were capitalised at the commencement of the lease at the inception date at the fair value of the leased property or, if lower, at the present value of the minimum lease payments.Lease payments were apportioned between interest (recognised as finance costs) and reduction of the lease liability. In an operating lease, the leased property was not capitalised and the lease payments were recognised as rent expense in profit or loss on a straight-line basis over the lease term. Any prepaid rent and accrued rent were recognised under Prepayments and Trade and other payables, respectively.

Upon adoption of IFRS 16, the Company applied a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which has been applied by the Company.

• Leases previously classified as finance leases

The Company did not change the initial carrying amounts of recognised assets and liabilities at the date of initial application for leases previously classified as finance leases (i.e., the right-of-use assets and lease liabilities equal the lease assets and liabilities recognised under IAS 17). The requirements of IFRS 16 was applied to these leases from 1 January 2019.

• Leases previously accounted for as operating leases

The Company recognised right-of-use assets and operating lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018 as follows:

	JD
Operating lease commitments as at 31 December 2018	774,330
Weighted average incremental borrowing rate as at 1 January 2019	8%
Operating lease commitments as at 1 January 2019	622,255
Discounted operating lease commitments as at 1 January 2019	622,255

b) Amounts recognized in the consolidated statement of financial position and profit or loss

Set out below, are the carrying amounts of the Company's, right-of-use assets and lease liabilities and the movements during the year ended 31, December 2019:

	Right of use assets	Lease Liabilities
	JD	JD
At 1 January 2019	709,016	622,255
Depreciation	(123,649)	-
Finance costs	-	45,008
Payments	-	(148,866)
At 31 December 2019	585,367	518,397

* Lease liabilities details as at 31 December 2019 are as follows: :

Short term	**Long term**	**Total**
111,916	406,481	518,397

The following Standards Issued are effective since IFRS 16 adoption date :

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.

These interpretation do not have any impact on the Group’s consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are ‘solely payments of principal and interest on the principal amount outstanding’ (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have any impact on the Group’s consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Group’s consolidated financial statements.

Amendments to IAS 28: Long-term interests in associates and joint ventures

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognized as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Group’s consolidated financial statements.

(4) SIGNIFICANT ACCOUNTING POLICIES

The following represent the major accounting policies adopted:

Lands, property plant and equipment

Property, plant and equipment are stated at cost, less accumulated depreciation and any impairment in value. The cost of property, equipment and accumulated depreciation is eliminated from the sale or disposal of property and equipment. Any gain or loss is recognized in the consolidated statement of comprehensive income.

Property and Equipment (except for land) are depreciated according to the straight-line method over the estimated useful lives when ready for use of these assets using the following annual rates.

	%
Building	2-4%
Machinery , tools and equipment	10-20%
Vehicles and boilers	6-10%
Computers and Navigational systems	10-33%
Furniture & Decorations	10-20%
Advertisement billboards	10-15%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefit from items of property and equipment

When the estimated recoverable amounts is less than the carrying values of property and equipment, the assets are written down to their recoverable amounts and the loss is recorded in the statement of comprehensive income.

Leases (Policy applicable before 1 January 2019)

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases:

1. The Group as a lessor

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

2. The Group as a lessee

Assets held under finance leases are initially recognized as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum future lease payments. The finance lease obligation is recorded at the same value. Lease payments are apportioned between finance costs and reduction of the lease liabilities so as to achieve a constant rate of interest on the remaining balance of the liability. Finance costs are charged directly to the consolidated statement of profit or loss. Operating lease payments are recognized as an expense on a straight-line basis over the lease term.

Leases (policy adopted before 1 January 2019)

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.
In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (less than USD 5,000 annually). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

The Company determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The group has the option, under some of its leases to lease the assets for additional terms.

The group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Projects in progress

Projects in progress are stated at cost. Cost includes the cost of construction , direct salaries and wages on those projects, finance costs and other direct costs. Projects in progress are not depreciated until they are completed or substantially completed and became ready for use.

Intangible assets

Intangible assets are carried at cost less any accumulated amortization and impairment provision. Intangible assets represent the exclusive rights to distribute fuel in compliance with oil derivatives distribution agreement signed with the Ministry of Energy and Mineral Resources.

Intangible assets are being amortized over the distribution period of 10 years effective from the actual distribution date in may 2013.

Property and equipment held for sale

Property and equipment are classified as assets held for sale if, the selling price fully covers the cost from a high probable selling transaction and meeting the following conditions:

- The group is committed to selling the assets within one year from the date the assets classified as held for sale.
- The assets are ready to be sold at their current status

Noncurrent assets held for sale are recognized as the less of either cost or fair value less cost of sales.

Inventories

Inventories are valued at the lower of cost or net realizable value. Cost is determined using the weighted average method.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for expected credit losses “ECL”, the Company applies the standard’s simplified approach and calculates ECL based on lifetime expected credit losses. The Company establishes a provision matrix that is based on the Company’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment according to the requirements of IFRS (9).

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consist of cash on hand, cheques matures within one month after the financial statements date and cash at banks less due to banks.

Loans

All loans are initially recognized at fair value less directly attributable transaction costs. After initial recognition, loans are subsequently measured at amortized cost using the effective interest method.

Interest on long-term loans during the year in which they are due are recorded in the statement of comprehensive income. As for the interest on long-term loans to finance projects in progress, they are capitalized as part of the cost of these projects.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the cost to settle the obligation is both probable and able to be reliably measured.

Trade payables and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Revenues and expenses recognition

The revenues are recognised in accordance with the five steps model of IFRS 15 which includes that identification of the contracts and price, the performance obligation within the contract and that revenue is recognised when the group satisfies the performance obligation. Where revenue is recognized for the sale of goods when the sale transaction is completed and the invoice is issued to customers, which usually takes place at a certain point of time.

Other revenues are recognised on an accrual basis.

Expenses are recognised on an accrual basis.

Impairment of non-financial assets

The group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Groups estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment of financial assets

The group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms (if present).

The group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment. These ratios are applied to trade receivables, refundable deposits, restricted cash and bank balances.

For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Income tax

The company provides for income tax in accordance with the Income Tax law No.34 of 2014 and its amendments enacted in the Hashemite Kingdom of Jordan and in accordance with IAS 12 which states that deferred tax is provided for temporary differences, at each reporting date, between tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rates of exchange ruling at the Consolidated statement of financial position date. All differences are taken to the consolidated income statement.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the consolidated statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments which are measured based on the reporting to management and the decision makers in the Group.

A geographical segment is engaged in providing products or services within a particular economic environment that are subject to risks and return that are different from those of segments operating in other economic environments.

Use of Estimates

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions. We believe that our estimates of the consolidated financial statement are reasonable and detailed as the following:

Useful life of property and equipment:

The Group’s management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Management reviews the remaining book value and useful life annually. Future depreciation expense is adjusted if management believes that the remaining useful life of the assets differs from previous estimations.

Provision for slow moving inventory:

The Group’s management performs an annual study on the ageing and value of inventory and based on the results of the study, a provision is taken against inventory proportional to its ageing and value.

Provision for expected credit loss:

The Group estimates the allowance for expected credit loss for receivables through establishing a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the historical correlation rate of default rates with economic conditions and the value of the provision for expected credit losses is a material estimate. The value of the provision for expected credit losses is affected by changes in economic conditions. The Group's experience in estimating expected credit losses and future economic conditions may not necessarily reflect the debtors default situation in the future.

Estimates related to IFRS 16 adoption:

The application of IFRS 16 requires the Group to make judgements and estimates affect the measurement of right-of-use assets and lease obligations. In determining the lease term, all facts and circumstances must be considered which create an economic incentive to exercise renewal options. Assessing whether a contract includes a lease also requires judgment. Estimates are required to determine the appropriate discount rate used to measure the lease obligations.

(5) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Afaq Holding for Investment and Real Estate Development Company ("the Company") and the following subsidiaries (collectively referred to as the "Group") as of 31 December 2019:

Entity Name	Country of Registration	Year of Registration	Ownership and voting right	Principle Activities
Jordan Modern Ready Mix Concrete Ltd. *	Hashemite Kingdom of Jordan	2000	100%	Manufacturing and selling of ready-made concrete
Advanced Transport and Land Shipping Services Ltd.	Hashemite Kingdom of Jordan	2001	100%	Freight transport inside and outside the Kingdom
Visions For Maintenance and Spare Parts Ltd.	Hashemite Kingdom of Jordan	2010	100%	Maintenance and manufacturing of trailers

* This subsidiary has obtained an exemption of 75% on its income tax for its projects in accordance with the Investment Promotion Act, except for the Aqaba Economic Zone Authority (ASEZA) Branch. This exemption is valid until 31 December 2019.

Control is achieved when the Group 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.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee,
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

The financial statements of the subsidiaries are consolidated from the date of control until the date it is not controlled. Revenue and expenses of the subsidiaries are consolidated in the consolidated statement of comprehensive income from the date of control until the date it is not controlled.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary without a loss of control is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the carrying amount of any non- controlling interests.
- Derecognizes the cumulative translation differences, recorded in equity.
- Recognizes the fair value of the consideration received.
- Recognizes the fair value of any investment retained.
- Recognizes the gain or loss resulted from loss of control.
- Reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss.

(6) PROPERTY AND EQUIPMENT

2019-	Lands*	Building and facilities	Machinery, Tools and equipment	Electronics, telecommunications and extinguishers	Alternating electrical units	Sanitary installations and central heating	Vehicle and mobile machinery *	Snow sweepers	Furniture and Decorations	Other Tools and equipment	Electronic web	Metallic facilities	GPS Tracking devices	Property and equipment payment purchases	Total
Cost															
As at 1 January 2019	14,384,325	8,611,504	16,981,682	271,387	1,034,602	300,761	46,183,770	456,325	682,017	1,132,514	314,260	554,671	771,508	2,286,141	93,965,467
Additions	-	-	8,370	345	3,609	7,669	276,767	-	-	8,521	-	39,800	155,167	40,001	540,249
Disposals	-	-	(50,779)	(5,145)	-	-	(823,917)	-	-	(9,022)	-	-	-	-	(888,863)
Transfers	-	5,991	-	-	(431)	11,065	-	-	-	(5,560)	-	-	-	(11,065)	-
Transferred from Property and equipment held for sale	-	-	-	-	-	-	1,383,317	-	-	-	-	-	-	-	1,383,317
Transferred to Property and equipment held for sale	-	-	-	-	-	-	(7,481,735)	-	-	-	-	-	-	-	(7,481,735)
As at 31 December 2019	14,384,325	**8,617,495**	**16,939,273**	**266,587**	**1,037,780**	**319,495**	**39,538,202**	**456,325**	**682,017**	**1,126,453**	**314,260**	**594,471**	**926,675**	**2,315,077**	**87,518,435**
Accumulated Depreciation															
As at 1 January 2019	-	1,526,967	13,483,224	174,915	946,769	277,456	13,382,619	456,325	462,880	874,043	33,980	352,423	337,057	-	32,308,658
Additions	-	196,240	558,408	40,012	36,292	9,935	3,773,402	-	64,655	119,384	15,713	38,642	192,877	-	5,045,560
Disposals	-	-	(71,680)	(5,145)	-	-	(553,619)	-	-	(8,995)	-	-	-	-	(639,439)
Transfers	-	4,632	17,827	-	(15,228)	-	(7,180)	-	(51)	-	-	-	-	-	-
Transferred from Property and equipment held for sale	-	-	-	-	-	-	409,053	-	-	-	-	-	-	-	409,053
Transferred to Property and equipment held for sale	-	-	-	-	-	-	(2,526,935)	-	-	-	-	-	-	-	(2,526,935)
Total Accumulated Depreciation	**-**	**1,727,839**	**13,987,779**	**209,782**	**967,833**	**287,391**	**14,477,340**	**456,325**	**527,484**	**984,432**	**49,693**	**391,065**	**529,934**	**-**	**34,596,897**
Net book value															
As at 31 December 2019	14,384,325	**6,889,656**	**2,951,494**	**56,805**	**69,947**	**32,104**	**25,060,862**	**-**	**154,533**	**142,021**	**264,567**	**203,406**	**396,741**	**2,315,077**	**52,921,538**

* This disclosure includes property, plant and equipment not registered under the name of the company valued at JOD 503,915

2018-	Lands*	Building and facilities	Machinery, Tools and equipment	Electronics, telecommuni cations and extinguishers	Alternating electrical units	Sanitary installations and central heating	Vehicle and mobile machinery *	Snow sweepers	Furniture and Decorations	Other Tools and equipment	Electronic web	Metallic facilities	GPS Tracking devices	Property and equipment payment purchases	Total
Cost															
As at 1 January 2018	13,542,774	7,341,763	16,364,082	218,719	963,840	292,021	66,440,538	456,325	477,946	1,094,558	314,260	505,003	770,074	4,183,810	112,965,713
Additions	-	268,603	313,356	65,256	38,779	8,740	553,737	-	210,342	42,866	-	49,668	1,434	282,950	1,835,731
Disposals	-	-	-	(13,583)	(708)	-	(482,140)	-	(6,271)	(4,910)	-	-	-	-	(507,612)
Transfers	841,551	1,001,138	304,244	995	32,691	-	-	-	-	-	-	-	-	(2,180,619)	-
Transferred to Property and equipment held for sale	-	-	-	-	-	-	(20,328,365)	-	-	-	-	-	-	-	(20,328,365)
As at 31 December 2018	**14,384,325**	**8,611,504**	**16,981,682**	**271,387**	**1,034,602**	**300,761**	**46,183,770**	**456,325**	**682,017**	**1,132,514**	**314,260**	**554,671**	**771,508**	**2,286,141**	**93,965,467**
Accumulated Depreciation															
As at 1 January 2018	-	1,355,788	12,785,005	151,773	867,061	265,397	14,879,500	456,325	410,218	754,716	18,267	317,986	144,389	-	32,406,425
Additions	-	171,179	698,219	36,725	80,198	12,095	4,585,937	-	58,933	124,191	15,713	34,437	192,668	-	6,010,259
Disposals	-	-	-	(13,583)	(490)	-	(149,075)	-	(6,271)	(4,895)	-	-	-	-	(174,314)
Transferred to Property and equipment held for sale	-	-	-	-	-	-	(5,933,743)	-	-	31	-	-	-	-	(5,933,712)
Accumulated Depreciation	**-**	**1,526,967**	**13,483,224**	**174,915**	**946,769**	**277,456**	**13,382,619**	456,325	**462,880**	**874,043**	**33,980**	**352,423**	**337,057**	**-**	**32,308,658**
Net book value															
As at 31 December 2018	**14,384,325**	**7,084,537**	**3,498,458**	**96,472**	**87,833**	**23,305**	**32,801,151**	**-**	**219,137**	**258,471**	**280,280**	**202,248**	**434,451**	**2,286,141**	**61,656,809**

* This disclosure includes Property, plant and equipment not registered under the name of the company valued at JOD 503,915.

**Accumulated Depreciation includes JOD 290,157 from administrative activities (note 17) and JOD 4,858,975 from operating activities

- **Property and equipment held for sale**

* This disclosure represents net book values of the property and equipment that had their depreciation suspended for the purpose of selling.

	2019	2018
	JD	JD
As at 1 January	13,883,383	-
Transfers from property and equipment*	4,954,800	14,394,653
Transfers to property and equipment	(974,264)	-
Disposals	(8,432,176)	(511,270)
As at 31 December	9,431,743	13,883,383

* The transferred and held for sale property and equipment are as follows:

	2019	2018
	JD	JD
Cost	7,481,735	20,328,365
Accumulated Depreciation	(2,526,935)	(5,933,712)
	4,954,800	14,394,653

(7) CASH ON HAND AND AT BANKS

	2019	2018
	JD	JD
Cash on hand	-	5,557
Cash at banks	182,790	62,266
Cash on hand and at banks	182,790	67,823

Cash and cash equivalents disclosed in the statement of cashflow represent the following:

	2019	2018
	JD	JD
Cash on hand and at banks	182,790	67,823
Less: Due to bank (Note 15)	(20,016,150)	(22,279,245)
Cash and cash equivalents	(19,833,360)	(22,211,422)

(8) TRANSACTIONS WITH RELATED PARTIES

The following is a summary of the balances with related parties that appear in the consolidated statement of financial position:

Due from related parties-

	2019	2018
	JD	JD
AL-Bunyan For Cement and Concrete Products Manufacturing Co.	1,846,816	1,559,299
The Pioneer Mining Co.	216,153	215,456
United Iron and Steel Manufacturing Co.	193,313	-
Manaseer for Commercial Services	64,596	-
Developed Crushers Co.	59,419	2,467,875
Al - Manaseer Group for Industrial and Commercial Investments	43,470	-
Jordan Modern Food Industries Co.	29,052	-
Modern Mining Co.	25,619	-
Jordan Magnesia Co.	24,735	219,620
Trust Industrial Concrete Co.	3,264	144,434
Al Bunyan for Real Estate Development Co.	3,222	88,281
Jordan Modern Advanced Chemical Industries Co	1,940	-
Sigma Real-Estate Development Co.	873	-
Al Bunyan for Marble and Granite Co.	537	-
Ziad Al Manaseer Charity Association	250	-
Arab Towers Contractors Co.	-	13,023,055
Jordan Clearing & Transportation Co.	-	945,185
Eng Ziad Khalaf Mohammad Al Manaseer	-	231,229
Al Bunyan for Marble and Granite Jordanian Co.	-	113,949
Luminous Education, Training and Consulting Co.	-	44,827
Mediterranean and Gulf Insurance and Reinsurance Co. (Medgulf-Jordan)	-	28,985
Jordanian Integrated for Mining and Exploration Co.	-	14,854
Architecture Lines for Housing Co.	-	720
Jordan Modern International Trade Co.	-	507
Jordan Modern Company Advanced Industries Ltd.	-	564
	2,513,259	19,120,755
Provision for expected credit losses	(528,496)	(325,116)
	1,984,763	18,795,639

Due to related parties:

	2019	2018
	JD	JD
Non-Current-		
Al-Manaseer Group for Industrial and Commercial Investments Company (Parent) Co.	5,682,042	7,081,965
Current-		
Jordan Modern Oil & Fuel Services Co.	15,903,100	9,549,443
Al-Adyat Al Sareeah for equipment trade Co.	867,808	1,250,328
Manaseer commercial Services Co.	7,114	168,041
United Iron and Steel Manufacturing Co.	-	273,493
Jordan Modern Freight and shipping Co.	237,729	-
Manaseer Industrial Complex Co.	-	2,865,112
Mediterranean and gulf insurance and reinsurance Co. (Medgulf-Jordan)	257,893	-
Jordan Modern for Information Technology Co.	109,777	69,709
Rome Shipping Agency Co.	-	94,453
Luminous for Technology Co.	-	21,578
Jordan Tours & Travel Co.	-	4,135
Jordan Modern Food Industries Co.	-	1,970
Jordan Clearing & Transportation Co.	72,670	-
Development Crushers Co.	1,377,550	-
Al - Manaseer Group for Industrial and Commercial Investments	370,902	-
Jordan Magnesia Co.	1,400	-
	19,205,943	14,298,262

-The Related party balances do not bear any interest and do not have a maturity date.

-Bank facilities has been granted under the guarantee of Eng Ziad Khalaf Mohammad Al-Manaseer & Al-Manaseer Group for Industrial and Commercial Investments Company (Parent) Co.

The following is a summary of due to/ from affiliate company balances included in the consolidated statement of comprehensive income:

	2019	2018
	JD	JD
Sales - sister Companies	7,308,438	24,486,087
Purchases - sister Companies	30,158,143	49,585,603

Compensation of the group's key management personnel of the Group:

The following is a summary of the group's key management personnel benefits (salaries and other benefits):

	2019	2018
	JD	JD
Other salaries and benefits	488,132	447,132

(9) LOANS AND MURABAHA

	31 December 2019		31 December 2018	
	Short Term	Long term	Short term	Long term
	JD	JD	JD	JD
Invest Bank	249,800	-	164,910	1,000,800
Jordan Ahli Bank	750,000	2,250,000	835,890	1,998,594
Rajhi Bank	-	-	1,050,469	-
Capital Bank of Jordan	194,833	477,854	194,833	672,688
	1,194,633	2,727,854	2,246,102	3,672,082

Invest Bank-

The Advanced Transport and Land Shipping Services Company (a subsidiary) signed a loan agreement with Invest Bank amounting to JD 3,000,000. The loan is repayable in 36 monthly installments amounting to JD 83,400 each, excluding any interest. The loan was acquired with the personal guarantee of Eng. Ziad Khalaf Mohammed Al Manaseer, as well as the Company.

Jordan Ahli Bank-

The Advanced Transport and Land Shipping Services Company (a subsidiary) has obtained a declining loan from Ahli Bank amounting to JD 3,000,000. The loan is repayable in equal monthly installments over a period of 48 months installments amounting to JD 62,500 each, excluding the interest. The loan was acquired with the personal guarantees of Eng. Ziad Khalaf Mohammad Al Manasseer, the Company and Jordan Modern Ready-Mix Concrete Co. (a sister company).

Rajhi Bank-

During the year 2016, the Advanced Transport and Land Shipping Services Ltd. Company (a subsidiary) has obtained a loan from Rajhi Bank amounting to JD 6,000,000. The loan is repayable in monthly installments amounting to JD 166,666 each. The Company has also obtained a revolving loan amounting to JD 2,000,000, which is to be repaid within nine months. The loan was acquired with the personal guarantee of the engineer Eng. Ziad Khalaf Mohammad Al Manaseer and collateralizing trailers to Rajhi Bank. This loan was repaid during 2019 and the collaterals we released.

Capital Bank-

The Jordanian Modern Ready Mix Concrete Company (a subsidiary) signed a loan agreement with Capital Bank for USD 2,197,000 (equivalent to JD 1,557,673). The loan was acquired to finance the purchase and installation of solar cell panels, bearing an annual interest of 4.8% with no commission. Whereas the Bank has restricted an amount of JD 467,302 from the Company's current account, which represents the last installment. The loan is repayable in 96 monthly installments amounting to USD 22,900, except for the last installment, over a period of 9 years, including a one-year grace period. The first installment is repayable after one year from the execution date and is to be repaid over the entire period of the loan and grace period as well. The loan was acquired with the personal guarantee of Eng. Ahmad Khalaf AlManaseer. During 2018, part of the project was completed and the restricted amount of JD 303,152 was paid to reach zero.

Bank facilities has been granted under the guarantee of Eng Ziad Khalaf Mohammad Al Manaseer & Al-Manaseer Group for Industrial and Commercial Investments Company (Parent) Co.

Change in liabilities resulted from financing activities:

	1 January 2019	Cashflows	Paid	As at 31 December 2019
	JD	JD	JD	JD
2019				
Loans and murabaha	5,918,184	3,075,795	(5,071,492)	3,922,487
2018				
Loans and murabaha	12,000,366	728,975	(6,811,157)	5,918,184

Bank facilities has been granted under the guarantee of Eng. Ziad Khalaf Mohammad Al-Manaseer & Al-Manaseer Group for Industrial and Commercial Investment Company (parent) company.

(10) PREPAID EXPENSES AND OTHER CURRENT ASSETS

	2019	2018
	JD	JD
Prepaid expenses*	1,368,455	1,884,664
Sales tax Deposits	1,310,356	935,274
Employee receivables	508,611	225,377
Advances to suppliers	325,804	83,235
Refundable deposits	133,696	134,623
Claims against social security work injuries	83,423	114,794
Maintenance orders under progress	14,053	4,494
Claims under settlement	9,939	12,914
Guarantees	2,937	15,729
	3,757,274	3,411,104

* The prepaid expenses includes the following:

	2019	2018
	JD	JD
Prepaid lawyer expenses	451,411	372,729
Prepaid machines insurance expenses	608,564	746,085
Other prepaid expenses	308,480	765,850
	1,368,455	1,884,664

(11) INVENTORY AND SPARE PARTS

	2019	2018
	JD	JD
Basic materials	589,015	592,195
Supply storage and spare parts	4,481,120	5,189,947
Fuels	39,235	84,413
	5,109,370	5,866,555
Provision for slow moving items*	(2,991,259)	-
	2,118,111	5,866,555

*Details of slow-moving items provision movement is as follows:

	2019	2018
	JD	JD
Balance as at 1 January	-	-
Provision for the year	2,991,259	-
Balance as at 31 December	2,991,259	-

(12) RECEIVABLES AND CHEQUES UNDER COLLECTION

	2019	2018
	JD	JD
Cheques under collection	10,038,175	11,268,674
Trade Receivable	17,041,642	17,549,971
Other current assets	7,979,478	-
	35,059,295	28,818,645
Provision for expected credit losses *	(7,543,071)	(6,383,891)
	27,516,224	22,434,754

*Details of expected credit losses provision movement is as follows:

	2019	2018
	JD	JD
Balance as at 1 January	6,383,890	700,000
Provision for the year	1,159,181	72,958
Effect of adoption IFRS 9	-	5,610,933
Balance as at 31 December	7,543,071	6,383,891

	Past due but not impaired							
	1-30 Days	31-60 Days	61-90 Days	91-120 Days	121-180 Days	181-360 Days	360 and over	Total
	JD	JD	JD	JD	JD	JD	JD	JD
Expected credit losses rate	1.3%	3.6%	6.6%	10.6%	10.5%-50%	15%	100%	
Total Expected credit losses	11,202,612	2,170,278	1,343,400	903,069	920,808	1,846,444	6,634,509	25,021,120
Expected credit losses	179,242	78,130	88,664	95,725	189,834	276,967	6,634,509	7,543,071

(13) ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	2019	2018
	JD	JD
Accrued expenses	577,048	1,050,787
Social security payables	58,448	65,282
Sales tax payables	9,281	8,623
Income tax	18,567	10,198
Due to Employees	183,345	62,015
Advanced payments from suppliers	1,037,434	774,305
Income tax provision	15,738	82,641
Shareholders Deposits	-	35,759
Social committee fund	8,813	4,969
	1,908,674	2,094,579

(14) FINANCING LEASE liabilities

The Company recognised right-of-use assets and operating lease contracts liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The following table represent lease liabilities:

	2019		
	Minimum range lease payments	Interest	The present value of the minimum range of lease payments
	JD	JD	JD
Period not exceeding one year	3,976,380	(812,271)	3,164,109
Period exceeding one year but not more than five years	7,312,448	(586,994)	6,725,454
	11,288,828	(1,399,265)	9,889,563

	2018		
	Minimum range lease payments	Interest	The present value of the minimum range of lease payments
	JD	JD	JD
Period not exceeding one year	3,376,200	(807,051)	2,569,149
Period exceeding one year but not more than five years	8,755,900	(948,002)	7,807,898
	12,132,100	(1,755,053)	10,377,047

(15) DUE TO BANKS

	2019	2018
	JD	JD
Arab Bank	4,111,385	5,038,281
Bank of Jordan	2,532,314	3,282,005
Invest Bank	6,246,694	6,650,768
Jordan Ahli Bank	2,716,158	3,020,801
Egyptian Arab Land Bank	1,386,710	1,297,763
Cairo Amman Bank	1,007,794	989,842
Audi Bank	2,015,095	1,999,785
	20,016,150	22,279,245

Changes in assets resulted from financing activities**:**

	1 January 2019	Cashflows	Paid	As at 31 December 2019
	JD	JD	JD	JD
2019				
Due to banks	22,279,245	94,978,422	(97,241,517)	20,016,150
2018				
Due to banks	19,731,324	156,668,051	(154,120,130)	22,279,245

- The bank overdraft ceilings amounts to JD 27,800,000 and bears interest rates ranging from 9% and 9.5%.

- Bank facilities have been granted under the guarantee of Eng Ziad Khalaf Mohammad Al Manaseer & Al-Manaseer Group for Industrial and Commercial Investments Company (Parent) Co.

(16) REVENUES

	2019			
	Amman	Aqaba	Ma'an	Total
	JD	JD	JD	JD
Segments				
Readymix Concrete Segment	35,356,400	3,205,787	1,878,387	40,440,574
Transportation and freight Segment	23,214,588	-	-	23,214,588
Maintenance and spare parts	2,276,332	-	-	2,276,332
Disposal (Transactions among group parties)	(11,044,151)	-	-	(11,044,151)
Total	49,803,169	3,205,787	1,878,387	54,887,343

	2018			
	Amman	Aqaba	Ma'an	Total
	JD	JD	JD	JD
Segments				
Readymix Concrete Segment	40,140,123	7,580,710	1,543,296	49,264,129
Transportation and freight Segment	31,214,383	-	-	31,214,383
Maintenance and spare parts	3,627,041	-	-	3,627,041
Disposal (Transactions among group parties)	(12,153,727)	-	-	(12,153,727)
Total	62,827,820	7,580,710	1,543,296	71,951,826

(17) ADMINISTRATIVE, SELLING AND MARKETING EXPENSES

	2019	2018
	JD	JD
Salaries and wages	1,773,054	1,949,592
Professional and consulting fees	452,770	507,959
Social security	191,010	217,273
Depreciation	166,508	188,829
Depreciation of rights of use assets	123,649	-
Rents	25,007	123,900
Electricity, water and fuel	140,900	151,894
Mail, postage and telephone	80,699	83,515
Advertisement and marketing	76,707	117,055
Penalty interest charges	70,449	-
Administrative consumables	67,423	100,034
Computer expenses	56,544	32,623
Sales commission and distribution	51,009	81,458
Health insurance	31,775	52,863
Insurance	31,383	26,595
Hospitality, dining and employees training	29,028	40,515
Stationery and printing expenses	28,271	39,449
Donations	25,429	53,313
Governmental charges and subscriptions	23,508	40,951
Cleaning expenses	9,091	12,355
Stamps	2,560	3,515
Travel and transportation	1,847	14,184
Others	6,698	47,155
	3,465,319	3,885,027

(18) OTHER REVENUES AND EXPENSES, NET

	2019	2018
	JD	JD
Loss from sale property, equipment and others	(266,755)	(232,042)
Net maintenance income and other preparations	7,163	25,227
Currency exchange difference	2,340	6,084
Other revenues	19,991	16,974
Limited Impairment loss of financial assets though other comprehensive income	-	(43,783)
	(237,261)	(227,540)

(19) INCOME TAX

The income tax provision was calculated for the year ended 31 December 2019 in accordance with Income Tax Law No. (38) of 2018 and the Investment commission Law No. (30) of 2014, while it was calculated for the year ended 31 December 2018 in accordance with Income Tax Law No. (34) of 2014 and Investment commission Law No. (30).
The tax status of the Company and its subsidiaries is as follows:

Afaq Holding for Investment and Real Estate Development Co. PSC

The Company has reached a final settlement up to the year 2017. The Company filed its tax returns for the year 2018. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of the consolidated financial statements.

Jordan Modern Ready-Made Concrete Co. LLC

The Company has reached a final settlement up to the year 2016. The Company filed its tax returns for the years 2017 and 2018. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of the consolidated financial statements.

As for the Aqaba Special Economic Zone Authority (ASEZA) branch, the Company has reached a final settlement with Income and Sales Tax Department up to the year 2014 and filed its tax returns for 2015, 2016, 2017 and 2018. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of the condensed consolidated financial statements.

Advanced Land Transport & Cargo Co. LLC

The Company has reached a final settlement up to the year 2016 and filed its tax returns for the year 2017 and 2018. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of the condensed consolidated financial statements.

Roaa Maintenance and Spare Parts Co. LLC

The Company has reached a final settlement up to the year 2017 and filed its tax returns for the year 2018. The Income and Sales Tax Department has not reviewed the Company's accounting records up to the date of the condensed consolidated financial statements.

Movement on the income tax provision during the year is as follows:

	2019	2018
	JD	JD
At 1 January	82,641	496,210
Income tax paid	(66,903)	(489,585)
Provision from income tax	-	76,016
At 31 December	15,738	82,641

(20) SHARE OF LOSS FOR THE YEAR

	2019	2018
	JD	JD
Loss for the year attribute to shareholders' (JD)	(8,649,086)	(2,773,033)
Weighted average number of shares during the year	80,000,000	80,000,000
Basic share of loss for the year (JD/Per share)	(0.11)	(0.035)

The diluted earnings per share was not calculated as there were no existing low shares.

(21) CONTINGENT LIABILITIES

Bank Guarantees

At 31 December 2019, the Group had letters of guarantee and letters of credit amounting to JD 78,078 (31 December 2018: JD 262,210).

Claims against and by the Group

Claims filed against the Group:

The Group is a defendant in a number of lawsuits amounting to JD 249,012 as at 31 December 2019 (31 December 2018: JD 174,097). The lawyer's analogy over court proceedings, is leaning towards the group's favor and no need for a provision to be booked over those lawsuits.

Claims filed by the Group against third parties:

The Group filed claims against third parties in a number of lawsuits amounting to JD 4,786,133 as at 31 December 2019 (31 December 2018: JD 4,440,840).

(22) SEGMENT INFORMATION

The primary reporting segments were determined based on the risks and rewards for the Group which is substantially affected by the segments' products and services. These segments are organized and operated separately in accordance with the nature of its products and services and used by the Chief Executive Officer and the decision maker of the Group.

The Group is organized for administrative purposes through the following segements:

-Ready Mix Concrete Segment
-Transportation and shipping Segment
-Maintenance and spare parts Segment

The segment results and the profit or loss of each segment separately is as follows:

	Readymix concrete Segment	Transportation and shipping Segment	Maintenance and spare parts Segment	Financial investment Segment	Disposals	Total
	JD	JD	JD	JD	JD	JD
As at 31 December 2019						
Revenues						
Revenues	40,440,574	23,214,588	2,276,332	-	11,044,151	54,887,343
Cost of sales	(37,874,771)	(23,059,685)	(2,135,199)	-	(11,044,151)	(52,025,504)
Gross profit	2,565,803	154,903	141,133	-	-	2,861,839
Expenses	(4,938,752)	(5,170,007)	(1,369,211)	(32,955)	-	(11,510,925)
Loss for the year	(2,372,949)	(5,015,104)	(1,228,078)	(32,955)	-	(8,649,086)

	Readymix concrete Segment	Transportation and shipping Segment	Maintenance and spare parts Segment	Financial investment Segment	Disposals	Total
	JD	JD	JD	JD	JD	JD
As at 31 December 2018						
Revenues						
Revenues	49,264,129	31,214,383	3,627,041	-	12,153,727	71,951,826
Cost of sales	(45,588,654)	(30,076,591)	(3,053,138)	-	(12,153,727)	(66,564,656)
Gross profit	3,675,475	1,137,792	573,903	-	-	5,387,170
Expenses	(3,194,796)	(4,469,691)	(424,357)	(71,359)	-	(8,160,203)
Loss for the year	480,679	(3,331,899)	149,546	(71,359)	-	(2,773,033)

	Readymix concrete Segment	Transportation and shipping Segment	Maintenance and spare parts Segment	Financial investment Segment	Disposal	Goodwill	Total
	JD	JD	JD	JD	JD	JD	JD
As at 31 December 2019							
Assets & liabilities							
Segment Assets	47,286,492	73,263,055	3,402,394	71,630,110	(81,034,909)	24,661,180	139,208,322
Segment Liabilities	30,038,093	63,611,028	1,460,627	228	(25,945,905)	-	69,164,071
As at 31 December 2018							
Assets & liabilities							
Segment Assets	62,236,574	87,822,700	4,717,019	78,998,090	(90,350,469)	24,661,180	168,085,094
Segment Liabilities	42,615,227	56,655,568	1,547,174	304,753	(11,730,965)	-	89,391,757

(23) RISK MANAGEMENT

Interest rate risk

The group is exposed to interest rate risk on its fixed assets and liabilities that bears interest such as due to banks and loans

The following table demonstrates the sensitivity of the statement of activities to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's income for one year, based on the floating rate financial assets held at 31 December.

	Increase (Decrease) in interest rate	Effect on loss for the year
2019-	(%)	JD
Currency		
Jordanian Dinar	1	(335,335)

	Increase (Decrease) in interest rate	Effect on loss for the year
	(%)	JD
Currency		
Jordanian Dinar	1	335,335

	Increase (Decrease) in interest rate	Effect on loss for the year
2018-	(%)	JD
Currency		
Jordanian Dinar	1	(401,498)

	Increase (Decrease) in interest rate	Effect on loss for the year
	(%)	JD
Currency		
Jordanian Dinar	1	401,498

Credit risk

Credit risk is the risk that may arise from the failure or default of debtors and other parties to meet their obligations to the company.

The group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and by setting credit limits for customers and monitoring outstanding receivables..

Liquidity risk

The Group monitors its liquidity by ensuring availability of funds to meet its obligations at their maturity dates.

The table below summarises the maturities of the group's undiscounted financial liabilities based on contractual payment dates and current market interest rates.

	Less than 3 months	3 to 12 months	Total
	JD	JD	JD
2019-			
Financial instruments do not bear interest	29,096,819	6,107,095	35,203,914
Financial instruments with interest	27,026,539	10,258,530	37,285,069
	56,123,358	16,365,625	72,488,983

	Less than 3 months	3 to 12 months	Total
	JD	JD	JD
2018-			
Financial instruments do not bear interest	41,556,575	7,685,333	49,241,908
Financial instruments with interest	31,564,978	12,721,749	44,286,727
	73,121,553	20,407,082	93,528,635

Foreign currency risk

Most of the group's transactions in Jordanian Dinars and U.S. Dollar. The group is not exposed to foreign currency risk since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each one JD).

(24) CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions.

The Company's capital structure comprises of paid in capital, statutory reserve, advances from shareholders and accumulated losses amounted to JD 70,044,251 as at 31 December 2019 (2018: JD 78,693,337)

(25) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. The Company will not be affected by these amendments on the date of transition.

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Group 's financial statements.

The amendments to the definition of material is not expected to have a significant impact on the Company financial statements.

(26) COMPARATIVE FIGURES

Some of the comparative figures for the period ended 31 December 2018 have been reclassified to correspond with 31 December 2019 presentation with no effect on equity or loss for the period ended 31 December 2019.

(27) Subsequent Events

Subsequent to year-end, the Coronavirus outbreak has impacted the global macroeconomy and caused significant disruption in the global economy and different business Segments. Accordingly, the services and related industries have been affected by mass business closures, large-scale quarantines, and other government procedures.

The Prime Minister of Jordan resolved, on 17 March 2020, to enforce a mandatory curfew law and to suspend all business activity in Jordan as part of the precautions taken by the government to combat the spread of Coronavirus. The majority of Jordan's business activity has halted since the resolution as a result.

The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of approval of these financial statements. These developments could impact the Company's future financial results, cash flows and financial condition