

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C

AMMAN - JORDAN

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Independent Auditor's Report

Messrs Chairman and members of the Board of Directors
KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C

Report on the Review Financial Statements

We have reviewed the accompanying financial statements of KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS PLC as of March 31, 2023 for the three-month period then ended.

Management's Responsibility

The Company's management is responsible for the preparation and fair presentation of the interim financial information in accordance with IFRS, this responsibility includes the design, implementation, and maintenance of internal control sufficient to provide a reasonable basis for the preparation and fair presentation of interim financial information in accordance with the applicable financial reporting framework.

Auditor's Responsibility

Our responsibility is to conduct our review in accordance with International Standards on Auditing applicable to reviews of interim financial information. A review of interim financial information consists principally of applying analytical procedures and making inquiries of persons responsible for financial and accounting matters. It is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, the objective of which is the expression of an opinion regarding the financial information. Accordingly, we do not express such an opinion.

Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying interim financial information for it to be in accordance with International Financial Report Standards.

Khalifeh & Rayyan Auditors and Financial Consultants

Imad Al-Rayyan

License No. 719


KHALIFEH & RAYYAN
Auditors And Financial Consultants

Amman – Jordan

As on: 27 of April 2023

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C

STATEMENT OF FINANCIAL POSITION AS AT 31 March 2023

Assets	Notes	31-Mar-23 JOD	31-Dec-22 JOD
Non-Current assets			
Properties and equipments	9	424	424
Real-estate investments		3,507,590	3,507,590
Financial assets at fair value (Comprehensive income)	4	53,050	51,085
		<u>3,561,064</u>	<u>3,559,099</u>
Current assets			
Prepaid expenses		1,181	0
Financial assets at fair value (FVTPL)	4	0	0
Cash in hands and at banks	3	5,030	5,702
		<u>6,211</u>	<u>5,702</u>
TOTAL ASSETS		<u><u>3,567,275</u></u>	<u><u>3,564,801</u></u>
EQUITY AND LIABILITIES			
EQUITY			
AUTHORIZED CAPITAL(4,000,000share/Jod)			
Paid in capital		4,000,000	4,000,000
Statutory reserve		4,681	4,681
Retained earnings		673,353-	667,191-
Accumulated evaluation in fair value of financial assets		299,044-	-301,009
		<u>3,032,284</u>	<u>3,036,481</u>
LIABILITIES			
Current liabilities			
Accounts payables	5	446,460	439,789
Other payables	6	88,531	88,531
		<u>534,991</u>	<u>528,320</u>
TOTAL EQUITY AND LIABILITIES		<u><u>3,567,275</u></u>	<u><u>3,564,801</u></u>

(The accompanying notes are an integral part of these financial statements)

COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED AT 31 March 2023

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C

COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED AT 31 March 2023

	<u>Notes</u>	<u>31-Mar-23</u> JOD	<u>30-Mar-22</u> JOD
Profit (loss) of invesments		0	0
Gross profit(loss)		0	0
Administrative expenses	8	-6,162	-5,520
Depreciation of properties and equipments	9	-	-
<u>Loss of the period</u>		-6,162	-5,520
Changes in fair value of financial assets		1,965	-58,944
Comprehensive loss		-4,197	-64,464
Total number of shares		4,000,000	4,000,000
EPS		-0.0010	-0.0161

(The accompanying notes are an integral part of these financial statements)

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C

STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED AT 31 march 2023

	<u>Notes</u>	<u>31-Mar-23</u>	<u>31-Mar-22</u>
		JOD	JOD
Operating activities			
Loss of the period		-6,162	-5,520
Adjustments for:			
Adjustments on retained earnings		-	-13
Re-evaluation of financial assets at fair value through income statement		-	-
Changes in working capital			
Receivables & promissory notes		0	13
Prepaid expenses		-1,181	-1,185
Other payables		0	4,399
Accounts payables		6,671	2,403
Net cash used in operating activities		-672	97
Investing activities			
Purchase of fixed assets		0	-154
Net cash from operating activities		0	-154
Net changes in cash and cash equivalent		-672	-57
Cash and cash equivalent at beginning of period		5,702	7,024
Cash and cash equivalent at end of period		5,030	6,967

(The accompanying notes are an integral part of these financial statements)

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C
Statements of changes in equity for the period ended at 31 March 2023

	<u>Paid in capital</u>	<u>Statutory reserve</u>	<u>Accumulated changes in fair value</u>	<u>Retained earnings (losses)</u>	<u>Total equity</u>
	JOD	JOD	JOD	JOD	JOD
Balance as at 01/01/2023	4,000,000	4,681	-301,009	-667,191	3,036,481
Total comprehensive income for the period			1,965	-6,162	-4,197
Balance as at 31/3/2023	<u>4,000,000</u>	<u>4,681</u>	<u>-299,044</u>	<u>-673,353</u>	<u>3,032,284</u>
Balance as at 01/01/2022	4,000,000	4,681	-228,311	-643,839	3,132,531
Adjustments on retained earning	-	-	-	-13	-13
Total comprehensive income for the period	-	-	-58,944	-5,520	-64,464
Balance as at 31/3/2022	<u>4,000,000</u>	<u>4,681</u>	<u>-287,255</u>	<u>-649,372</u>	<u>3,068,054</u>

(The accompanying notes are an integral part of these financial statements)

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C
NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

1- GENERAL

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P.L.C was registered on 7th March 2007 as public limited company at the Ministry of Industry and Trade under registration number(431) with an issued share capital of 4,000,000 share at a par value of JOD 1 each.

The company's main objectives are:

- * Obsession of companies and projects fully and partially in different business sectors
- * Establishing new projects and providing consultancy services for arranging the necessary finance through capital markets by issuance of shares ,bond and securities
- * Evaluation , capital restructure of companies and increase their capital in addition of merging and acquisition operations.
- * Trading and possession of shares and bonds through financial market brokers.

2- Summary of significant accounting policies

The principle accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

- Basic of preparation

The financial statements of the company have been prepared based on the historical cost .

The preparation of financial statements in conformity with IFRS requires the use of certain accounting estimates .It also requires management to exercise its judgment in the process of applying the company's accounting policies .

Cash in hands and at banks

Represent cash in hands and at banks with maturity of three months or less

Trade and other receivables

Trade receivables are recognized initially at cost value less doubtful provision for uncollectible amounts

Properties and equipments

Properties and equipments are shown at historical cost,less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the item.

Depreciation on assets is calculated using the straight -line method to allocate their cost over their estimated useful life .

Trade and other payables

Trade payables are obligation to pay for goods or services that have been acquired in the ordinary course of business from suppliers . Trade payables are recognized at fair value.

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C
NOTES TO THE FINANCIAL STATEMENTS
31 March 2023

Financial Instruments

The fair value of company's assets and liabilities at the date of financial statements are not significantly differs from its carrying value.

Financial risk management

Capital risk management

The company's objectives when managing its capital are to safeguard the company's ability to continue as a going concern in order to provide returns for its shareholders and to maintain an optimal structure to reduce the cost of capital.

Credit risk

The company has no significant risk concentration. The company applies a consistent credit policy to all its customers who has acceptable credit ratings.

Liquidity risk

The management monitors the company's liquidity requirements to ensure that it has sufficient cash to meet its operational needs and obligations.

Foreign exchange risk

The company transactions mainly in Jordanian dinars and US dollar. The US dollar foreign exchange is fixed to the Jordanian dinar. Hence ,foreign exchange risk is considered to be immaterial.

3- CASH IN HANDS AND AT BANKS

	<u>31-Mar-23</u>	<u>31-Dec-22</u>
Cash at banks	5,030	5,702
	<u>5,030</u>	<u>5,702</u>

4- Financial assets at fair value through P&L statement

	<u>31-Mar-23</u>	<u>31-Dec-22</u>
Financial assets at fair value through P&L statemer	-	-
Sale of financial assets	-	-
Financial assets re evaluation provision	-	-
	-	-
Financial assets at fair value through comprehensive income	352,094	352,094
Impairment losses of financial assets through comprehensive income	299,044-	301,009-
	<u>53,050</u>	<u>51,085</u>
Total	<u>53,050</u>	<u>51,085</u>

KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C
 NOTES TO THE FINANCIAL STATEMENTS
 31 March 2023

5- Payables

	<u>31-Mar-23</u>	<u>31-Dec-22</u>
Vendors payable	19,836	20,532
Others payables	425,924	418,557
Employees payable	700	700
	<u>446,460</u>	<u>439,789</u>

6- Other payables

	<u>31-Mar-23</u>	<u>31-Dec-22</u>
Accrued expenses (note7)	84,333	84,333
Shareholders deposits	4,176	4,176
Education support provision	22	22
	<u>88,531</u>	<u>88,531</u>

7- Accrued expenses

	<u>31-Mar-23</u>	<u>31-Dec-22</u>
Board of directors transportation	84,333	84,333
	<u>84,333</u>	<u>84,333</u>

8- Administrative expenses

	<u>31-Mar-23</u>	<u>31-Mar-22</u>
Salaries		105
Rent	394	410
Phone ,water and electricity	16	73
stationary	1	14
Entertainment	5	26
Fees and permits	632	-
Bank charges	11	57
Subscriptions	4,400	4,400
Previous years expense	-	435
Internet	41	-
Marketing	50	-
Maintenance	12	-
Managerial services	600	-
	<u>6,162</u>	<u>5,520</u>

9- Properties and equipments

	Furniture	Computers and accessories	Computers software	Electrical equipments	Total
Cost as at 1/1/2023	812	2,395	612	1,020	4,839
Additions(deletions)	-	-	-	-	0
Cost as at 31/3/2023	812	2,395	612	1,020	4,839
Accumulated depreciation as at 1/1/2023	811	2,279	306	1,019	4,415
Additions(deletions)	-	-	-	-	-
31/03/2023	811	2,279	306	1,019	4,415
Net book value at 31/3/2023	1	116	306	1	424