

الرقم : 2017/01/29

التاريخ : 2017/03/21

السادة/ هيئة الاوراق المالية المحترمين،،،
دائرة الترخيص والتفتيش
عمان / الاردن

تحية واحترام،،،

نرفق لكم طيه البيانات المالية السنوية مدققة حسب الاصول من مدقق الحسابات المعتمد للشركة كما هي بتاريخ 2017/12/31 باللغة الانجليزية .

شاكرين لكم حسن تعاونكم ،،،

واقبلوا فانق الاحترام،،،

رئيس مجلس الادارة
صقر عبد الفتاح

. نسخه لبورصة عمان .

البيانات
المالية

بورصة عمان
الدائرة الإدارية والمالية
البيانات

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البيانات المالية السنوية المدققة

Emerging Markets For Financial Services
& Investments Compnay
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Financial Statements And
Independent Auditor's Report
For The Year Ended December 31, 2017

Emerging Markets For Financial Services & Investments Compnay

Private Shareholding Company

Amman - The Hashemite Kingdom of Jordan

INDEX

	<u>PAGE</u>	<u>EXHIBIT</u>
Independent Auditor's report	1 - 3	-
Statement of Financial Position as of December 31, 2017	4	A
Statement of Income and Other Comprehensive Income for the year ended December 31, 2017	5	B
Statement of Changes in Partners' Equity for the year ended December 31, 2017	6	C
Statement of Cash Flows for the year ended December 31, 2017	7	D
Notes to the financial statements (1-20)	8 - 20	-

INDEPENDENT AUDITOR'S REPORT

To the shareholders of
Emerging Markets For Financial Services & Investments Company
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements Emerging Markets For Financial Services & Investments Company (Private Shareholding Company), which comprise the statement of financial position as at December 31, 2017, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control.

as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

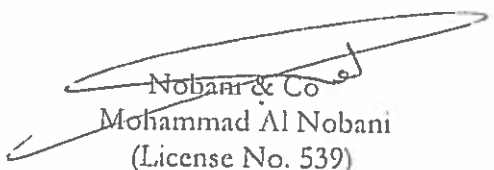
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

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


Nobani & Co
Mohammad Al Nobani
(License No. 539)

Amman - The Hashemite Kingdom of Jordan
On 28 January 2018

Emerging Markets For Financial Services & Investments Compnay
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Exhibit A

Statement of Financial Position as of December 31, 2017

ASSETS	Notes	2017	2016
Current Assets		JD	JD
Cash and cash equivalents	5	543,922	276,919
Trading Settlement - Deposit Centre		34,193	13,421
Borkerage customer receivables - net	6	1,323,580	1,329,291
Other debit balances	7	136,451	139,411
Financial assets at fair value through income statement	8	31,500	279,038
Financial Securities available for sale though other comprehensive income statement	9	368,000	148,000
Total Current Assets		<u>2,437,646</u>	<u>2,186,080</u>
Non-Current Assets			
Property and equipment		54,319	65,553
Total Non-Current Assets	10	<u>54,319</u>	<u>65,553</u>
Total Assets		<u>2,491,965</u>	<u>2,251,633</u>
LIABILITIES AND PARTNERS' EQUITY			
Current Liabilities			
Borkerage customer payables - net		401,320	151,605
Other credit balances	11	3,695	4,111
Total Current Liabilities		<u>405,015</u>	<u>155,716</u>
Partners' Equity			
Paid-in capital	12	2,500,000	2,500,000
Legal reserve	13	58,942	58,714
Culmulative change in fair value		(60,166)	(48,916)
Accumulated losses	14	(411,826)	(413,881)
Total Partners' Equity - Exhibit C		<u>2,086,950</u>	<u>2,095,917</u>
Total Liabilities And Partners' Equity		<u>2,491,965</u>	<u>2,251,633</u>

The financial statements were authorized for issue by the Management committee on January 28, 2018 and were signed on their behalf by the Head of Management committee.

Head of Management committee

The notes on pages 8 to 20 are an integral part of these financial statements

Emerging Markets For Financial Services & Investments Company
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Exhibit B

Statement of Income and Other Comprehensive Income for the year ended December 31, 2017

	Notes	2017 JD	2016 JD
Commission Revenue - Borkerage		108,956	140,902
Commission Revenue - Financing Margin		62,210	32,199
loss on financial security portfolio	15	(2,223)	(43,640)
Paid Dividend		1,966	-
Interest Revenue - Financing Margin		12,579	12,666
Commission Revenue - Facilities		250	662
Revenue - Brokers Deals		7,832	111
Other revenue		3,179	1,099
Bank intrest revenue		3,132	2,768
Total Revenues		197,881	146,767
Administrative expenses	16	(173,643)	(217,817)
Depreciation	10	(13,787)	(24,808)
Financing expenses		(8,168)	(7,853)
Total Expenses		(195,598)	(250,478)
Profit (Loss) for the year		2,283	(103,711)
Other comprehensive income		(11,250)	(48,916)
Total Income and Other Comprehensive Income for the year - Exhibit C		(8,967)	(152,627)

The notes on pages 8 to 20 are an integral part of these financial statements

Emerging Markets For Financial Services & Investments Company

Private Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Exhibit C

Statement of Changes in Partners' Equity for the year ended December 31, 2017

	Capital	Legal reserve	Cumulative change in fair value	Accumulated losses	Total
	JD	JD		JD	JD
Balance as of January 1, 2017	2,500,000	58,714	(48,916)	(413,881)	2,095,917
Total comprehensive income for the year - Exhibit B	-	-	(11,250)	2,283	(8,967)
Legal reserve	-	228	-	(228)	-
Balance as of December 31, 2017 - Exhibit A	2,500,000	58,942	(60,166)	(411,826)	2,086,950
Balance as of January 1, 2016	2,500,000	58,714	-	(310,170)	2,248,544
Total comprehensive income for the year - Exhibit B	-	-	(48,916)	(103,711)	(152,627)
Balance as of December 31, 2016 - Exhibit A	2,500,000	58,714	(48,916)	(413,881)	2,095,917

Emerging Markets For Financial Services & Investments Company
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Exhibit D

Statement of Cash Flows for the year ended December 31, 2017

	2017	2016
	JD	JD
Cash flows from operating activities		
Profit (Loss) for the year	2,283	(103,711)
Adjustments for :		
Depreciation	13,787	24,808
Changes in current assets and liabilities:		
Trading Settlement - Deposit Centre	(20,772)	(682,008)
Brokerage customer receivables - net	5,711	(275,946)
Other debit balances	2,960	457
Brokerage customer payables - net	249,715	56,305
Other credit balances	(416)	(11,798)
Net cash provided from (used in) operating activities	<u>253,268</u>	<u>(991,893)</u>
Cash flows from investing activities		
Property and equipment	(2,553)	-
Financial assets at fair value through income statement	247,538	216,595
Financial Securities available for sale through other comprehensive income statement	(231,250)	(196,916)
Net cash provided from investing activities	<u>13,735</u>	<u>19,679</u>
Net change in cash and cash equivalents	267,003	(972,214)
Cash and cash equivalents - Beginning of the year	276,919	1,249,133
Cash and cash equivalents - End of the year- Exhibit A	<u>543,922</u>	<u>276,919</u>

The notes on pages 8 to 20 are an integral part of these financial statements

Emerging Markets For Financial Services & Investments Company
Private Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the financial statements

1. Legal status and company purposes

Emerging Markets For Financial Services & Investments Company was established under the name of Selwan Financial Broker's as Limited Liability Company at the Ministry of Industry and Trade under the number (6405) on 1 November 2000, with a capital of JD 1,000,000 divided to 1,000,000 shares the value of each share is one JD.

On May 19, 2008, the company was transferred to the Ministry of Industry and Commerce to become a limited public shareholding company under No. (454) with an authorized and authorized capital of JD 1,500,000. Pursuant to the decision of the Board of Commissioners of the Securities Commission No. 566/2008, Dated October 22, 2008, stating that it was not possible to approve the registration of the shares of the Company's capital of 1.150.000 shares resulting from the conversion of the legal status of the company from a limited liability to a public share and it was not possible to approve the registration of shares of capital increase of 350,000 shares In accordance with the provisions of Article (8), Article 12 of the Securities Law and Article (3) of the Instructions for issuing and registering securities for the year 2005. Accordingly, the General Assembly was invited to an extraordinary meeting on March 10, 2009 to approve the conversion of the entity from public shareholding to private and same The company's name was changed to become the Emerging Markets for Financial Services and Investment Company on October 13, 2010, as per the Ministry of Industry and Trade certificate.

The company's national number is (200103920).

The company's registered office is in Amman - Housing Bank Complex - Fourth floor.

The financial statements were authorized for issue by the Management committee on January 28, 2018 and were signed on their behalf by the Head of Management committee.

Company purposes

- 1- Perform brokery for commission
- 2- Perform brokery for its own account (Selling and Buying securities for the company).
- 3- Financial advisory .
- 4- Financing Margin (customer financing against stock portfolios in accordance with specific instructions issued by the Securities Commission)
- 5- E-Trade Deals.

2. Significant accounting policies

The financial statements are prepared in accordance with the International Financial Reporting Standards. Following is a summary of the important accounting policies implemented:

a) Basis of accounting

These financial statements have been presented in Jordanian Dinars (JD) and have been prepared under the historical cost basis. All values have been rounded to the nearest Dinar unless otherwise stated.

b) Compliance with IFRS

The financial statements comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

c) Changes in accounting policy and disclosures

c-1) The company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2017:

- Recognition of Deferred Tax Assets for Unrealized Losses – Amendments to IAS 12,
- Disclosure initiative – amendments to IAS 7.
- Transfers of Investment Property – Amendments to IAS 40.
- Annual Improvements to IFRSs – 2012-2014 Cycle

c-2) New standards and interpretations not yet adopted

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2017 reporting periods and have not been early adopted by the company. The company's assessment of the impact of these new standards and interpretations is set out below.

IFRS 9 Financial Instruments - Mandatory for financial years commencing on or after 1 January 2018.

IFRS 9 addresses the classification, measurement and derecognition of financial assets and financial liabilities and introduces new rules for hedge accounting and introduced a new impairment model.

IFRS 15 Revenue from Contracts with Customers Mandatory for financial years commencing on or after 1 January 2018.

The IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. The new standard is based on the principle that revenue is recognized when control of a good or service transfers to a customer. The standard permits a modified retrospective approach for the adoption.

The standard permits a modified retrospective approach for the adoption.

IFRS 16 Leases Mandatory for financial years commencing on or after 1 January 2019.

IFRS 16 was issued in January 2016. It will result in almost all leases being recognized on the balance sheet, as the distinction between operating and finance leases is removed. Under the new standard, an asset (the right to use the leased item) and a financial liability to pay rentals are recognized. The only exceptions are short-term and low-value leases.

The accounting for lessors will not significantly change.

There are no other standards that are not yet effective and that would be expected to have a material impact on the company in the current or future reporting periods and on foreseeable future transactions.

d) Operating Segment

An operating segment is a component of an entity that engages in business activities from which it may earn revenues and expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's Chief operating decision maker to make decisions about resources to be allocated to the segment and assess its performance and for which discrete financial information is available.

Operating segments have been identified based on the information provided to the Chief Operating Decision makers- being the executive management team.

The company has only one operating segment namely buying and selling securities for third parties.

No disclosures about operating segment has been included as this standard applies only to entities that are traded in a public market or that files its financial statements with a Securities Commission or similar party.

e) Foreign currencies

Both the functional and presentation currency of the company are in Jordanian Dinars.

Foreign currency transactions occurring during the year are expressed in Jordanian Dinars at rates of exchange prevailing on such transaction dates. Monetary assets and liabilities denominated in foreign currencies are expressed in Jordanian Dinars at rates of exchange prevailing at the balance sheet date, and all foreign currency gains and losses are credited or charged to the income statement as they arise.

f) Cash and cash equivalents

For the purposes of the statement of cash flows, "cash and cash equivalents" represent cash in hand, current bank accounts and fixed deposits with banks maturing within three months or less from the statement of financial position date. Overdraft bank accounts fluctuating from debit to credit balance are deducted from "cash and cash equivalents".

g) Trade receivables

Trade receivables, which generally have 90-120 days terms, are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less an allowance for impairment.

Collectability of trade receivables is reviewed on an ongoing basis at an operational unit level. Individual debts that are known to be uncollectible are written off when identified. An impairment provision is recognized when there is an objective evidence that the company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 360 days overdue are considered objective evidence of impairment.

h) Property, plant and equipment

Property, plant and equipment are valued at historical cost less accumulated depreciation and any impairment losses. The company uses the straight line method in depreciating its property, plant and equipment over their useful life at the following annual rates:

Furniture and fixture	10%
System and software	15%
Machines and Electrical Equipments	15%
Vehicles	13%-15%
Decorations	10%

If any of the assets is disposed of the recorded amount for the disposed asset and its accumulated depreciation on the date of disposal are omitted from the company's records, and the result, whether income or loss is posted to the Statement of Comprehensive Income.

Additions and significant improvements are capitalized at cost, but maintenance expenses are charged on current operations when incurred. Borrowing costs are capitalized and added to the asset cost during the construction of property, plant and equipment, within the time period available to complete and prepare the asset for its intended purpose.

i) Lease contracts

In a capital lease, the lessee assumes most rights and obligations concerning the asset leased, and usually transfers ownership at the end of the lease contract. Other lease contracts are classified as operating lease.

When a lease is classified as an operating lease, the lease expenses are treated as operating expense and charged on the statement of comprehensive income over the lease period, using the straight line method.

j) Impairment of non financial assets

Non-financial assets other than goodwill and indefinite life intangibles are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized when the carrying amount of an asset or group of assets exceeds its estimated recoverable amount. Such loss is charged to the statement of income when identified with a corresponding write down of the carrying amount of the related asset to its recoverable amount. The recoverable amount of an asset is the higher of an asset's net selling price or its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. The impairment loss recognized for an asset in prior years is reversed if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. In such circumstances, the carrying amount of the related asset is increased to its recoverable amount with a corresponding credit to the Statement of Income. The increase in carrying amount is limited to the amount, net of depreciation, that would have been determined had no impairment loss been recognized for the asset in prior years.

k) Financial assets at fair value through income statement

These assets represent investments in company's shares that are held for trading and to recognize revenue from short term price fluctuation.

Financial assets at fair value through income statement are recorded at fair value plus acquisition costs at the date of acquisition and subsequently measured at fair value.

Changes in fair value are reported as separate component in the statement of other comprehensive income including the change in fair value resulting from conversion differences of non-cash items of assets at foreign currencies. In case of sale of such assets or part of it, the gain or loss is recorded in the statement of other comprehensive income and the reserve balance for sold assets will be transferred directly to retained earnings.

l) Payables

Payables are carried at amortized cost. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 60 days of recognition.

m) **Revenue recognition**

The company recognize revenue (Commissions) from sale or purchase financial securities to third parties during the financial year, and recorded commission revenue at the time of sale or purchase.

n) **Company's income tax**

The company is subject to the Income Tax Law no. 34 of 2014 and its amendments, and to the amendments published by "The Jordan Income & Sales Tax Department". It is being accounted for using the accrual basis and the income tax provision is calculated based on the adjusted taxable income.

o) **Capital**

Ordinary shares are classified as equity.

3. Financial risk management / objectives and policies

The company principal financial instruments comprise receivables, payables, bank facilities and cash and cash equivalents.

The company manages its exposure to key financial risks, including interest rate and currency risk in accordance with the company's financial risk management policy.

Management reviews and agrees policies for managing each of these risks as summarized below.

Risk exposure and responses

a) Interest rate risk

The company is not exposed to market interest rates risk as it does not have external borrowing facilities. Whereas the company does not have bank facilities or loans as of the date of financial statements.

b) Foreign currency risk

Most of the company's transactions are in Jordanian Dinars, and most of its foreign transactions are in US Dollars. The US Dollar exchange rate to Jordanian Dinars is set by Central Bank of Jordan and it is fixed, accordingly the US\$ exchange-rate fluctuations will not substantially affect the financial statements.

c) Credit risk

Credit risk arises from the financial assets of the company, which comprises cash and cash equivalent, trade and other receivables

The company does not hold any credit derivative to offset its credit exposure.

The company only trades with recognized, creditworthy third parties, and as such collateral is not requested nor is it the company's policy to securities its trade and other receivables.

It is the company's policy that all customers who wish to trade on credit terms are subject to credit verification procedures including an assessment of their independent credit rating, financial position, past experience and industry reputation. Risk limits are set for each individual customer in accordance with parameters set by the Board. These risks limits are regularly monitored.

In addition, receivables balances are monitored on an ongoing basis with the result that the company's experience of bad debts has not been significant.

Of the year end receivables, the credit quality is assessed as follows:

	<u>2017</u>	<u>2016</u>
	JD	JD
No default customers*	1,323,580	1,329,291
	<u>1,323,580</u>	<u>1,329,291</u>

For the remaining financial assets there are no significant concentrations of credit risk.

*No default customers are customers with whom the Company has traded for greater than one year and have no history of default, late payments, renegotiated terms or breach of their credit terms within the past two years.

d. Liquidity Risk

Liquidity risk arises from the financial liabilities of the group and its subsequent ability to meet its obligations for repayment when they fall due.

The contractual maturities of the company's financial liabilities are:

	<u>2017</u>	<u>2016</u>
	JD	JD
6-12 month	405,015	155,716
	<u>405,015</u>	<u>155,716</u>

At 31 December 2017, 100% of the company's liabilities will mature in less than one year. Though that these facilities are revolving facilities and tenure are for one year, they are renewable on a yearly basis.

Maturity analysis of financial assets and liabilities based on management's expectations as of December 31, 2017 and 2016:

2017

	<u>6 months</u>	<u>6-12 months</u>	<u>Total</u>
	JD	JD	JD
Financial assets			
Cash and cash equivalents	543,922	-	543,922
Trading Settlement - Deposit Centre	34,193	-	34,193
Brokerage customer receivables - net	-	1,323,580	1,323,580
Other debit balances	-	136,451	136,451
	<u>578,115</u>	<u>1,460,031</u>	<u>2,038,146</u>
Financial liabilities			
Other credit balances	-	401,320	401,320
Brokerage customer payables - net	-	3,695	3,695
	<u>-</u>	<u>405,015</u>	<u>405,015</u>
Net Maturity	<u>578,115</u>	<u>1,055,016</u>	<u>1,633,131</u>

2016

	<u>6 months</u>	<u>6-12 months</u>	<u>Total</u>
	JD	JD	JD
Financial assets			
Cash and cash equivalents	276,919	-	276,919
Trading Settlement - Deposit Centre	13,421	-	13,421
Brokerage customer receivables - net	-	1,329,291	1,329,291
Other debit balances	-	139,411	139,411
	<u>290,340</u>	<u>1,468,702</u>	<u>1,759,042</u>
Financial liabilities			
Other credit balances	-	151,605	151,605
Brokerage customer payables - net	-	4,111	4,111
	<u>-</u>	<u>155,716</u>	<u>155,716</u>
Net Maturity	<u>290,340</u>	<u>1,312,986</u>	<u>1,603,326</u>

e) Fair value

The company uses several financial instruments during its normal transactions, and the book value for those financial instruments approximate their fair values as of the date of the financial statements.

4. Significant Accounting Estimates and Judgments

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgments and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgments and estimates on historical experience and on other various factors it believes to be reasonable under the circumstances, the result of which form the basis of the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions and conditions.

There was no critical accounting policy for which significant judgments, estimates and assumptions were made.

5. Cash and cash equivalents

	<u>2017</u>	<u>2016</u>
	JD	JD
Cash in hand	5,178	50,305
Cash at Banks	538,744	226,614
	<u>543,922</u>	<u>276,919</u>

6. Brokerage customer receivables - net

	<u>2017</u>	<u>2016</u>
	JD	JD
Brokerage customer receivables	1,596,769	1,706,650
Due from individuals	45,518	58,008
Margin finance customers' receivables	345,986	229,326
Provision of impairment loss	(664,693)	(664,693)
	<u>1,323,580</u>	<u>1,329,291</u>

Provision of impairment loss

Trade receivables are non-interest bearing and are generally on 90 - 120 day terms. A provision of impairment loss is recognized when there is an objective evidence that an individual trade receivables is doubtful. The balance of impairment losses in 31 December 2017 is 664,693 JD.

At 31 December 2017/2016, the ageing of Receivables were as follows:

	<u>Total</u>	<u>0-30 days</u>	<u>31-60 days</u>	<u>61-90 days</u>	<u>90-120 days</u>
	JD	JD	JD	JD	JD
2017	1,988,273	400,346	101,695	116,420	1,369,812
2016	1,993,984	610,913	217,865	205,869	959,337

(a) fair values

Except as disclosed, the current values of short and long term debt are equal to their fair value.

The maximum exposure to liquidity risk is in the fair values of receivables. No mortgage is taken as a hedge against these risks and the Company does not transfer or sell its receivables to any private companies existing for this purpose.

(b) Foreign exchange and interest rate risk

Detail regarding foreign exchange and interest rate risk exposure is disclosed in note 3 .

7. Other debit balances

	<u>2017</u>	<u>2016</u>
	JD	JD
Due from legal cases	47,035	47,035
Provision for doubtful debts	(25,000)	(25,000)
Net due from legal cases	<u>22,035</u>	<u>22,035</u>
Bank guarantees	50,000	50,000
Guarantee fund	25,000	25,000
Prepaid expenses	25,175	23,124
Advance payment for income tax	7,799	7,642
Employees' receivables	5,861	11,029
Refundable insurance	581	581
	<u>136,451</u>	<u>139,411</u>

Other debit balances do not contain impaired assets and are not past due. It is expected that these balances will be received when due or it will be expensed when accrued.

8. Financial assets at fair value through income statement

	<u>Fair Value</u>	<u>Fair Value</u>
	<u>2017</u>	<u>2016</u>
	JD	JD
Shares of Listed Companies - Inside Jordan	21,500	264,733
Contribution in unlisted companies	10,000	10,000
Gain on revaluation of financial assets at fair value through income statement	-	4,305
	<u>31,500</u>	<u>279,038</u>

9. Financial Securities available for sale through other comprehensive income statement

This amount represent financial securities for Future Arab Investment Co and Decapolis Properties Co that have been transferred their securities from Emerging Markets company portfolio to financial securities based on decisions from the Board of Directors in 15 December 2016 and 3 January 2017.

	<u>Fair Value</u>	<u>Fair Value</u>
	<u>2017</u>	<u>2016</u>
	JD	JD
Shares of Listed Companies - Inside Jordan	379,250	196,916
Loss on revaluation of financial securities at fair value	(11,250)	(48,916)
	<u>368,000</u>	<u>148,000</u>

12. Property, plant, and equipment

Cost	Furniture and fixture		System and software		Machines and Electrical Equipments		Vehicles		Decorations		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
As of January 1, 2017	5,553	24,231	53,139	82,504	45,054	210,481						
Additions	-	-	837	1,716	-	2,553						
As of December 31, 2017	5,553	24,231	53,976	84,220	45,054	213,034						
Accumulated Depreciation												
As of January 1, 2017	2,530	15,846	40,556	65,575	20,421	144,928						
Depreciation for the year	555	2,035	4,689	2,002	4,506	13,787						
As of December 31, 2017	3,085	17,881	45,245	67,577	24,927	158,715						
Net book value												
As of December 31, 2017	2,468	6,350	8,731	16,643	20,127	54,319						
As of December 31, 2016	3,023	8,385	12,583	16,929	24,633	65,553						

11. Other credit balances

	<u>2017</u>	<u>2016</u>
	JD	JD
Accrued expenses	2,675	2,627
Due to social security	659	626
Due to income tax	238	274
Market commission	123	247
Due to Employees	-	337
	<u>3,695</u>	<u>4,111</u>

(11.b) Fair values

Unless disclosed below, the carrying amount of the company's current and non-current borrowings approximate their fair value.

(11.c) Interest rate, foreign exchange and liquidity risk

Details regarding interest rate, foreign exchange and liquidity risk are disclosed in notes .

12. Authorized and Paid-in capital

	<u>2017</u>	<u>2016</u>
	JD	JD
Paid-in capital at the beginning of the year	2,500,000	2,500,000
Paid-in capital at the end of the year	<u>2,500,000</u>	<u>2,500,000</u>

Fully paid ordinary shares carry one JD and carry rights to distribution of dividends.

12.A. Paid-in capital

The Extraordinary General Assembly meeting held on 12 October 2010 decided to raise the authorized capital of the Company to JD (2,500,000) and to authorize the Board of Directors to determine the mechanism for raising the capital and the method of payment in one payment and / Of the existing shareholders and / or others, taking into account the instructions of the Securities Commission in this regard and the payment of the increase has been completed

12.B. Capital management

When managing capital, management's objective is to ensure the entity continues as a going concern as well as to maintain optimal returns to partners. Management also aims to maintain a capital structure that ensures the lowest cost of capital available to the entity.

Management are constantly adjusting the capital structure to take advantage of favorable costs of capital or high returns on assets. As the market is constantly changing, management may change the amount of dividends to be paid to partners, return capital to partners, issue new shares or sell assets to reduce debt.

Management monitor capital through the gearing ratio (net liabilities / total capital). The gearing ratios based on continuing operations at 31 December 2017 and 2016 were as follows:

	<u>2017</u>	<u>2016</u>
	JD	JD
Total borrowings *	405,015	155,716
Less cash and cash equivalents	(543,922)	(276,919)
Net Debt	<u>(138,907)</u>	<u>(121,203)</u>
Total shareholder's equity	2,086,950	2,095,917
Total borrowing (internal & external)	<u><u>1,948,043</u></u>	<u><u>1,974,714</u></u>
Gearing ratio	(%7)	(%6)

*Include brokerage customer payable and other credit balances.

The company is not subject to any externally imposed capital requirements provided it complies with the minimum capital required for registration, and its losses do not exceed more than 50 % of it's capital.

13. Legal Reserve

Legal reserve is allocated according to the company's law by deducting 10% of its annual net profit until the reserve equals 25% of the company's authorized capital.

14. Accumulated Losses

	<u>2017</u>	<u>2016</u>
	JD	JD
Balance at the Beginning of the year	(413,881)	(310,170)
Total Income and Comprehensive Income Statement	2,283	(103,711)
Legal Reserve	(228)	-
Balance at the End of the year	<u><u>(411,826)</u></u>	<u><u>(413,881)</u></u>

15. Portfolio securities

	<u>2017</u>	<u>2016</u>
	JD	JD
Differences in financial assets measured at fair value through other comprehensive income	346	4,305
Losses of trading shares	(2,569)	(47,945)
	<u><u>(2,223)</u></u>	<u><u>(43,640)</u></u>

16. Administrative Expenses

	2017	2016
	JD	JD
Salaries , wages and benefits	99,082	123,818
Company's contribution in social security	5,258	7,817
Rent	16,133	18,091
Subscriptions	15,107	27,556
Professional fees	6,798	6,693
Health Insurance	6,217	6,286
Cars Expense	5,614	6,398
Investor production fund expense	4,244	4,581
Telephone & Postage	2,796	3,638
Hospitality and cleaning	2,388	1,314
Electricity & Water	1,868	2,241
Maintenance	1,465	1,953
Legal Fees	1,200	2,000
Stationery, Prints and Office supplies	1,192	892
Vacation allowance	173	168
Advertising and Subscribe to newspapers and magazines	120	255
Insurance	117	117
Traveling and transportation	49	2,370
Miscellaneous	3,822	1,629
	<u>173,643</u>	<u>217,817</u>

17. Lawyer's confirmation letter

As stated in the company's lawyer's confirmation, there are no cases against the company from others as of the date of the statement of financial position, and the company has filed a case with an amount JD 50,000 against others. It has acquired the degree of criminal execution. The company has filed cases worth JD 130,122 Against third parties for which no decision has been made until the date of approval of these financial statements.

18. Contingent liabilities

At the date of the Statement of Financial Position, the company had contingent liabilities on bank guarantees of JD .500,000 against cash deposits of 10% from guarantee , And with the personal guarantee of chairman Mr. Sager Abdelfattah.

19. Tax status

The company Audit was completed and finalized up to 2014 by the Income & Sales Tax Department and there is no accrued payments held .The income tax declaration has been submitted for the year 2015 and 2016 and it has not been audited yet by the Income & Sales Tax Department .

No Provision for income tax was calculated for the year 2016 And 2017 based on income tax law related to accumulated losses .

20. Comparative figures

Some comparative figures were reclassified to conform with the current year financial statements presentation.