

**Jordanian Mutual Funds Management Company**  
**"Limited Public Shareholding Co."**  
**Amman – The Hashemite Kingdom of Jordan**  
**The Consolidated Final Financial Statements & the Independent**  
**Auditor's Report for the Year Ended December 31, 2022**

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

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**Independent Auditors' Report**

No: 148/2023/60006

**To the General Assembly  
Jordanian Mutual Funds Management Company  
Limited Public Shareholding Company  
Amman – Jordan**

**Opinion:**

We have audited the consolidated financial statements of the **Jordanian Mutual Funds Management Company Limited Public Shareholding Company**, which consist of the consolidated statement of financial position as at 31 December 2022, the consolidated statement comprehensive income, the consolidated statement of changes in shareholders' equity, the consolidated statement of cash flows for the year then ended, notes on the consolidated financial statements, and a summary of the significant accounting policies.

In our opinion, the accompanied consolidated financial statements are fairly presented through its financial position comprehensive income, and cash flows as at 31st of December 2022, 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. In conducting our review, we have complied with the independence requirements 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.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. 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.



Independent auditor's report to the shareholders of Jordanian Mutual Funds Management Company Limited Public  
Shareholding Company (follow-up)

2- Investment in Associates

| Describe the key audit matters  | How the key audit matters was processed in our audit   |
|---|--|
| <p>In reference to note (7) in the consolidated financial statements (investment in associates).</p> <p>The value of these assets by the end of 2022 was 5,327,365 JD compared to 6,048,191 JD at the end of 2021.</p> <p>Investments are shown in associate companies in which the company owns an effective percentage of voting rights and exercises a significant influence on its financial and operating policies, And it's not a control or joint control over those policies.</p> | <p>During the audit process of (investments in associates), we did the following:</p> <ul style="list-style-type: none"> <li>-Verify the company's ownership of these assets by viewing its Ownership Certificate.</li> <li>-Verify any encumbrances or mortgages that prevent the company from disposing these assets.</li> <li>-It has been validated that the company follows the Equity Method of proving the company's share of the business results of its associates.</li> <li>- We have assessed the completeness and validity of disclosures on Investment in Associates and assessed compliance with disclosure requirements contained in the International Financial Reporting Standards (IFRS).</li> </ul> |

Other Information

Management is responsible for other information. Other information includes all information stated in the annual report of the company on 2022, except for the financial statements and the auditor's report. No other information has been provided to us up to the date of our report, as it is expected to provide us with other information after this date.

Our opinion on the consolidated financial statements does not cover the other information, and we do not and will not express any affirmative conclusion thereon. In auditing the financial statement, our responsibility involves reading the other information, through which we are to determine whether the other information is materially inconsistent with the financial statements or the knowledge we have obtained during the auditing process, or whether it appears to contain material misstatements.

When we review at other information that has not yet been provided to us, and if we conclude that there are material misstatements, we must report that to those charged with governance.



Independent auditor's report to the shareholders of Jordanian Mutual Funds Management Company Limited Public  
Shareholding Company (follow-up)

**Management's Responsibilities and Those Charged with Governance for the  
Financial Statements**

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

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 consolidated 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.



Independent auditor's report to the shareholders of Jordanian Mutual Funds Management Company Limited Public Shareholding Company (follow-up)

- 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.
- Obtaining sufficient and suitable auditing evidence on the financial information of the entities or business activities within the group in order to express opinion on the financial statement. We are responsible for directing, supervising and completing the audit of the group, and we remain absolutely responsible for the auditor's report.
- We have communicated with the persons in charge of governance with a statement of our compliance with the requirements of professional conduct related to independency, and have informed them of all relations and other matters that may affect our independency and the precautions, if any.
- With the matters communicated to those in charge of governance, we identified the most important matters in the audit of the financial statements for the current year and are therefore the primary audit matters. We describe these matters in our report unless there is a law or legislation that prevents disclosure of this matter, or in very rare cases, in which we decide not to disclose that matter in our report, because there are negative effects expected to outweigh the public benefit from these disclosures.

Report on Legal Requirements

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

Amman, Hashemite Kingdom of Jordan  
28/03/2023

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**Jordanian Mutual Funds Management Company**  
**"Limited Public Shareholding Co."**  
**Amman – The Hashemite Kingdom of Jordan**  
**The Consolidated Statement of Financial Position as at 31 December, 2022**

|   | <u>Note</u> | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|---|-------------|--------------------------|--------------------------|
| <b><u>Assets</u></b>  |             |                          |                          |
| <b><u>Current Assets</u></b>  |             |                          |                          |
| Cash on hand and at banks   | 3           | 29,722                   | 33,352                   |
| Financial assets at fair value through income statement                     | 4           | 50,836                   | 606,926                  |
| Other current assets  | 5           | 1,000                    | 1,000                    |
| Accounts receivable   | 6           | -                        | -                        |
| <b>Total Current Assets</b>   |             | <u>81,558</u>            | <u>641,278</u>           |
| <b><u>Non-current Assets</u></b>  |             |                          |                          |
| Investments in associates   | 7           | 5,327,365                | 6,048,191                |
| Financial assets at fair value through other comprehensive income statement | 8           | 1                        | 1                        |
| Property and equipment-net  | 9           | 5                        | 5                        |
| <b>Total Non-current Assets</b>   |             | <u>5,327,371</u>         | <u>6,048,197</u>         |
| <b>Total Assets</b>   |             | <u>5,408,929</u>         | <u>6,689,475</u>         |
| <b><u>Liabilities and Shareholders' Equity</u></b>                          |             |                          |                          |
| <b><u>Current Liabilities</u></b>   |             |                          |                          |
| Shareholders' acc.  | 10          | 195,762                  | 196,105                  |
| Financial brokers payable   |             | 337,204                  | 463,016                  |
| Other current liabilities   | 11          | 399,106                  | 390,620                  |
| Associates' payable   | 7           | 190,385                  | 190,385                  |
| <b>Total Current Liabilities</b>  |             | <u>1,122,457</u>         | <u>1,240,126</u>         |
| <b><u>Shareholders' Equity</u></b>  |             |                          |                          |
| Authorized capital  |             | 6,500,000                | 6,500,000                |
| Paid in capital   |             | 6,000,000                | 6,000,000                |
| Share premium   |             | 3,000,000                | 3,000,000                |
| Compulsory reserve  |             | 63,947                   | 63,947                   |
| Fair value reserve  |             | (99,999)                 | (99,999)                 |
| Retained losses   |             | (4,677,476)              | (3,514,599)              |
| <b>Net Shareholders' Equity</b>   | 12          | <u>4,286,472</u>         | <u>5,449,349</u>         |
| <b>Total Liabilities and Shareholders' Equity</b>                           |             | <u>5,408,929</u>         | <u>6,689,475</u>         |

The accompanying notes are an integral part of this statement.

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**Jordanian Mutual Funds Management Company**  
**"Limited Public Shareholding Co."**  
**Amman – The Hashemite Kingdom of Jordan**  
**The Consolidated Statement of Comprehensive Income**  
**for the Year Ended 31 December, 2022**

|  | <u>Note</u> | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|--|-------------|--------------------------|--------------------------|
| Realized losses from financial assets at fair value through income statement   |             | (370,043)                | (122,808)                |
| Unrealized losses from financial assets at fair value through income statement |             | (36,548)                 | (49,321)                 |
| Share from associated Co. and investment impariment                            | 7           | (720,826)                | (358,199)                |
| Reversed provision revenue   |             | 10,000                   | -                        |
| Comissions of purchase and sale of financial assets                            |             | (787)                    | (15,225)                 |
| Brokerages margin interset   |             | (22,900)                 | (34,627)                 |
| <b>Gross Loss</b>  |             | <b>(1,141,104)</b>       | <b>(580,180)</b>         |
| Administrative exp.  | 13          | (21,741)                 | (20,205)                 |
| Banking exp.   |             | (32)                     | (78)                     |
| Impairment of accounts receivable exp .  |             | -                        | (20,000)                 |
| <b>Losses of the Year Before Income Tax</b>                                    |             | <b>(1,162,877)</b>       | <b>(620,463)</b>         |
| Income tax   |             | -                        | -                        |
| <b>Losses of the Year After Income Tax</b>                                     |             | <b>(1,162,877)</b>       | <b>(620,463)</b>         |
| <b><u>Other Comprehensive Income Items</u></b>                                 |             |                          |                          |
| Other Comprehensive Income   |             | -                        | -                        |
| <b>total of Other Comprehensive Income</b>                                     |             | -                        | -                        |
| <b>Total Comprehensive Income of the Year</b>                                  |             | <b>(1,162,877)</b>       | <b>(620,463)</b>         |
|  |             | <b><u>JD / share</u></b> | <b><u>JD / share</u></b> |
| <b>Basic and diluted Earnings Per Share</b>                                    | 14          | <b>(0.194)</b>           | <b>(0.103)</b>           |
| <b>Weighted Average of Shares Number</b>                                       |             | <b><u>6,000,000</u></b>  | <b><u>6,000,000</u></b>  |

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**Jordanian Mutual Funds Management Company**

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**The Consolidated Statement of Changes in Shareholders' Equity for the Year Ended 31 December, 2022**

| <u>Description</u>          | <u>Capital</u> | <u>Share Premium</u> | <u>Compulsory Reserve</u> | <u>Fair Value Reserve</u> | <u>Retained Losses</u> | <u>Total</u> |
|-----------------------------|----------------|----------------------|---------------------------|---------------------------|------------------------|--------------|
|                             | JD             | JD                   | JD                        | JD                        | JD                     | JD           |
| Balance at 31 December 2021 | 6,000,000      | 3,000,000            | 63,947                    | (99,999)                  | (3,514,599)            | 5,449,349    |
| Losses of the year          | -              | -                    | -                         | -                         | (1,162,877)            | (1,162,877)  |
| Balance at 31 December 2022 | 6,000,000      | 3,000,000            | 63,947                    | (99,999)                  | (4,677,476)            | 4,286,472    |
| Balance at 31 December 2020 | 6,000,000      | 3,000,000            | 63,947                    | (99,999)                  | (2,894,136)            | 6,069,812    |
| Losses of the year          | -              | -                    | -                         | -                         | (620,463)              | (620,463)    |
| Balance at 31 December 2021 | 6,000,000      | 3,000,000            | 63,947                    | (99,999)                  | (3,514,599)            | 5,449,349    |

\* Retained losses at the end of 2022 include unrealized losses with the amount of JD 36,548 .

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**Jordanian Mutual Funds Management Company**  
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**The Consolidated Statement of Cash Flows for the Year Ended 31 December, 2022**

|   | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|---|--------------------------|--------------------------|
| <b><u>Cash Flows from Operating Activities</u></b>              |                          |                          |
| Losses of the year  | (1,162,877)              | (620,463)                |
| <b><u>Add Non-cash Items</u></b>                                |                          |                          |
| Unrealized gain of financial assets                             | 36,548                   | 49,321                   |
| Share from associated co. and investment impairment             | 720,826                  | 358,199                  |
| Impairment of accounts receivable exp .                         | -                        | 20,000                   |
|   | <u>(405,503)</u>         | <u>(192,943)</u>         |
| <b>Operational Losses Before Changes in the Working Capital</b> |                          |                          |
| Accounts receivable and other current assets                    | -                        | (20,000)                 |
| Accounts payable and other current liabilities                  | (117,669)                | 5,251                    |
| Checks under collection   | -                        | 20,000                   |
| Financial assets at fair value through income statement         | 519,542                  | 185,322                  |
|   | <u>(3,630)</u>           | <u>(2,370)</u>           |
| <b>Net Cash from Operating Activities</b>                       |                          |                          |
|   | <u>(3,630)</u>           | <u>(2,370)</u>           |
| <b>Net Cash from Activities</b>                                 |                          |                          |
| Cash at the beginning of the year                               | 33,352                   | 35,722                   |
|   | <u>29,722</u>            | <u>33,352</u>            |
| <b>Cash at the End of the Year</b>                              |                          |                          |

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The accompanying notes are an integral part of this statement  
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**Jordanian Mutual Funds Management Company**  
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**Amman – The Hashemite Kingdom of Jordan**  
**Accounting Policies**

**Basics of Preparing the Consolidated Financial Statements:**

- The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards and the related interpretations originated by the International Financial Reporting Interpretations Committee.
- The consolidated financial statements have been prepared in accordance with the Historical Cost Principle, except for the financial assets which appear at fair value.
- The consolidated financial statements are presented in Jordanian Dinar, the functional currency of the Company.
- The accounting policies for the current period are similar with the accounting policies of the previous period.

**The Basis for Preparing the Consolidation Financial Statements:**

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

**Use of Estimates:**

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

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

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

**Jordanian Mutual Funds Management Company**  
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**Amman – The Hashemite Kingdom of Jordan**  
**Accounting Policies**

**Cash on Hand and at Banks**

This Item constitutes the cash and cash equivalents in hand, at bank current accounts of the Company and the short-term investments due within three months and can be turned in a known amount of cash with no change in value risks.

**Financial Assets at Fair Value Through the Income Statement**

This section includes investing in shares and bonds of companies held for trading purposes, and making profits from short-term market price fluctuations. These assets are recognized upon purchase at fair value (acquisition expenses are recorded in the income statement upon purchase) and are subsequently re-evaluated at fair value, and the change in their fair value appeared in the condensed consolidated income statement, including the change in fair value resulting from translation differences of non-monetary assets in foreign currency. and in the event of selling these assets or part of them, the profits and losses resulting from the sale are recorded in the income statement.

Dividends or interest earned on these assets are recorded in the income statement.

**Checks Under Collection**

Checks under collection are presented at fair value upon receipt.

**Date of Financial Assets Recognition**

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

**Fair Value**

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

**Accounts Receivable**

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

Bad debts are written off when there is no possibility of recovery.



**Jordanian Mutual Funds Management Company**  
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**Accounting Policies**

**Investment in Associates**

Investment in associates is presented by the equity method. These investments are controlled by the company and the company has an efficient role on its financial and operational policies. According to the equity method, these investments are shown at cost and the changes in the net assets of the associated company are added to it. The results of the associated company are shown in the comprehensive income statement; any changes in the equity of the associated company will be shown under the equity of the company. And, the losses that are more than the shares of the company in associates' capital will not be confirmed except for its share in the associates' obligations.

**Property & Equipment**

Property and equipment are stated at historical cost after decreasing the accumulated depreciation and any losses arising from impairment. The cost includes the direct costs of acquisition, construction or production. Depreciation is recorded using the straight-line method in order to reduce the cost of property and equipment over its useful life span in the income statement, except for property under construction, and the depreciation percentages ranges from 2% to 25%.

The useful life of property and equipment is reviewed at the end of each year. If the expectations of the useful life differ from the previously prepared estimates, then such change is recorded in the income statement and considered as an estimate change. Property and equipment are excluded upon disposal or when there are no economic benefits expected from its use or disposal.

**Financial Assets at Fair Value Through Other Comprehensive Income**

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

These assets are not subject to this impairment loss test and the dividends distributed are recorded in the income statement.

**Jordanian Mutual Funds Management Company**  
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**Accounting Policies**

**Other Liabilities**

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

**Provisions**

The Provisions are recognized when the company is under a (legal or expected) obligation resulting from a previous event and the payment of the obligations is probable. Its value may be measured reliably.

**Setoff**

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

**Revenue Recognition**

The company recognizes the revenue in accordance with International Financial Reporting Standard No. (15) At the fair value of the consideration received when issuing the invoice.

Interest's income is recognized on a time basis that reflects the actual return on the asset.

**Foreign Currencies**

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

**Income Tax**

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



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**Notes to the Consolidated Final Financial Statements for 2022**

**1. General:**

**The Establishment of the Company:**

- Jordanian Mutual Funds Management Company was established as a public shareholding company and registered at the registry of the public shareholding companies at the Companies Control Department under No. 446 on 15/11/2007. the former name of the company was "Al-Fatihoun Al-Arab for Investment ", the name was changed by the General Assembly in its extraordinary meeting held on 03/10/2015 to "Arabian Aviation Investment Company." Also, the name of the company was changed again to " Jordanian Mutual Funds Management Company" by the General Assembly in its extraordinary meeting held on 01/08/2018.
- The consolidated financial statements were approved by the board of directors on 28/03/2023.

**Company purpose :**

- The objective of the company is to establishing mutual funds, managing the investment funds, purchase and sales of stocks and share for business purposes except for financial brokerage.

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Notes to the Consolidated Final Financial Statements for 2022

3- Cash on Hand and at Banks:

| <u>Description</u>      | <u>2022</u>   | <u>2021</u>   |
|-------------------------|---------------|---------------|
|                         | <u>JD</u>     | <u>JD</u>     |
| Cash and checks on hand | 29,720        | 33,178        |
| Cash at banks           | 2             | 174           |
| <b>Total</b>            | <b>29,722</b> | <b>33,352</b> |

4- Financial Assets at Fair Value Through Comprehensive Income :

| <u>Description</u>                                    | <u>Shares</u> | <u>2022</u>   | <u>Shares</u> | <u>2021</u>    |
|---|---------------|---------------|---------------|----------------|
|   | <u>2022</u>   | <u>JD</u>     | <u>2021</u>   | <u>JD</u>      |
| Century Investment Group Co.                          | 5,216         | 1,460         | 87,041        | 160,155        |
| Arab Union International insurance Co.                | 34,420        | 16,866        | 159,916       | 246,271        |
| Rum Financial Brokerage Co.                           | 51,603        | 32,510        | 121,000       | 189,970        |
| Rum Group for Transportation & Tourism Investment Co. | -             | -             | 28,462        | 10,530         |
| <b>Total</b>  |               | <b>50,836</b> |               | <b>606,926</b> |

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**Jordanian Mutual Funds Management Company**

**"Limited Public Shareholding Co."**

**Amman -- The Hashemite Kingdom of Jordan**

**Notes to the Consolidated Final Financial Statements for 2022**

**5- Other Current Assets :**

| <u>Description</u>  | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|---------------------|--------------------------|--------------------------|
| Guarantee insurance | 1,000                    | 1,000                    |
| <b>Total</b>        | <b>1,000</b>             | <b>1,000</b>             |

**6- Accounts Receivable:**

| <u>Description</u>                                   | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|--|--------------------------|--------------------------|
| Clients' accounts                                    | 58,508                   | 81,008                   |
| Account receivable - Checks under collection         | 91,848                   | 91,848                   |
| <b>Total</b>   | <b>150,356</b>           | <b>172,856</b>           |
| Less: provision of impairment of accounts receivable | (150,356)                | (172,856)                |
| <b>Total</b>   | <b>-</b>                 | <b>-</b>                 |

- The movements for the provision of impairment of accounts receivable during the year is as follows:

| <u>Description</u>                    | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|---------------------------------------|--------------------------|--------------------------|
| Balance at the Beginning of the Year  | 172,856                  | 152,856                  |
| Write off                             | (12,500)                 | -                        |
| Reversed Provision                    | (10,000)                 | -                        |
| Additions                             | -                        | 20,000                   |
| <b>Balance at the End of the Year</b> | <b>150,356</b>           | <b>172,856</b>           |

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**7- Investment in Associates:-**

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

| <u>Description</u>          | <u>Ownership<br/>Percentage</u> | <u>2022<br/>JD</u> | <u>2021<br/>JD</u> |
|-----------------------------|---------------------------------|--------------------|--------------------|
| Rum Aviation Investment Co. | 36.4%                           | 5,327,365          | 6,048,191          |
| <b>Total</b>                |                                 | <u>5,327,365</u>   | <u>6,048,191</u>   |

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

|                             | <u>Opening<br/>Balance</u> | <u>Share from<br/>Result</u> | <u>Low<br/>investment<br/>value</u> | <u>Closing<br/>Balance</u> |
|-----------------------------|----------------------------|------------------------------|-------------------------------------|----------------------------|
| Rum Aviation Investment Co. | 6,048,191                  | ( 520,826 )                  | ( 200,000 )                         | 5,327,365                  |
| <b>Total</b>                | <u>6,048,191</u>           | <u>( 520,826 )</u>           | <u>( 200,000 )</u>                  | <u>5,327,365</u>           |

- Below are some information about the associates companies:

| <u>Description</u>          | <u>Shared<br/>owned</u> | <u>Legal Status</u> | <u>Main<br/>Objectives</u> | <u>Capital</u> | <u>Establishme<br/>nt Date</u> |
|-----------------------------|-------------------------|---------------------|----------------------------|----------------|--------------------------------|
| Rum Aviation Investment Co. | 5,100,000               | Private holding co. | Financial investments      | 14,000,000     | 23-05-2010                     |



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**8- Financial Assets at Fair Value Through Other Comprehensive Income:**

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

| <u>Description</u>              | <u>2022</u> | <u>2021</u> |
|---------------------------------|-------------|-------------|
|                                 | <u>JD</u>   | <u>JD</u>   |
| Arkan Financial Investments Co. | 100,000     | 100,000     |
| Fair value reserve              | (99,999)    | (99,999)    |
| <b>Total</b>                    | <u>1</u>    | <u>1</u>    |

Below is the transaction on fair value reserve during 2022:

| <u>Description</u>                       | <u>2022</u>     | <u>2021</u>     |
|--|-----------------|-----------------|
|  | <u>JD</u>       | <u>JD</u>       |
| Opening Balance                          | (99,999)        | (99,999)        |
| Share from current year business results | —               | —               |
| <b>Closing Balance</b>                   | <u>(99,999)</u> | <u>(99,999)</u> |

- Below are some information about the companies in which the Company invests in:

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

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**9- Property and Equipment:**

|                                    | <u>Leased<br/>Property<br/>Improvements</u> | <u>Computers<br/>and Programs</u> | <u>Furniture</u> | <u>Total</u> |
|------------------------------------|---|-----------------------------------|------------------|--------------|
|                                    | <u>JD</u>                                   | <u>JD</u>                         | <u>JD</u>        | <u>JD</u>    |
| <u>Cost</u>                        |   |                                   |                  |              |
| Balance at 31 December 2021        | 10,929                                      | 13,362                            | 9,805            | 34,096       |
| Additions                          | -   | -                                 | -                | -            |
| Balance at 31 December 2022        | 10,929                                      | 13,362                            | 9,805            | 34,096       |
| <u>Accumulated depreciation</u>    |   |                                   |                  |              |
| Balance at 31 December 2021        | 10,928                                      | 13,360                            | 9,803            | 34,091       |
| Annual depreciation                | -   | -                                 | -                | -            |
| Balance at December 2022           | 10,928                                      | 13,360                            | 9,803            | 34,091       |
| Net Book Value at 31 December 2022 | 1   | 2                                 | 2                | 5            |
| Net Book Value at 31 December 2021 | 1   | 2                                 | 2                | 5            |

The company follows the straight-line method of depreciating property and equipment and their useful life

**10- Shareholders' acc :**

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

**11- Accounts Payable and Other Current Liabilities :**

| <u>Description:</u>    | <u>2022<br/>JD</u> | <u>2021<br/>JD</u> |
|------------------------|--------------------|--------------------|
| Other accounts payable | 360,542            | 149,727            |
| Post dated checks      | -                  | 210,809            |
| Accrued expenses       | 34,546             | 26,066             |
| Others' deposits       | 2,296              | 2,296              |
| Government acc.        | 1,674              | 1,674              |
| Fractional shares      | 48                 | 48                 |
| <b>Total</b>           | <b>399,106</b>     | <b>390,620</b>     |



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**12. Capital and Reserves**

**A- Authorized Capital:**

The authorized capital of the company's become 6,500,000 JD instead of 6,000,000 JD .

**B- Paid and Subscribed Capital:**

The paid capital is 6,000,000 JD divided into 6,000,000 JD shares with a par value of one JD per share.

**C- Share Premium:**

The company's capital was increased by "3,000,000" JD shares with a par value of one JD per share, and "3,000,000" JD premium reserve per share.

**D- Compulsory Reserve:**

The accumulate amounts in this account represent the transferred annual profits before tax within 10% during this year and the previous years and they are Undistributable to Shareholders.

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**13- Administrative Expenses:**

| <u>Description</u> | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|--------------------|--------------------------|--------------------------|
| Governmental fees  | 8,721                    | 6,926                    |
| Rent exp.          | 5,500                    | 5,500                    |
| Professional fees  | 7,080                    | 5,330                    |
| Others             | 440                      | 2,449                    |
| <b>Total</b>       | <b>21,741</b>            | <b>20,205</b>            |

**14- Earnings Per Share :**

| <u>Description</u>                          | <u>2022</u><br><u>JD</u> | <u>2021</u><br><u>JD</u> |
|---|--------------------------|--------------------------|
| Loss of the year                            | (1,162,877)              | (620,463)                |
|   | <u>Share</u>             | <u>Share</u>             |
| Weighted Average of Shares Number           | 6,000,000                | 6,000,000                |
|   | <u>Share/JD</u>          | <u>Share/JD</u>          |
| <b>Basic and diluted Earnings Per Share</b> | <b>(0.194)</b>           | <b>(0.103)</b>           |



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**15. Income Tax:**

**A- Jordanian Mutual Funds Management Company:**

- The company's tax file was settled until the end of 2016 with the Income and Sales Tax Department.
- A decision was issued not to approve for the year 2017-2018.
- The tax declaration for the year 2019 , 2020 and 2021 was delivered . the Income and Sales Tax Department did not review the company's records yet.
- No income tax provision was calculated for the year 2022 due to the excess of expenses over the revenues generated.

**B- Ithmar Transportation Co. (Subsidiary):**

- The company's tax file was discussed and settled until the end of 2017 with the Income and Sales Tax Department.
- The tax declaration for the year 2018, 2019 and 2020 was delivered. the Income and Sales Tax Department did not review the company's records yet.
- No income tax provision was calculated for the year 2022 due to the excess of expenses over the revenues generated.

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**16- Financial Instruments:**

**a. Fair Value:**

The book value of the financial instruments, which are cash, receivables and payables, and loans approximate to their fair value.

The notes to these financial statements show the fair values of these financial instruments, and some accounting policies also show the methods used to evaluate these financial instruments.

**b. Credit Risks:**

The Company keeps the balances and deposits with efficient credit banks.

**- Market Price Risks:**

It is the risk of the variation in the financial instruments value due to change in the market price. The financial instruments presented in the consolidated financial position statement is not at market price risk.



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- **Foreign Currency Rates Risks:**

Foreign currency risks are represented in the risk of fluctuation of the value of the financial instruments due to the fluctuations of foreign currency rates. Since most of the transactions of the company are in Jordanian Dinar, with some in US Dollar, the sensitivity of the profits of the company and equity to changes in foreign exchange rates is considered immaterial.

- **Interest Rate Risks:**

Most of the financial instruments appearing in the balance sheet are not subject to any interest rate risk, with the exception of banking facilities, loans and current accounts.