

TO : Jordan Securities Commission  
Amman Stock Exchange

Date: 11/5/2017

Subject: Attached the Quarterly Report as of  
31/3/2017

Attached the Quarterly Report of (Kafaa For  
Financial & Economical Investments CO.P.L.C) as  
of 31/3/2017

Kindly accept our high appreciation and respect,,,

Company s Name : (Kafaa For Financial &  
Economical Investments CO.P.L.C)  
General Managers Signature

Eng. Mysson abu-awad

السادة : هيئة الأوراق المالية  
السادة : بورصة عمان

التاريخ: 11/5/2017

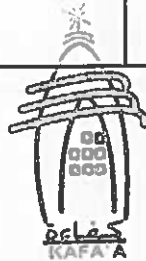
الموضوع : التقرير ربع السنوي كما هي في 31/3/2017

مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة  
( الكفاءة للاستثمارات المالية والاقتصادية م.ع.م ) كما هي  
بتاريخ 31/3/2017.

وتفضلوا بقبول فائق الاحترام ،،،

اسم الشركة : الكفاءة للاستثمارات المالية والاقتصادية م.ع.م  
توقيع المدير العام

م.ميسون ابو عوض



بورصة عمان  
الدائرة الإدارية والمالية  
الديوان

١٤ إبر ٢٠١٧

الرقم المتسلسل: ٢٠٢٩  
رقم الملف: ٢١٢٦٧

الجهة المختصة: هيئة الأوراق المالية

# **KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C**

## **AMMAN - JORDAN**

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**KHALIFEH & RAYYAN**

Auditors and Financial Consultants

## **Independent Auditor's Report**

Messrs Chairman and members of the Board of Directors  
Kafa'a for Financial & Economical Investments PLC

### **Report on the Review Financial Statements**

We have reviewed the accompanying the financial statements of Kafa'a for Financial & Economical Investments PLC as of March 31, 2017 for the three-month periods 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 Alrayyan

License No. 719

  
**KHALIFEH & RAYYAN**  
Auditors And Financial Consultants

Amman – Jordan

As on: 7th of May 2017

**KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C**

**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2017**

	<u>Notes</u>	<u>31-Dec-16</u>	<u>31-Mar-17</u>
		<u>JOD</u>	<u>JOD</u>
<b>Assets</b>			
<b>Non-Current assets</b>			
Properties and equipments	9	138	93
Real-estate investments		3,507,590	3,507,590
Financial assets at fair value (Comprehensive income)	4	81,350	79,690
		<u>3,589,078</u>	<u>3,587,373</u>
<b>Current assets</b>			
Receivables & promissory notes		13	13
Financial assets at fair value (FVTPL)	4	10,900	0
Cash in hands and at banks	3	4,562	11,297
		<u>15,476</u>	<u>11,310</u>
<b>TOTAL ASSETS</b>		<u><b>3,604,554</b></u>	<u><b>3,598,683</b></u>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
AUTHORIZED CAPITAL(4,000,000share/Jod)			
Paid in capital		4,000,000	4,000,000
Statutory reserve		4,681	4,681
Retained earnings		540,664-	545,709-
Accumulated evaluation in fair value of financial assets		<u>275,660-</u>	<u>277,320-</u>
		<u><b>3,188,357</b></u>	<u><b>3,181,652</b></u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Accounts payables	5	375,762	376,024
Other payables	6	40,434	41,007
		<u>416,196</u>	<u>417,031</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u><b>3,604,554</b></u>	<u><b>3,598,683</b></u>

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

**KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C**

**COMPREHENSIVE INCOME STATEMENT FOR THE PERIOD ENDED AT 31 MARCH 2017**

	<u>Notes</u>	<u>31-Mar-16</u> JOD	<u>31-Mar-17</u> JOD
Profit (loss) of invesments		0	428
<b>Gross profit(loss)</b>		<b>0</b>	<b>428</b>
Administrative expenses	8	7,749-	5,427-
Re -evaluation of financial assets at fair value		1,106-	0
Depreciation of properties and equipments	9	46-	45-
<b><u>Loss of the period</u></b>		<b>8,901-</b>	<b>5,045-</b>
Changes in fair value of financial assets		5,951-	1,660-
Comprehensive loss		<b>14,852-</b>	<b>6,705-</b>
Total number of shares		4,000,000	4,000,000
EPS		0.0037-	0.0017-

(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 31st MARCH 2017**

	<u>Notes</u>	<u>31-Mar-16</u> JOD	<u>31-Mar-17</u> JOD
<b>Operating activities</b>			
Loss of the period		8,901-	5,045-
<b>Adjustments for:</b>			
Depreciation		46	45
Re-evaluation of financial assets at fair value through income statement		1,106	0
<b>Changes in working capital</b>			
Other receivables		1	0
Receivables & promissory notes		0	10,900
Accounts payables		9,559	262
Other payables		2,400-	572
<b>Net cash used in operating activities</b>		<b>-589</b>	<b>6,735</b>
<b>Investing activities</b>			
Real estate investments		0	0
<b>Net cash from operating activities</b>		<b>0</b>	<b>0</b>
 <b>Net changes in cash and cash equivalent</b>		 <b>-589</b>	 <b>6,735</b>
<b>Cash and cash equivalent at beginning of period</b>		<b>4,857</b>	<b>4,562</b>
<b>Cash and cash equivalent at end of period</b>		<b>4,268</b>	<b>11,297</b>

(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 2017**

	<u>Paid in</u>	<u>Statutory</u>	<u>Accumulated</u>	<u>Retained</u>	<u>Total</u>
	JOD	JOD	JOD	JOD	JOD
Balance as at 01/01/2017	4,000,000	4,681	275,660-	540,664-	3,188,357
Total comprehensive income			1,660-	5,045-	6,705-
Balance as at 31/03/2017	<u>4,000,000</u>	<u>4,681</u>	<u>277,320-</u>	<u>545,709-</u>	<u>3,181,652</u>
Balance as at 01/01/2016	4,000,000	4,681	274,115-	504,941-	3,225,626
Total comprehensive income			5,951-	8,901-	14,851-
Balance as at 31/03/2016	<u>4,000,000</u>	<u>4,681</u>	<u>280,065-</u>	<u>513,841-</u>	<u>3,210,774</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 2017**

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**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 2017**

**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-Dec-16</u>	<u>31-Mar-17</u>
Cash at banks	4,562	11,297
	<u>4,562</u>	<u>11,297</u>

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

	<u>31-Dec-16</u>	<u>31-Mar-17</u>
Financial assets at fair value through P&L statement	23,802	23,802
		21,800-
Financial assets re evaluation provision	12,902-	2,001-
	10,900	0
Financial assets at fair value through comprehensive income	357,009	357,009
Impairment losses of financial assets through comprehensive income	275,660-	277,320-
	81,350	79,690
<b>Total</b>	<u>92,250</u>	<u>79,690</u>

**KAFA'A FOR FINANCIAL & ECONOMICAL INVESTMENTS P L C**

**NOTES TO THE FINANCIAL STATEMENTS**

**31 March 2017**

**5- Payables**

	<u>31-Dec-16</u>	<u>31-Mar-17</u>
Vendors	7,795	7,911
Others	367,968	368,114
	<u>375,762</u>	<u>376,024</u>

**6- Other payables**

	<u>31-Dec-16</u>	<u>31-Mar-17</u>
Accrued expenses (note7)	36,000	36,572
Shareholders deposits	4,176	4,176
Education suport provision	22	22
Income tax funds	35	35
Bar deposits	200	200
Employees payable	1	1
	<u>40,434</u>	<u>41,007</u>

**7- Accrued expenses**

	<u>31-Dec-16</u>	<u>31-Mar-17</u>
Board of directors transportation	36,000	36,000
Rent	0	572
	<u>36,000</u>	<u>36,572</u>

**8- Administrative expenses**

	<u>31-Mar-16</u>	<u>31-Mar-17</u>
Rent	572	572
Phone ,water and electricity	355	262
Fees and permits	2,486	0
Stationary	34	4
General maintenance	84	0
Entertainment	136	0
Cleaning	1	0
subscriptions	2,000	4,400
Fuel	177	0
Travel expenses	713	0
Miscellaneous expenses	24	63
Previous year expenses	1,144	116
Bank charges	23	11
	<u>7,749</u>	<u>5,427</u>

**9- Properties and equipments**

	Furniture	Computers and accessories	Vehicles	Electrical equipments	Total
Cost as at 1/1/2017	812	2,241	25,955	1,020	30,028
Additions(deletions)	0	0	0	0	0
Cost as at 31/03/2017	812	2,241	25,955	1,020	30,028
Accumulated depreciation as at 1/1/2017	721	2,240	25,954	975	29,889
Additions(deletions)	20	0	0	25	45
31/03/2017	741	2,240	25,954	1,000	29,934
Net book value at 31/03/2017	71	1	1	20	93