Jordinvest
Jordan Investment Trust P.L.C

To: **Jordan Securities Commission**
Amman Stock Exchange

السادة هيئة الاوراق المالية المحترمين
السادة بورصة عمان المحترمين

Date: 16/6/2020

التاريخ: 2020/6/16

Subject: Audited financial statements for the fiscal year ended 31st Dec 2019

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 31كانون الاول 2019

Please find attached the audited financial statements of Jordan Investment Trust for the fiscal year ended 31st Dec 2019 in English.

مرفق طيه نسخة من البيانات المالية المدققة لشركة الثقة للاستثمارات الأردنية عن السنة المالية المنتهية في 31كانون الاول 2019 باللغة الانجليزية.

Regards

Compliance Officer
Haya Al Jabali

وتفضلوا بقبول فائق الاحترام،،،

شركة الثقة للاستثمارات الأردنية
ضابط الامتثال
هيا الجبالي

- CC Securities depository center

- نسخة السادة مركز إيداع الأوراق المالية

بورصة عمان
الدائــرة الإدارية والمالية
الديـــوان
١٦ حزيران ٢٠٢٠
الرقم المتسلسل ١٩٧٠
رقم الملف [illegible]
الجهة المختصة [illegible]

Tel: 962 6 5518880, Fax: 962 6 5508899
P.O Box [illegible] Amman [illegible] Jordan
E-mail: information@jordinvest.com.jo

JORDAN INVESTMENT TRUST COMPANY

(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

Building a better
working world

Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordan Investment Trust Public Shareholding Company
Amman- Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Investment Trust Public Shareholding Company (the Company) and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Building a better working world

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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. For each matter below, our description of how our audit addressed the matter provided in that context.

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

1. Revenue recognition: Share of income from associate	**How the key audit matter was addressed in the audit**
At 31 December 2019, the Group has associate investments amounting to JD 10,576,250 with share of profits recorded during the year 2019 amounted to JD 7,113,978 which represent 95% of the income to the group. Importance was given to this matter given the fact its relative importance in the financial statements, as there is a heavy reliance on the results of the associate company in achieving the Group's profits. Refer to the note (2), (6) on the consolidated financial statements	Our audit procedures included, amongst others, obtaining the financial statements from associates as of 31 December 2019 and audit the implementation of the equity method of accounting related to the associate including the recalculation of the Company's share of income and net assets from the associate based on their financial statements.
2. Impairment of investment properties	**How the key audit matter was addressed in the audit**
Impairment of investment properties is considered a key audit matter as it represents a significant judgment area. Also, investment properties is a significant part of the total assets of the Group. Refer to the note (2), (9) on the consolidated financial statements	The Group performs impairment property annually by obtaining valuations from external independent valuators. Our audit procedures included obtaining the land valuations performed by independent valuators to ensure that management properly recorded any impairment in value.

EY

Building a better working world

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

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.
Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

EY
Building a better working world

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records, which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Waddah Isam Barkawi; license number 591.

Amman-Jordan

Ernst + Young

4 March 2020

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2019

	Notes	2019	2018
ASSETS		JD	JD
Cash on hand and at banks	3	8,107,991	285,876
Financial assets at fair value through profit or loss	4	1,909,808	1,894,156
Financial assets at fair value through other comprehensive income	4	4,463,019	4,256,007
Accounts receivable - net	5	78,604	102,497
Investment in associate	6	10,576,250	13,313,523
Other debit balances	7	394,593	410,633
Property and equipment	8	2,209,156	2,255,169
Investment properties	9	10,247,728	9,253,622
Total Assets		37,987,149	31,771,483
LIABILITIES AND EQUITY			
Liabilities -			
Loans	10	555,559	681,955
Brokerage customers payables		51,687	51,087
Other credit balances	11	1,042,749	843,084
Income tax provision	17	710,552	40,251
Total Liabilities		2,360,547	1,616,377
Equity -			
Shareholders' equity	12		
Paid in capital		27,270,078	29,513,889
Treasury shares		-	(3,130,164)
Share premium		-	746,349
Statutory reserve		1,342,748	2,627,073
Voluntary reserve		-	154,602
Fair value reserve		16,859	(252,131)
Retained earnings (Accumulated losses)		5,153,971	(1,438,927)
Shareholders' equity		33,783,656	28,220,691
Non-controlling interests	13	1,842,946	1,934,415
Net Equity		35,626,602	30,155,106
Total Liabilities and Equity		37,987,149	31,771,483

The accompanying notes from 1 to 29 form part of these consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
Revenue -			
Share of profit from associate	6	7,113,978	823,709
Profit (Loss) from financial assets at fair value through profit or loss	14	232,417	(243,336)
Other income	15	133,202	166,976
Interest income		22,344	19,131
Brokerage commissions		9,788	21,215
Net revenue		7,511,729	787,695
Expenses -			
Administrative expenses	16	1,274,633	1,071,076
Impairment of investment properties	9	141,792	-
Provision for expected credit losses	5	23,251	46,711
Interest and commission		92,982	57,281
Other expenses		-	28,169
Total expenses		1,532,658	1,203,237
Profit (Loss) before income tax		5,979,071	(415,542)
Income tax expense	17	(710,406)	(39,920)
Profit (Loss) for the year		5,268,665	(455,462)
Attributable to:			
Shareholders of the company		5,298,078	(411,959)
Non-controlling interests		(29,413)	(43,503)
		5,268,665	(455,462)
		Fils /JD	Fils /JD
Basic and diluted earnings per share from profit (loss) of the year	18	0/194	(0/015)

The accompanying notes from 1 to 29 form part of these consolidated financial statements

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	JD	JD
Profit (Loss) for the year	5,268,665	(455,462)
Add: other comprehensive income not to be reclassified to profit and loss in subsequent periods:		
Change in fair value of financial assets at fair value through other comprehensive income	207,012	(867,023)
Total comprehensive income for the year	5,475,677	(1,322,485)
Attributable to:		
Shareholders of the company	5,501,076	(1,278,982)
Non-controlling interests	(25,399)	(43,503)
	5,475,677	(1,322,485)

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Paid in capital	Treasury shares	Share premium	Reserves: Statutory	Reserves: Voluntary	Fair value reserve	Retained Earnings (Accumulated losses)	Total	Non-controlling interests	Total equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the year ended 31 December 2019										
Balance as at 1 January 2019	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(252,131)	(1,438,927)	28,220,691	1,934,415	30,155,106
Treasury shares write off (note 12)	(2,243,811)	3,130,164	(746,349)	-	-	-	(140,004)	-	-	-
Accumulated losses write off (note 12)	-	-	-	(1,284,325)	(154,602)	-	1,438,927	-	-	-
Total comprehensive income for the year	-	-	-	-	-	202,998	5,298,078	5,501,076	(25,399)	5,475,677
Acquisition of non- controlling interest	-	-	-	-	-	-	-	-	(4,181)	(4,181)
Acquisition of non– controlling interest from subsidiary's capital increase(note21)	-	-	-	-	-	65,992	(4,103)	61,889	(61,889)	-
Balance as of 31 December 2019	27,270,078	-	-	1,342,748	-	16,859	5,153,971	33,783,656	1,842,946	35,626,602
For the year ended 31 December 2018										
Balance as at 1 January 2018	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(153,675)	(108,401)	29,649,673	1,977,918	31,627,591
Effect of adopting IFRS 9	-	-	-	-	-	766,818	(916,818)	(150,000)	-	(150,000)
Restated balance as of 1 January 2018	29,513,889	(3,130,164)	746,349	2,627,073	154,602	613,143	(1,025,219)	29,499,673	1,977,918	31,477,591
Total comprehensive income for the year	-	-	-	-	-	(867,023)	(411,959)	(1,278,982)	(43,503)	(1,322,485)
Loss from selling financial assets at fair value through other comprehensive income	-	-	-	-	-	1,749	(1,749)	-	-	-
Balance as of 31 December 2018	29,513,889	(3,130,164)	746,349	2,627,073	154,602	(252,131)	(1,438,927)	28,220,691	1,934,415	30,155,106

The accompanying notes from 1 to 29 form part of these consolidated financial statements

JORDAN INVESTMENT TRUST COMPANY
(PUBLIC SHAREHOLDING COMPANY)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	2019	2018
OPERATING ACTIVITIES		JD	JD
Profit (Loss) for the year before tax		5,979,071	(415,542)
Adjustments -			
Interest Income		(22,344)	(19,131)
Provision for expected credit losses	5	23,251	46,711
Provision for impairment of investment properties	9	141,792	-
Depreciation		128,291	265,339
Loss on revaluation of financial assets at fair value through profit and loss	14	3,648	457,330
Share of profit from associate	6	(7,113,978)	(823,709)
Changes in working capital -			
Financial assets at fair value through profit or loss		(19,300)	(275,344)
Accounts receivable and other debit balances		16,682	42,675
Accounts payable and other credit balances		200,265	(205,430)
Income tax paid		(40,105)	(75,503)
Net cash used in operating activities		(702,727)	(1,002,604)
INVESTING ACTIVITIES			
Sale of financial assets at fair value through other comprehensive income		-	16,550
Purchase of property and equipment	8	(22,387)	(56,000)
Purchase of investment property	9	(1,195,789)	(121,498)
Dividends received from associate	6	9,851,251	-
Investment in subsidiary		(4,181)	-
Interest income received		22,344	19,131
Net cash from (used in) investing activities		8,651,238	(141,817)
FINANCING ACTIVITIES			
Loans		-	413,520
Paid loans		(126,396)	-
Net cash (used in) from financing activities		(126,396)	413,520
Net increase (decrease) in cash and cash equivalents		7,822,115	(730,901)
Cash and cash equivalents at beginning of the year		285,876	1,016,777
Cash and cash equivalents at end of the year		8,107,991	285,876

The accompanying notes from 1 to 29 form part of these consolidated financial statements

(1) GENERAL

Jordan Investment Trust was incorporated in Jordan as a public shareholding company and registered on April 23, 1998 with an authorized capital of JD 20,000,000 divided into 20,000,000 shares, at a par value of 1JD each. The authorized, issued and paid up capital was increased several times over the years to reach JD 27,270,078 as at 31 December 2019.

The main objectives of the Group are to invest in all available fields of investment in industrial, agricultural, financial, real estate, tourism and services sectors, and in particular to purchase and hold shares, allotments, real estate, bonds and manage investment portfolios. Other activities include, providing consulting services and capital market operations services which support and foster investment, acting as a broker in organizing the capital financing operations required for establishment, expansion and development of the companies including the undertakings of issuance of shares and bond or participate with the gatherings that aim to such undertakings.

The Company's registered office is located in Jabal Amman, Amman – The Hashemite Kingdom of Jordan.

The main objectives of the subsidiaries are to invest in all available fields of investment.

The financial statements were authorized for issue by the Board of Directors in their meeting held on 6 February 2020. These financial statements require the General Assembly's approval.

The Company's shares are listed in Amman stock Exchange.

(2) BASIS OF PREPARATION AND THE ACCOUNTING POLICIES

Basis of preparation

The accompanying consolidated financial statements for the Group have been prepared in accordance with International Financial Reporting Standards (IFRS) and its interpretations (IFRICs).

The financial statements are prepared under the historical cost convention except for financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income which have been measured at fair value in the consolidation financial statements date.

The financial statements have been presented in Jordanian Dinars" JD" which is the functional currency of the Group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Jordan Investment Trust company and its wholly owned subsidiaries. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the subsidiary and has the ability to affect those returns through its power over the subsidiary.

Group controls an investee only if the Group has:

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

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

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

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

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income from the date the Group gains control until the date the Group ceases to control the subsidiary.

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

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

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the translation reserve of the foreign currencies
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained in the subsidiary;
- Recognises profit or loss resulting from controlling loss; and
- Reclassifies the Group's share of components previously recognised in other comprehensive income to profit or loss.

Use of Estimates

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

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

CHANGES IN ACCOUNTING POLICIES

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

IFRS 16 Leases

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

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

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

This new standard did not have any impact on the Group's consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Interpretation did not have an impact on the Group's consolidated financial statements.

Amendments to IFRS 9: Prepayment Features with Negative Compensation

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

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

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

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

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

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The amendments had no impact on the Group's consolidated financial statements as it did not have any plan amendments, curtailments, or settlements during the year.

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

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

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

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

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounts receivable

Accounts receivable are stated at original invoice amount less any allowance for any uncollectible amounts, the Group applies the standard's simplified approach and calculates ECL based on lifetime expected credit losses. The Group establishes a study that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS 9.

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee.

The Group's investments in its associates are accounted for using the equity method.

Under the equity method, the investment in an associate initially recognised at cost, the carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associates since the acquisition date. Goodwill relating to the associates is included in the carrying amount of the investment and is not amortised.

The consolidated income statement reflects the Group's share of the results of operations of the associates. When there has been a change recognised directly in the equity of the associates, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associates are eliminated to the extent of the interest in the associates.

The Group's share of profit or loss of an associate is shown on the face of the statement of profit or loss and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value, and then recognises the loss as 'Share of profit of an associates in the statement of profit or loss.

Upon loss of significant influence over the associate, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

Operating lease

Group as a lessor
Operating lease revenues are recognized as rental income in the statement of income using the straight-line basis over the lease term.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation and any impairment in value if any. Land is not depreciated.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

	%
Buildings	2
Equipment	5-25
Furnitures, fixtures and decorations	10-20
Vehicles	10

If the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The impairment loss is recorded in the consolidated income statement.

The useful life of the properties and equipment is reviewed at the end of the year. If such expectations differ from the previously estimates, the change shall be accounted for in the subsequent years as changes in such estimates.

Property and equipment are excluded when disposed or when it's use has no expected future benefits.

Investment property

Investment properties are measured at cost less any accumulated depreciation.

Investment properties (except lands) are depreciated in accordance with their useful lives on a straight-line basis using annual depreciation rate of 2%.

When the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount. The impairment loss is recorded in the consolidated income statement.

Income tax

The income tax provision is calculated in accordance with the Income Tax Law No. 38 of 2018 and IAS 12 which requires the recognition of deferred taxes resulting from the temporary differences between the carrying amount of an asset or liability and its tax base.

Term loans

All loans and borrowings are recognized at fair value plus direct attributable costs. Interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest rate method.

Provisions

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

Cash and cash equivalents

For the purposes of the statement of cash flows, cash and cash equivalents include cash on hand, bank balances and short term deposits with an original maturity of three months or less after deducting due to banks.

Revenue and expenses recognition

Revenue is recognized in accordance with International Accounting Standard No. (15), whereby the standard defines a five-step model for recognizing revenue from contracts with customers, and revenue is recognized at a value that represents the amount that the Company expects to receive in return for providing services to the customer at a particular point in time when a process is fulfilled for trading securities to the customer at a time when the customer receives and uses the features and services provided by the company.

Other revenues are recognized on an accrual basis.

Dividends are recognized when they are approved by the general assemblies of the investees.

Expenses are recognized on an accrual basis.

Loans Interest

Interest on loans are accounted for on effective interest method basis.

Foreign currency transactions

Transactions in foreign currencies are initially recorded in the functional currency at the rate of exchange ruling at the date of the transaction.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at rates of exchange prevailing at the reporting date as issued by Central Bank of Jordan.

Monetary assets and liabilities in foreign currencies are translated into respective functional currencies at fair value at the respective date.

Gains and losses resulting from foreign currencies translation shall be recorded in the consolidated statement of income.

Translation differences on non-monetary items carried at fair value (such as stocks) are included as part of the changes in fair value.

Offsetting

Financial assets and financial liabilities are only offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to set off the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

Segment reporting

A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

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

Fiduciary assets

Assets held in a fiduciary capacity are not recognized as assets of the Group. Fees and commissions received for managing such assets are recognized in the consolidated income statement. Impairment loss is recognized in the consolidated income statement for the decline in fair value of guaranteed fiduciary assets below their original principal amount.

Fair value

The Group measures financial instruments such as financial assets at fair value at the financial statements date as illustrated in disclosure (23).

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

In case of unavailable main market, the principal or the most advantageous market for assets or liabilities must be accessible to by the Group.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Impairment of financial assets

The Group recognises an allowance for ECLs for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms. The Group has established a provision matrix that is based on its historical credit loss experience, market available specific credit default ratios of counterparties, adjusted for forward-looking factors specific to the debtors and the economic environment. These ratios are applied to trade receivables, refundable deposits, restricted cash and bank balances.

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

The Group considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Impairment of non-financial assets

The Group assesses at the reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, the current transactions in the market are to be considered if any, otherwise an appropriate valuation model has to be used These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

(3) CASH ON HAND AND AT BANKS

This item represents the following:

	2019	2018
	JD	JD
Cash on hand	339	740
Call deposits*	15,676	37,613
Time deposits **	7,542,946	182,786
Current accounts	549,030	64,737
	8,107,991	285,876

* Call deposits represent monthly deposits in Jordanian Dinar with an annual average interest rate from 3.25% - 5%.

** Time deposits represent monthly deposits in Jordanian Dinar and US Dollars with an annual average interest rate from 2%-5%.

(4) FINANCIAL ASSETS AT FAIR VALUE

A. Financial assets at fair value through profit or loss

	2019	2018
	JD	JD
Investments in shares of listed companies	1,909,808	1,894,156

B. Financial assets at fair value through other comprehensive income

	2019	2018
	JD	JD
Shares Investment in listed companies	3,762,321	3,555,309
Shares Investment in unlisted companies	700,698	700,698
	4,463,019	4,256,007

* The financial assets at fair value through other comprehensive income include investments with an amount of JD 283,057 registered for others on behalf of Jordan investment trust company (Nominee account).

Movement on fair value reserve is as follows:

	2019	2018
	JD	JD
Balance as of January 1	(252,131)	(153,675)
Effect of adopting IFRS (9)	-	766,818
Balance as of January 1 (restated)	(252,131)	613,143
Change in fair value during the year	202,998	(865,274)
Acquisition of non-controlling interest from subsidiary's capital increase	65,992	-
Balance as of December 31	16,859	(252,131)

(5) ACCOUNTS RECEIVABLE - NET

This item represents the following:

	2019	2018
	JD	JD
Brokerage receivables	638,991	639,720
Employees' receivables	9,681	9,594
Less: provision for expected credit loss	(570,068)	(546,817)
	78,604	102,497

Movement on the allowance for expected credit loss (ECL) is as follows:

	2019	2018
	JD	JD
Balance as of January 1	546,817	500,106
Additions during the year	23,251	46,711
Balance as of December 31	570,068	546,817

As at 31 December, the aging of unimpaired receivables is as follows:

	Past due not impaired		
	181-360 days	Over 360 days	Total
	JD	JD	JD
2019	-	78,604	78,604
2018	10,479	92,018	102,497

Unimpaired receivables are expected to be fully recoverable based on the Group's management opinion, knowing that the vast majority of the brokerage receivables are guaranteed by the customer's portfolios.

(6) INVESTMENT IN ASSOCIATE

This item represents the following:

	Ownership percentage	Country of incorporation	Nature of activity	2019	2018
	%			JD	JD
First Education Holding	31.6	Bahrain	Education	10,576,250	13,313,523

The following table illustrates the movement on the investments in associate:

	2019	2018
	JD	JD
Balance as of 1 January	13,313,523	12,489,814
Group net share from profit	7,113,978	823,709
Dividends received from associate	(9,851,251)	-
Balance as of December 31	10,576,250	13,313,523

Summary of financial position Statement:

	2019	2018
	JD'000	JD'000
Current assets	56,016	19,729
Non – current assets	17,115	41,539
Current liabilities	(39,421)	(18,558)
Non – current liabilities	(242)	(580)
Net assets	33,468	42,130
Group's Share from assets and liabilities	10,576	13,313
Book Value of Investment	10,576	13,313

Summary of Income statement:

	2019	2018
	JD'000	JD'000
Revenue	9,726	18,654
Capital gain	23,824	-
Expenses	(7,480)	(16,040)
Provision for contingent liabilities	(3,545)	-
Profit of the year	22,525	2,614
Group's share of income	7,114	824

(7) OTHER DEBIT BALANCES

This item consists of the following:

	2019	2018
	JD	JD
Income tax deposits	19,698	68,672
Prepaid expenses	57,690	36,429
Refundable deposits	79,754	79,254
Account receivables - investments	340,096	340,096
Deferred tax asset	40,000	40,000
Rent receivable	97,217	72,753
Others	125,138	138,429
	759,593	775,633
Less: provision for expected credit loss	(365,000)	(365,000)
	394,593	410,633

The movement on the provision for expected credit loss is as follows:

	2019	2018
	JD	JD
Balance as of January 1	365,000	215,000
Effect of adopting IFRS (9)	-	150,000
Balance as of January 1 (restated)	365,000	365,000

(8) PROPERTY AND EQUIPMENT

This item consists of the following:

	Land *	Buildings	Equipment	Furniture, Fixtures and decorations	Vehicles	Total
2019 -	JD	JD	JD	JD	JD	JD
Cost -						
Balance as of 1 January 2019	895,953	1,660,985	1,289,639	1,193,726	136,304	5,176,607
Additions	-	-	13,226	9,161	-	22,387
Balance as of 31 December 2019	895,953	1,660,985	1,302,865	1,202,887	136,304	5,198,994
Accumulated Depreciation -						
Balance as of 1 January 2019	-	520,825	1,272,737	1,067,381	60,495	2,921,438
Deprecation for the year	-	28,970	10,672	11,227	17,531	68,400
Balance as of 31 December 2019	-	549,795	1,283,409	1,078,608	78,026	2,989,838
Net Book Value -						
As at 31 December 2019	895,953	1,111,190	19,456	124,279	58,278	2,209,156

* This item includes mortgaged land in an amount of JD 900,000 against the bank loan obtained from the Bank of Jordan (Note 10).

	Land *	Buildings	Equipment	Furniture, Fixtures and decorations	Vehicles	Total
2018 -	JD	JD	JD	JD	JD	JD
Cost -						
Balance as of 1 January 2018	895,953	1,660,985	1,238,975	1,188,390	136,304	5,120,607
Additions	-	-	50,664	5,336	-	56,000
Balance as of 31 December 2018	895,953	1,660,985	1,289,639	1,193,726	136,304	5,176,607
Accumulated Depreciation -						
Balance as of 1 January 2018	-	491,855	1,233,163	948,008	42,964	2,715,990
Deprecation for the year	-	28,970	39,574	119,373	17,531	205,448
Balance as of 31 December 2018	-	520,825	1,272,737	1,067,381	60,495	2,921,438
Net Book Value -						
As at 31 December 2018	895,953	1,140,160	16,902	126,345	75,809	2,255,169

(9) INVESTMENT PROPERTIES

This item consists of the following:

	Land	Buildings	Projects under construction	Advance payment for investment property*	Total
2019 -	JD	JD	JD	JD	JD
Cost -					
Balance as of 1January 2019	2,719,023	5,097,516	1,944,013	122,405	9,882,957
Additions	741,668	434,734	-	19,387	1,195,789
Balance as of 31 December 2019	3,460,691	5,532,250	1,944,013	141,792	11,078,746
Accumulated Depreciation -					
Balance as of 1January 2019	-	629,335	-	-	629,335
Deprecation for the year	-	59,891	-	-	59,891
Provision for impairment*	-	-	-	141,792	141,792
Balance as of 31 December 2019	-	689,226	-	141,792	831,018
Net Book Value -					
As at 31 December 2019	3,460,691	4,843,024	1,944,013	-	10,247,728
2018 -					
Cost -					
Balance as of 1January 2018	2,712,722	4,984,375	1,944,013	120,349	9,761,459
Additions	6,301	113,141	-	2,056	121,498
Balance as of 31 December 2018	2,719,023	5,097,516	1,944,013	122,405	9,882,957
Accumulated Depreciation -					
Balance as of 1January 2018	-	569,444	-	-	569,444
Deprecation for the year	-	59,891	-	-	59,891
Balance as of 31 December 2018	-	629,335	-	-	629,335
Net Book Value -					
31 December 2018	2,719,023	4,468,181	1,944,013	122,405	9,253,622

* This item represents an advance payment for property investment outside Jordan. A provision was taken for the whole amount of the investment as the management decided not to complete the purchase procedures of this investment.

- The fair value of the investment properties as assessed by the real estate evaluator equals an amount of JD 13,062,262 as of 31 December 2019 (31 December 2018: JD 11,734,569).

- Buildings includes three apartments with a total area of nearly 220 square meters with a book value of JD 161,932, the apartments promise of sale contract was registered in the name of Al-Ihdathiat for real estate company (subsidiary) on the 30 November 2011, the apartments are not yet transferred to the Group as of reporting date.

(10) LOANS

This item consists of the following:

	Loan installments			
	Short term	Long term	2019	2018
	JD	JD	JD	JD
The Bank of Jordan (1)	33,000	26,347	59,347	92,347
The Bank of Jordan (2)	12,396	24,816	37,212	49,608
The Bank of Jordan (3)	108,000	351,000	459,000	540,000
			555,559	681,955

The Bank of Jordan Loan (1)

On 2 September 2010, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 1,650,000 at an annual interest rate of 8.5%. the loan is due after a grace period of 2 years over 60 monthly installments of JD 32,616 each, the first of which fell due on 19 September 2012 until the final settlement, the loan is secured by the mortgage of the property owned by Al Tawon Real Estate Management Company (Subsidiary) which is equal to JD 900,000. In 2018 the loan was rescheduled, and the monthly installment was now JD 2,750 instead of JD 32,616 starting from 14 November 2018 and holds an interest rate of 9,25%.

The Bank of Jordan Loan (2)

On 11 January 2017, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 74,400 with an annual interest rate of 8.75%. the loan is payable in 60 monthly installments of JD 1,033 each, starting on 31 January 2017. The loan was used to finance the purchase of new vehicle. During 2019 the interest rate was increased to 9,25%.

The Bank of Jordan Loan (3)

On 2 October 2018, the Group signed a loan agreement with the Bank of Jordan for an amount of JD 540,000 with an annual interest rate of 9%. the loan is payable after a grace period of 5 months in 60 monthly installments of JD 9,000 each, starting on 21 April 2019. The loan is secured by the mortgage of the property owned by AlTawon Real Estate Management Company (Subsidiary) by JD 900,000. During 2019 the interest rate was increased to 9,25%.

(11) OTHER CREDIT LIABILITIES

This item consists of the following:

	2019	2018
	JD	JD
Portfolios payables	100,370	203,139
Withholding deposits	27,560	47,378
Postdated checks	1,043	7,383
Bonuses and incentives for employees	260,258	10,258
Provision for employees' vacation allowance	57,611	55,003
Accrued expenses	45,214	48,855
Due to shareholders	124,436	124,436
Others	426,257	346,632
	1,042,749	843,084

(12) EQUITY

Paid in capital -

The authorized capital amounted to JD 27,270,078 divided into 27,270,078 shares, at a par value of 1JD each

The details of the capital are as follows:

	2019	2018
	JD	JD
Subscribed and paid in capital	27,270,078	29,513,889
Treasury shares owned by the parent company	-	(292,609)
Treasury shares	-	(2,837,555)
	27,270,078	26,383,725

The Shareholders' general assembly approved in its extraordinary meeting on 25 April 2019 to transfer 2,053,806 treasury shares with par value of JD 1 from Trust and Dubai Investment (subsidiary) to Jordan Investment Trust Company. This will result in a discount of JD 783,749 that will be accounted for in the shares premium and accumulated losses, so that the balance of the share premium will be zero. The legal procedures of transferring the shares from Trust and Dubai Investment Company to Jordan Investment Trust Company were completed on 10 July 2019.

Also, the general assembly approved to reduce the Company's share capital by 2,243,811 shares so that the authorized, issued and paid up capital will be 27,270,078 shares instead of 29,513,889 shares through the write-off of the transferred treasury shares of Trust and Dubai Investments (subsidiary) to Jordan Investment Trust Company, and the 190,005 treasury shares owned by Jordan Investment Trust Company. The Legal procedures to reduce share capital were completed and approved by the Ministry of Industry and Trade on 3 September 2019, and by Securities Depository Center on 30 September 2019.

Legal Reserves-
The Shareholders' general assembly approved in its extraordinary meeting on 25 April 2019 to write off the Group's accumulated losses amounting to JD 1,438,927 as of 31 December 2018 in the voluntary and statutory reserves by JD 154,602 and JD 1,284,325 respectively, so that the balance of accumulated losses and statutory reserve after the write off will become zero and JD 1,342,748 respectively. The legal procedures were completed for this transaction on 20 June 2019.

Share premium -
This amount represents the difference between the par value of the shares issued and their issue price at the date of issuance. During 2019, the Company has used the whole balance of the share premium to write off the treasury shares.

(13) NON-CONTROLLING INTERESTS

This note represents the net non-controlling interests' in subsidiaries.

	Ownership %	2019	2018
		JD	JD
Al - Ihdathiat Real Estate Company	41,42%	1,627,444	1,649,324
Imcan for Financial Services	22,84%	215,502	285,091
		1,842,946	1,934,415

(14) GAINS (LOSSES) FROM FINANCIAL ASSETS

	2019	2018
	JD	JD
Realized gains	-	3,154
Change in fair value	(3,648)	(457,330)
Shares dividends income	236,065	210,840
	232,417	(243,336)

(15) OTHER INCOME

	2019	2018
	JD	JD
Food and beverage sales	-	22,835
Rent revenue	123,798	129,372
Other	9,404	14,769
	133,202	166,976

(16) ADMINISTRATIVE EXPENSES

	2019	2018
	JD	JD
Salaries, wages and employees' benefits	377,280	367,285
Bonuses and incentives	260,126	1,700
Travel and transportation	76,540	35,601
Rent	-	17,060
Legal and professional fees	89,481	92,595
Insurance	10,473	8,597
Mail and telephone	21,616	21,329
Stationary and publications	7,267	5,937
Advertisement	14,369	6,254
Hospitality	12,729	4,370
Government fees and licenses	79,185	71,187
Cleaning and maintenance services	25,264	37,723
Subscriptions	18,088	15,301
Donations	37,500	30,000
Depreciation	128,291	265,339
Training	12,671	13,080
Board of Directors transportation	15,400	17,850
Franchise fees	-	1,348
Water and electricity	4,827	9,332
Non-refundable income tax	50,562	-
Others	32,964	49,188
	1,274,633	1,071,076

(17) INCOME TAX

Income tax provision -

Movement on income tax provision is as follows:

	2019	2018
	JD	JD
Balance as of 1 January	40,251	35,834
Income tax provision	710,406	39,920
Paid income tax	(40,105)	(75,503)
Deferred tax assets	-	40,000
Balance as of 31 December	710,552	40,251

Income tax provision for the year ended 31 December 2019 was calculated in accordance with the income tax law No. (38) of 2018 and for the year ended 31 December 2018 in accordance with income tax law No. (34) of 2014.

Jordan Investment Trust Company submitted tax declarations for the years 2016, 2017 and 2018, however the income tax department did not review it to the date of preparing these financial statements. A final settlement was reached with the income tax department until the end of the financial year of 2015.

(18) EARNINGS (LOSSES) PER SHARE

	2019	2018
	JD	JD
Profit (Loss) for the year attributable to shareholders (JD)	5,298,078	(411,959)
Weighted average number of shares (share)	27,270,078	27,270,078
	Fils /JD	Fils JD
Basic and diluted earnings (losses) per share	0/194	(0/015)

(19) CONTINGENT LIABILITIES

Bank Guarantees:

As of the date of the financial statements, the Group is contingently liable in respect of a bank guarantee amounting to JD 1,440,000 as of 31 December 2019 (2018: JD 1,440,000) for the benefit of the Jordan Securities Commission in accordance with the Jordan Securities Commission Law No. 76 of 2007, in addition to other bank letters of guarantee for the benefit of the Securities Depository Center amounting to JD 150,000 as of 31 December 2019 (2018: JD 300,000) with security deposits of JD 67,000.

Litigations held against the group:

There is no lawsuits against the group as of 31 December 2019.

(20) OFF-BALANCE SHEET ITEMS

The Group holds investments for others amounting to JD 686,893 as at 31 December 2019 (2018: JD 657,560).

(21) RELATED PARTIES TRANSACTIONS

Related parties Transactions represent the transactions made with associated companies, major shareholders, directors, and key management personnel of the Group, and entities which have main controlling shareholders.

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

Subsidiaries

The consolidated financial statements include the financial statements of Jordan Investment Trust Company and the subsidiaries listed in the following table:

Company's name	Country of incorporation	Ownership percentage	Company's capital 2019	Company's capital 2018
		%	JD	JD
Medical Clinics	Jordan	100	1,958,843	1,958,843
Imcan for Financial Services	Jordan	77	1,359,897	1,300,000
Akar Limited Company	British Virgin Islands	100	300,000	300,000
Amwaj Financial Investments	Jordan	100	60,000	60,000
Mazaya Financial Investments	Jordan	100	60,000	60,000
Burhan Al-Thiqa Financial Investments	Jordan	100	60,000	60,000
Knowledge Bases Financial Investments	Jordan	100	60,000	60,000
Al Rafah Financial Investments	Jordan	100	60,000	60,000
Trust and Sham Financial Investments	Jordan	100	81,000	81,000
Trust and Hospitality Financial Investments	Jordan	100	50,000	2,000,000
Al Sahel Financial Investments	Jordan	100	60,000	60,000
The Arabian Coffee	Jordan	100	60,000	60,000
Zohoor Al-Thiqa for Real Estate	Jordan	100	50,000	50,000
Al Olbah Real Estate	Jordan	100	50,000	50,000
Al Tawon for Real Estate Management	Jordan	100	10,000	10,000
Al-Ihdathiat Real Estate Company	Jordan	58	4,486,627	4,486,627
Trust and Dubai Investment	Jordan	100	2,334,842	2,334,842

<u>Executive management's Compensations and remunerations</u>

The remuneration of executive management was as follows:

	2019	2018
	JD	JD
Salaries and bonuses	219,522	214,266

Account receivables and payables include related parties' transactions as follows:

	2019	2018
	JD	JD
Account receivables	1,417	5,678

*The Company has increased its share in Imcan for financial services Company during 2019 from 73.22% to 77.16% through cash deposit of JD 136,315 and the capitalization of partner's current account by an amount of JD 63,685 which resulted in the acquisition of 4% that equals JD 61,889 from the non- controlling interest shares.

The balances shown in the end of the year represent balances resulting from the main operations of the company.

Related parties' transactions represented in the consolidated comprehensive income statement is as follows:

	2019	2018
	JD	JD
Brokerage commissions income	129	1,744

(22) MATERIAL SUBSIDIARIES AND PARTIALLY OWNED BY THE GROUP

Below is the financial information of related parties, where the balance of non-controlling interest is material:

Company's name	Country of incorporation	Nature of activity	Ownership percentage 2019	Ownership percentage 2018
Al-Ihdathiat Real Estate Company	Jordan	Property Investments	58,58%	58,28%
Imcan for Financial Services	Jordan	Brokerage	77,16%	73,22%

Below is the summary of financial information for subsidiaries. The following information represent the amounts before the elimination of related parties' transactions.

a. Summary of financial position statement

	Imcan for Financial Services Company		Al-Ihdathiat Real Estate Company	
	2019	2018	2019	2018
	JD	JD	JD	JD
Current assets	234,560	474,506	24,344	41,079
Non- current assets	814,317	796,710	4,009,423	4,013,055
Current Liabilities	(105,452)	(206,649)	(104,302)	(100,384)
Net equity	943,425	1,064,567	3,929,465	3,953,750
Non- controlling interest	215,502	285,091	1,627,444	1,649,324

b. Summary of income statement

	Imcan for Financial Services Company		Al-Ihdathiat Real Estate Company	
	2019	2018	2019	2018
	JD	JD	JD	JD
Total revenues	14,777	22,558	4,615	4,766
Total expenses	(100,084)	(141,787)	(28,577)	(31,065)
Loss for the year	(85,307)	(119,229)	(23,962)	(26,299)

c. Summary of cash flow statement

	Imcan for Financial Services Company		Al-Ihdathiat Real Estate Company	
	2019	2018	2019	2018
	JD	JD	JD	JD
Cash flow				
Operating activities	(47,288)	(185,293)	(22,330)	(18,407)
Investing activities	(450)	16,498	537	1,209
Financing activities	68,386	58,923	-	-
Net increase (decrease) in cash and cash equivalents	20,648	(109,872)	(21,793)	(17,198)

(23) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, financial assets at fair value through profit or loss, customers' accounts receivable, financial assets at fair value through profit and loss and other comprehensive income, and some other current assets. Financial liabilities consist of, loans, customers' accounts payable, and some other credit balances.

The fair value of financial instruments is not materially different from its carrying values.

For the purpose of the measurement and presentation of the fair value of financial instruments, the Group uses the following hierarchy:

First level: The market prices in effective markets for the same assets and liabilities.

Third level: Other techniques, where all inputs that have a significant impact on the fair value but not based on market information that can be observed.

The following table represents financial instruments at fair value analysis and based on the hierarchy mentioned above:

	First level	Third level	Total
	JD	JD	JD
2019 -			
Financial assets			
Financial assets at fair value through profit or loss	1,909,808	-	1,909,808
Financial assets at fair value through other comprehensive income	3,762,321	700,698	4,463,019
2018 -			
Financial assets			
Financial assets at fair value through profit or loss	1,894,156	-	1,894,156
Financial assets at fair value through other comprehensive income	3,555,309	700,698	4,256,007

(24) RISK MANAGEMENT

Interest rate risk

Interest rate risk arises from the possible impact of changes in interest rates on the fair value or future cash flows of financial instruments.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, due to banks and loans).

The following table demonstrates the sensitivity of the income statement to reasonably possible changes in interest rates as of 31 December, with all other variables held constant.

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

	Increase in basis points (Point)	*Effect on profit JD*
2019		
currency		
JD	100	70,031

	Increase in basis points (Point)	*Effect on loss JD*
2018		
currency		
JD	100	(4,616)

The effect of decrease in interest rates is expected to be equal and opposite to the effect of the increase shown above.

Liquidity risk
Liquidity risk is the risk that the Group will not be able to meet its financial commitments as they fall due.
.

The Group limits its liquidity risk by ensuring that the bank facilities are available.

The table below summarises the maturities of the Group's (undiscounted) financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	Less than 3 months	*3 to 12 months*	*1 to 5 years*	*Total*
31 December 2019	JD	JD	JD	JD
Loans	39,202	125,286	437,956	602,444
Brokerage payable	51,687	-	-	51,687
Other Credit Balances	724,880	-	-	724,880
Total	815,769	125,286	437,956	1,379,011
31 December 2018				
Loans	13,200	120,553	603,707	737,460
Brokerage payable	51,087	-	-	51,087
Other Credit Balances	777,823	-	-	777,823
Total	842,110	120,553	603,707	1,566,370

Equity price risk

The following table demonstrates the sensitivity of the consolidated income statement and the cumulative changes in fair value attributed to reasonably possible changes in equity prices, with all other variables held constant.

	Change in equity price	Effect on profit	Effect on equity
	%	*JD*	*JD*
2019 -			
Index			
Amman Stock Market	+5	95,490	223,151

	Change in equity price	Effect on Profit	Effect on equity
	%	*JD*	*JD*
2018 -			
Index			
Amman Stock Market	+5	(94,708)	212,800

The effect of decreases in equity prices is expected to be equal and opposite to the effect of the increases shown.

Credit risk

This is the risk that the debtors and other parties will fail to discharge their obligations to the Group.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Group has its deposits and funds in leading financial institutions.

Currency risk

Most of the Group's transactions are in Jordanian Dinar and US Dollars. The Jordanian Dinar is fixed against US Dollar therefore currency risk is considered not significant.

(25) SEGMENTAL INFORMATION

Segmental information for the basic sectors:

For management purposes, the Group is organized into two major business segments:

Financial investments - Principally trading in equities and bonds, in addition to investment in associates and deposits at banks and act as a custodian.

Investment properties - Principally trading and renting properties and land owned by the Group.

These segments are the basis on which the Group reports its primary segment information.

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
2019 -				
Segment revenues	7,378	124	10	7,512
Distributed expenses	(1,128)	(102)	(303)	(1,533)
Profit before income tax	6,250	22	(293)	5,979
Income tax expense				(710)
Profit for the year after tax				5,269

	Financial Investments	Investment properties	Others	Total
	JD'000	JD'000	JD'000	JD'000
2018 -				
Segment revenues	620	129	37	786
Distributed expenses	(740)	(100)	(361)	(1,201)
Loss before income tax	(120)	29	(324)	(415)
Income tax expense				(40)
Loss for the year after tax				(455)

	Financial Investments	Investment properties	Others	Total
2019-				
Assets and Liabilities				
Segment assets	27,267	10,248	472	37,987
Segment liabilities	1,598	64	699	2,361
2018 -				
Assets and Liabilities				
Segment assets	22,004	9,254	513	31,771
Segment liabilities	1,267	63	286	1,616

Secondary segment information:

Assets, liabilities and revenues were distributed geographically as follows:

	Local	Foreign	Total
2019 -	JD	JD	JD
Assets	27,124,023	10,863,126	37,987,149
Liabilities	2,360,547	-	2,360,547
Revenues	397,751	7,113,978	7,511,729

	Local	Foreign	Total
2018 -	JD	JD	JD
Assets	18,049,178	13,722,305	31,771,483
Liabilities	1,616,377	-	1,616,377
Revenues	(36,014)	823,709	787,695

(26) MATURITIES ANALYSIS OF ASSETS AND LIABILITIES

The table below shows an analysis of assets and liabilities analyzed according to when they are expected to be recovered or settled.

	Within one year	More than one year	Total
	JD	JD	JD
2019 -			
Assets			
Cash on hand and at banks	8,107,991	-	8,107,991
Financial assets at fair value through profit or loss	1,905,989	3,819	1,909,808
Financial assets at fair value through other comprehensive income	-	4,463,019	4,463,019
Accounts receivable – net	78,604	-	78,604
Investments in associate	-	10,576,250	10,576,250
Other debit balances	394,593	-	394,593
Property and equipment	-	2,209,156	2,209,156
Investment properties	-	10,247,728	10,247,728
Total assets	10,487,177	27,499,972	37,987,149
Liabilities-			
Loans	153,396	402,163	555,559
Brokerage payable	51,687	-	51,687
Other credit balances	1,042,749	-	1,042,749
Income tax provision	710,552	-	710,552
Total liabilities	1,958,384	402,163	2,360,547
Net	8,528,793	27,097,809	35,626,602
2018 -			
Assets			
Cash on hand and at banks	285,876	-	285,876
Financial assets at fair value through profit or loss	1,890,836	3,320	1,894,156
Financial assets at fair value through other comprehensive income	-	4,256,007	4,256,007
Accounts receivable – net	102,497	-	102,497
Investments in associate	-	13,313,523	13,313,523
Other debit balances	410,633	-	410,633
Property and equipment	-	2,255,169	2,255,169
Investment properties	-	9,253,622	9,253,622
Total assets	2,689,842	29,081,641	31,771,483
Liabilities-			
Loans	126,396	555,559	681,955
Brokerage payable	51,087	-	51,087
Other credit balances	843,084	-	843,084
Income tax provision	40,251	-	40,251
Total liabilities	1,060,818	555,559	1,616,377
Net	1,629,024	28,526,082	30,155,106

(27) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. During 2019 the Company has reduced its capital to reach 27,270,078 JD/ share (note 12).

The underlying items in capital structure are represented in share capital, treasury shares, share premium, statutory reserve, voluntary reserve and retained earnings measured at JD 33,766,797 as at 31 December 2019 (2018: JD 28,472,822).

(28) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

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

The new standard will be effective for annual periods beginning on or after 1 January 2021 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to Group.

Amendments to IFRS 3: Definition of a Business

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

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

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

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

(29) COMPARATIVE FIGURES

Some of 31 December 2018 balances were reclassified to correspond with 31 December 2019 presentation, the reclassification has no effect on the net income or equity for the year 2018.