The Arab Financial Investment Co.
الشركة العربية للإستثمارات المالية

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٩ - تموز ٢٠١٧
الرقم المتسلسل ٢٨٣٣
الجهة المختصة

البيانات المالية السنوية المدققة

To: Jordan Securities Commission Amman Stock Exchange Securities Depository Center	السادة هيئة الاوراق المالية السادة بورصة عمان السادة مركز ايداع الاوراق المالية
Date:- 09-07-2017 Subject: Audited Financial Statements for the fiscal year ended 31/12/2016 in English	التاريخ:- 2017/07/09 صادر : -100/ص/ر ت/2017 الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 2016/12/31 باللغة الانجليزية
Attached the Audited Financial Statements of (The Arab Financial Investment Company) for the fiscal year ended 31/12/2016 in English	مرفق طيه نسخة من البيانات المالية المدققة للشركة العربية للاستثمارات المالية عن السنة المالية المنتهية في 2016/12/31 باللغة الانجليزية .
Kindly accept our high appreciation and respect ,,, Company's Name : The Arab Financial Investment Company CEO's Signature : Tariq Khater	وتفضلوا بقبول فائق الاحترام،،، اسم الشركة : العربية للاستثمارات المالية توقيع الرئيس التنفيذي طارق خاطر

هاتف: ٥٠٠٢٠٠٠ فاكس: ٥٦٩٢٤٢٣ صندوق بريد: ٩٢٢٦٣٤ عمان ١١١٩٢ الأردن
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THE ARAB FINANCIAL INVESTMENTS COMPANY
PUBLIC SHAREHOLDING COMPANY
FINANCIAL STATEMENTS
31 DECEMBER 2016

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Arab Financial Investments – Public Shareholding Company
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Arab Financial Investments Company (the Company), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, 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 Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements 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.

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 for the year ended 31 December 2016. These matters were addressed in the context of our audit of the 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 .

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We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the 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 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 financial statements.

Valuation of trade receivables

The determination as to whether a trade receivable is collectable involves management judgment. Management considers specific factors including the age of the balance, existence of disputes, recent historical payment patterns and any other available information concerning the creditworthiness of counterparties. Management uses this information to determine whether a provision for impairment is required either for a specific transaction or for a customer's balance overall. We focused on this area since it requires a high level of management judgment and since the allowance for doubtful receivables may have a significant impact on the Company's profit.

How the key audit matter was addressed

We tested the aging of accounts receivable to check that there are no indicators of impairment. ~~This included verifying if payments have been received subsequent to the year-end, reviewing~~ historical payment patterns and any correspondence with customers on expected settlement dates.

We selected a sample of the key items of trade receivable balances to assess the collectability of trade receivables based on the rationale behind management's judgment. We verified whether balances were overdue, the customer's historical payment patterns and whether any post year-end payments have been received up to the date of completing our audit procedures. We also obtained corroborative evidence including correspondence supporting any disputes between the parties involved, attempts by management to recover the amounts outstanding and on the credit status of significant counterparties where available.

In assessing the appropriateness of the overall provision for impairment, we considered the consistency of management's application of policy for recognizing provisions with the prior year.

Disclosers that relate to the valuation of trade receivables are included in note 4 to the financial statements. Disclosures that relate to the accounting policies of trade receivables are included in note 2 in the financial statements.

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Other information included in the Company's 2016 annual report.

Other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's 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 auditor's report. However future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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 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 books of accounts and the accompanying financial statements and financial information presented in the Board of Directors' report are in agreement therewith.

Amman –Jordan
1 March 2017

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THE ARAB FINANCIAL INVESTMENTS COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016	2015
		JD	JD
ASSETS			
Cash on hand and bank balances	3	15,973,049	19,383,834
Financial assets at fair value through profit or loss		728,885	1,166,746
Trade receivables, net	4	7,282,821	9,867,290
Other current assets	5	734,179	763,825
Property and equipment, net	6	54,191	66,743
Trading reconciliation	8	156,373	-
Total Assets		24,929,498	31,248,438
EQUITY AND LIABILITIES			
Liabilities			
Trade payables		1,387,491	2,219,079
Trading reconciliation	8	-	700,771
Income tax provision	9	82,796	201,483
Other current liabilities	10	1,487,724	1,092,583
Total Liabilities		2,958,011	4,213,916
Equity	11		
Paid in capital		10,000,000	15,000,000
Share premium		7,500,000	7,500,000
~~Statutory reserve~~		~~3,750,000~~	~~3,750,000~~
Retained earnings		721,487	784,522
Total Equity		21,971,487	27,034,522
Total Equity and Liabilities		24,929,498	31,248,438

The attached notes from 1 to 22 form part of these financial statements

THE ARAB FINANCIAL INVESTMENTS COMPANY
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		JD	JD
Revenues -			
Brokerage commission income		401,781	513,894
Interest income on margin accounts		690,665	714,528
Interest income		700,724	825,750
Other revenues		13,694	9,946
Excess in provisions		-	66,674
Gain from financial assets at fair value through profit or loss	12	7,805	-
Total revenues		1,814,669	2,130,792
Expenses -			
Losses from financial assets at fair value through profit or loss	12	-	(181,777)
Administrative expenses	13	(858,294)	(904,186)
Bank charges		(20,205)	(22,268)
Depreciation	6	(57,552)	(37,000)
Trade receivables written off		-	(15,679)
Board of directors remuneration		(25,000)	(25,000)
Total expenses		(961,051)	(1,185,910)
Profit for the year before income tax		853,618	944,882
Income tax expense	9	(166,653)	(187,588)
Profit for the year		686,965	757,294
Add: other comprehensive income items		-	-
Total comprehensive income for the year		686,965	757,294
		JD/Fils	JD/Fils
Basic and diluted earnings per share	14	0/057	0/050

The attached notes from 1 to 22 form part of these financial statements

THE ARAB FINANCIAL INVESTMENTS COMPANY
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2016

	Paid in capital	Share premium	Statutory reserve	Retained earnings	Total equity
	JD	JD	JD	JD	JD
For the year ended 31 December 2016 -					
Balance at 1 January 2016	15,000,000	7,500,000	3,750,000	784,522	27,034,522
Total comprehensive income for the year	-	-	-	686,965	686,965
Dividends paid to shareholders (note 11)	-	-	-	(750,000)	(750,000)
Decrease in capital (note 1)	(5,000,000)	-	-	-	(5,000,000)
Balance at 31 December 2016	10,000,000	7,500,000	3,750,000	721,487	21,971,487
For the year ended 31 December 2015-					
Balance at 1 January 2015	15,000,000	7,500,000	3,750,000	1,227,228	27,477,228
Total comprehensive income for the year	-	-	-	757,294	757,294
Dividends paid to shareholders (note 11)	-	-	-	(1,200,000)	(1,200,000)
Balance at 31 December 2015	15,000,000	7,500,000	3,750,000	784,522	27,034,522

The attached notes from 1 to 22 form part of these financial statements

THE ARAB FINANCIAL INVESTMENTS COMPANY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		JD	JD
Operating Activities			
Profit before income tax		853,618	944,882
Adjustments			
Depreciation	6	57,552	37,000
Change in fair value of financial assets at fair value through profit or loss	12	(11,234)	218,236
Excess in provisions		-	(66,674)
Interest income		(700,724)	(825,750)
Trade receivables written off		-	15,679
Working capital changes:			
Financial assets at fair value through profit or loss		449,095	464,865
Trade receivables		2,584,469	(3,421,668)
Trading reconciliation		(857,144)	489,700
Other current assets		29,646	8,628
Trade payables		(831,588)	931,209
Other current liabilities		395,141	67,900
Income tax paid	9	(285,340)	(403,035)
Net cash flows from (used in) operating activities		1,683,491	(1,539,028)
Investing Activities			
Purchase of property and equipment		(45,000)	(22,500)
Interest received		700,724	825,750
Investment in agencies		-	(1,000,000)
Net cash flows from (used in) investing activities		655,724	(196,750)
Financing Activities			
Dividends paid to shareholders		(750,000)	(1,200,000)
Decrease in capital		(5,000,000)	-
Net cash flows used in financing activities		(5,750,000)	(1,200,000)
Net decrease in cash and cash equivalents		(3,410,785)	(2,935,778)
Cash and cash equivalents at the beginning of the year	3	16,882,834	19,818,612
Cash and cash equivalents at the end of the year	3	13,472,049	16,882,834

The attached notes from 1 to 22 form part of these financial statements

(1) General

The Arab Financial Investments Company was established and registered at the Ministry of Industry and Trade on 6 May 1994 with registration number (247) as a public shareholding Company. The Arab Financial Investments Company is considered the successor of The Arab Financial Investments Company after changing its legal status from Limited Liability Company to a Public Shareholding Company.

The Company's authorized and paid in capital has been increased during the years to reach JD 10,000,000 divided at a par value of 1 Jordanian Dinar per share.

The Company's General Assembly decided in its extraordinary meeting held on 12 April 2016 to decrease the Company's paid in capital by JD 5,000,000 to be distributed to the company's shareholders. These procedures were completed at the Ministry of Industry and Trade on 16 June 2016.

Main objectives of the Company:

- Act as a Commission broker in Amman Stock Exchange.
- Act as a registered broker for its own portfolio.
- Act as a broker in non-Jordanian stock markets.
- Invest its funds in the manner that best serves its goals.
- Managing issuance through out diligence.
- Work as secretary of issuance and secretary of investment and director of investments advise.
- Work as custodian.

The Company address is Shmisane, Amman Hashmite Kingdom of Jordan.

The financial statements were authorized for issue by the company's Board of Directors in their meeting held on 1 March 2017. These financial statements require the General Assembly's approval.

(2) Basis of preparation and significant accounting policies

Basis of preparation

The accompanying financial statements of the Company have been prepared in accordance with International Financial Reporting Standards (IFRS) and the historical cost convention, except for financial assets at fair value through profit or loss that have been measured at fair value on the date of the financial statements.

The financial statements have been presented in Jordanian Dinars (JD) which is the functional currency of the Company.

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 2015 except for the following:

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)
In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

IAS 1 *Presentation of Financial Statements – Amendments to IAS 1*
The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

Investment entities (Amendments to IFRS 10 and IAS 28)
The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

Amendments to IAS 16 and IAS 38: *Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

Amendments to IFRS 11 *Joint Arrangements: Accounting for Acquisitions of Interests*

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Company's financial position or performance.

Use of estimates

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. 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.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the statement of comprehensive income at the date of transaction the change in fair value arising from non-monetary assets in foreign currencies.

Dividend and interest income are recorded in the statement of comprehensive income

Trade receivables

Trade receivables are stated at original invoice amount less an allowance for any uncollectible amounts.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss and is calculated using rates of 15% to 40%. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of comprehensive income.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable.

Provisions

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Income Tax

Income tax expense comprises of current tax and deferred taxes.

Current tax is based on taxable profits, which may differ from accounting profits published in the statement of comprehensive income. Accounting profits may include non-taxable profits or tax deductible expenses which may be exempted in the current or subsequent financial years.

Income tax provision is calculated in accordance with Income Tax Law No. (34) for the year 2014.

Recognition date of financial assets

Purchases and sales of financial assets are recognized on the trade date.

Revenue and cost recognition

Revenues are recognised when the financial securities are traded.

Interest is recognised using the effective interest rate method.

Other revenues are recognized on accrual basis.

Costs are recognized on accrual basis.

Fair value measurement

The Company measures financial instruments at fair value at each statement of financial position date. Also, fair values of financial instruments measured at fair value are disclosed in note 19

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 measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the company.

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.

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 Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the 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:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the 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.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as unquoted available for sales financial assets, and for non-recurring measurement, such as assets held for distribution in discontinued operation.

Impairment of Financial Assets

The Company assesses, at each reporting date, whether there is objective evidence that a financial asset or a Company of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the Company of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a Company of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganization and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprises cash on hand and cash balances with banks and financial institutions that mature within three months, less due to banks within three months.

Foreign currencies

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 denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the statement of financial position date.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate as at the dates of the initial transactions.

Gains and losses are recorded in the statement of comprehensive income.

Non-monetary items measured at fair value in a foreign currency are translated using the exchange rate at the date when the fair value was determined.

(3) Cash on hand and bank balances

	2016	2015
	JD	JD
Cash on hand	38,369	35,425
Cash at banks	1,213,377	2,218,313
Investment agencies*	2,501,000	2,501,000
Term deposits**	12,220,303	14,629,096
	15,973,049	19,383,834

* This account represent investment in agencies that has a maturity date at 27 April 2017 with a Murabaha rate of 6.25% interest rate per year.

** This account represent short term deposit with a maturity date of three months starting from the date of the deposit with an annual interest rate that ranges between 4% - 5%.

Cash and cash equivalents in the statement of the cash flows represents the following:

	2016	2015
	JD	JD
Cash on hand and bank balances	15,973,049	19,383,834
Less: investment agencies	(2,501,000)	(2,501,000)
	13,472,049	16,882,834

(4) Trade Receivables, net

	2016	2015
	JD	JD
Margin accounts receivables	6,950,562	6,762,225
Note receivables	247,214	247,214
Brokerage customers' receivables	2,731,839	5,504,895
Employees advances	900	650
	9,930,515	12,514,984
Less:		
Allowance for doubtful debts	(2,647,694)	(2,647,694)
	7,282,821	9,867,290

Trade receivables analysis as at 31 December is as follows:

	2016			2015		
	Gross	Allowance for credit risk	Net	Gross	Allowance for credit risk	Net
	JD	JD	JD	JD	JD	JD
Margin accounts	6,951,462	(1,650,000)	5,301,462	6,762,875	(1,650,000)	5,112,87
Trade receivables	2,731,839	(750,480)	1,981,359	5,504,895	(750,480)	4,754,41
Notes receivables	247,214	(247,214)	-	247,214	(247,214)	-
	9,930,515	(2,647,694)	7,282,821	12,514,984	(2,647,694)	9,867,29

As at 31 December, the ageing analysis of unimpaired trade receivables, margin accounts and note receivables were as follows:

	Past due but not impaired					
	1-30 days	31- 90 days	91-180 days	181-270 days	271 and more	Total
	JD	JD	JD	JD	JD	JD
2016	6,464,258	111,304	132,755	432,952	141,552	7,282,821
2015	8,069,503	540,467	330,085	927,235	-	9,867,290

The management believes that the unimpaired receivables are expected, to be fully recoverable since the most of the receivables are guaranteed by customers' investment portfolios.

Movement on the allowance for doubtful credit risk is as follows:

	2016	2015
	JD	JD
Balance at 1 January	2,647,694	2,647,694
Charge for the year	-	-
Balance at 31 December	2,647,694	2,647,694

(5) Other Current Assets

This item includes the following:

	2016	2015
	JD	JD
Prepaid expenses	72,600	112,533
Cash margins for bank guarantees	79,750	79,750
Cash margins for bank facilities	502,359	545,072
Refundable deposits	79,470	26,470
	734,179	763,825

(6) Property and Equipment

2016 -	Vehicles	Furniture and fixture	Office and telecommunication equipment	Total
	JD	JD	JD	JD
Cost -				
Balance at 1 January 2016	167,251	111,062	257,791	536,104
Additions	45,000	-	-	45,000
Disposals	(65,000)	-	-	(65,000)
Balance at 31 December 2016	147,251	111,062	257,791	516,104
Accumulated depreciation -				
Balance at 1 January 2016	139,125	97,463	232,773	469,361
Depreciation for the year	38,374	7,646	11,532	57,552
Disposals	(65,000)	-	-	(65,000)
Balance at 31 December 2016	112,499	105,109	244,305	461,913
Net book value as at 31 December 2016	34,752	5,953	13,486	54,191

2015 -	Vehicles	Furniture and fixture	Office and telecommunication equipment	Total
Cost -				
Balance at 1 January 2015	167,251	111,062	235,291	513,604
Additions	-	-	22,500	22,500
Balance at 31 December 2015	167,251	111,062	257,791	536,104
Accumulated depreciation -				
Balance at 1 January 2015	113,475	89,817	229,069	432,361
Depreciation for the year	25,650	7,646	3,704	37,000
Balance at 31 December 2015	139,125	97,463	232,773	469,361
Net book value as at 31 December 2015	28,126	13,599	25,018	66,743

Property and equipment include fully depreciated assets with a cost of JD 349,868 as at 31 December 2016. These assets are still in use up to the date of these financial statements (31 December 2015: 380,272).

(7) Bank Overdrafts

The Company has an overdraft account from the Housing Bank and the Jordan Kuwait Bank with a ceiling of JD 3,000,000 and an annual interest rate of 9.5%. These facilities were guaranteed by cash margins of JD 500,000. This balance remains un-utilized as at 31 December 2016 and 2015.

(8) Trading reconciliation

This item represents total amounts owed by/to the Company with the Security Depository Center resulting from the operations of the last day of trading for the year ending 31 December.

(9) Income Tax

A- Income Tax Provision

Income tax provision for the years ended 31 December 2016 and 2015 was calculated in accordance with income tax law no. (34).

A final clearance was obtained from the Income Tax Department up to the year 2014.

Movement on income tax provision is as follows:

	2016	2015
	JD	JD
Balance at 1 January	201,483	416,930
Income tax paid	(285,340)	(403,035)
Charge for the year	166,653	187,588
Balance at 31 December	82,796	201,483

B- Reconciliation between taxable profit and accounting profit is as follows:

	2016	2015
	JD	JD
Accounting profit	853,618	944,882
Less: Non- taxable profit	(288,013)	(1,005,697)
Add: Non- deductible expenses	128,777	842,430
Taxable profit	694,382	781,615
Income tax for the year	166,652	187,588
Effective income tax rate	19,5%	19,8%
Statutory income tax rate	24%	24%

(10) Other Current Liabilities

	2016	2015
	JD	JD
Accrued expenses	63,195	49,519
Lawsuit provision	100,000	100,000
End of service and employees bonus provision	96,558	95,782
Board of directors remuneration	25,000	25,000
Unearned revenues	551,899	551,899
Deposits to others	161	999
Shareholders deposits	650,911	269,384
	1,487,724	1,092,583

(11) Equity

Paid in capital

Paid in capital amounted to JD 10,000,000 divided into 10,000,000 shares at a par value of JD 1 per share as at 31 December 2016 (2015: paid in capital JD 15,000,000 divided into 15,000,000 shares).

The board of directors decided in their extraordinary meeting held on 12 April 2016 to decrease the Company's paid in capital by JD 5,000,000 and distribute it among shareholders to make the authorized and paid in capital JD 10,000,000, these procedures were completed at the Ministry of Industry and Commerce on 16 June 2016.

Share premium

This item represents share premium as a result of by issuing 5,000,000 shares in 2008 at a rate of JD 1.5 per share.

Statutory reserve

As required by the Jordanian Companies' Law, 10% of the profit before tax is transferred to statutory reserve. This reserve is not available for distribution to the shareholders in accordance to the Jordanian Law, the Company has discontinued such annual transfers after the reserve equalled 25% of paid in capital.

Dividends paid to shareholders

The general assembly resolved in its ordinary meeting held on 19 April 2016 to distribute JD 750,000 as dividends to shareholders which represent 5% from its paid in capital and which is equivalents to JD 0.5 per share.

The general assembly resolved in its ordinary meeting held on 7 April 2015 to distribute JD 1,200,000 as a dividends to shareholders which represents 8% from capital and which is equivalents to JD 0.8 per share.

(12) Gains (Losses) from Financial Assets at Fair Value through Profit and Loss

This item includes the following:

	2016	2015
	JD	JD
Realized (losses) gains	(3,429)	36,459
Change in fair value	11,234	(218,236)
	7,805	(181,777)

(13) General and Administrative Expenses

	2016	2015
	JD	JD
Salaries and wages	538,718	548,199
Social security contribution	62,651	60,574
Professional and consultancy fees	49,420	50,580
Fees, license and subscriptions	44,855	36,866
Rent expenses	40,700	41,803
Employees bonus	38,000	37,737
Water, electricity and heating expenses	14,052	15,134
Brokers commission	13,682	33,799
Vehicles expenses	11,489	19,192
Post and telephone	9,627	18,646
Maintenance	8,581	11,868
Donations	7,247	6,822
Health insurance	5,160	7,306
Hospitality	3,373	3,099
Board of directors meetings expenses	3,233	3,179
Stationary and printing	1,384	4,270
Travel allowances	1,165	118
Trading errors	397	461
Others	4,560	4,533
	858,294	904,186

(14) Earnings Per Share

	2016	2015
Profit for the year (JD)	686,965	757,294
Weighted average number of shares (Share)	11,972,603	15,000,000
	JD/ Fils	JD/ Fils
Basic and diluted earnings per share (JD/ Fils)	0/057	0/050

(15) Related Party Transactions

Related parties replacement the major shareholders executives of the Company and entities significantly influenced by such Parties. Pricing policies are approved by the Board of Directors and it has to be in compliance with the Securities Commission Law and the Securities Exchange Commission's instructions.

Compensation of key management personnel

Compensation of executive management personnel of the Company amounted to JD 365,250 for the year ended 31 December 2016 (2015: JD 365,250).

Board of Directors' compensation amounted to JD 25,000 for the year ended 31 December 2016 (2015: 25,000).

Trading Commission

Total trading commission received by Board of Directors' members amounted toJD 10,375 for the year ended 31 December 2016 (2015: 66 JD).

(16) Commitments and Contingencies

The company has a possible obligation at the date of the financial statements that might arise from ~~a bank guarantee from the Security of Depository Center with an amount of JD 350,000 (2015: JD~~ 350,000) in addition to another guarantee for the Security of Depository Center with an amount of for JD 1,040,000 (2015: JD 1,040,000) and cash margins amounted to 79,750 JD (2015: JD 79,750).

(17) Lawsuits against the Company

A lawsuits is raised against the Company and others amounting to JD 284,872 at 13 December 2007. This amount has been fully provided for by the Company.

(18) Risk Management

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Company is exposed to interest rate risk on its financial assets and liabilities that carry interest such as deposits at banks.

The sensitivity of income statement is represented by the effect for the possible expected changes in interest rates on the Company's profits for one year. It is calculated based on the financial assets and liabilities that carry a variable interest rate as of 31 December.

The following table shows the sensitivity of the income statement for the reasonable possible changes on interest rates as at 31 December with the other factors remaining constant.

2016-

Currency	Increase in basis points	Effect on profit
	(Point)	JD
JD	100	147,213

Currency	Decrease in basis points	Effect on profit
	(Point)	JD
JD	100	(147,213)

2015-

Currency	Increase in basis points	Effect on profit
	(Point)	JD
JD	100	171,301

Currency	Decrease in basis points	Effect on profit
	(Point)	JD
JD	100	(171,301)

No effect on the Company's equity rights.

Changes in Fair Values of Financial Assets Risk

The following table illustrates the statement of comprehensive income sensitivity and the cumulative change in fair value while assuming that all other variables remain constant:

	Change in indicator	Effect on profit for the year	
	%	2016	2015
		JD	JD
Amman Stock Exchange	10	72,889	116,675

In the event of a negative change in the indicator, the effect will remain constant but with an opposite sign.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances, accounts receivable and certain other assets as reflected in the Company's statement of financial position.

The Company manages its credit risk by setting financing limits to customers with continues monitoring of the receivables, in addition the Company keeps its cash with reputable financial institutions.

The Company manages the investments and the brokerage activities for many customers. The largest 2 customers form 29% of total receivables as at 31 December 2016 (2015: 27%).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or a damage to the Companys's reputation.

The Company managed the liquidity risk through making sure that there is bank facilities.

The table below summarises the maturities of the Company's undiscounted financial liabilities based on contractual payment dates and current market interest rates.

	Less than 3 months	Total
	JD	JD
31 December 2016 -		
Trade payables	1,387,491	1,387,491
31 December 2015 -		
Trade payables	2,219,079	2,219,079

Foreign Currency Risk

Most of the Company's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar exchange rate is fixed against the U.S. Dollar (US $ 1.41 for JD 1), and accordingly, the Company is not exposed to significant currency risk.

(19) Fair Values of Financial Instruments

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, financial assets at fair value through profit or loss, trade receivables some other current assets. Financial liabilities consist of trade payables and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

At the date of financial statements, the Company owns financial instrument represented in financial assets at fair value through out profit or loss. The company determined the fair value of these assets by using quoted prices in active markets for identified assets or liabilities. The fair value of these assets amounted to JD 728,885 as 31 December 2016 (2015: JD 1,166,746).

(20) Maturity 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:

	Within1 year	More than 1 year	Total
2016-	JD	JD	JD
Assets			
Trade reconciliation	156,373	-	156,373
Cash on hand and bank balances	15,973,049	-	15,973,049
Financial assets at fair value through profit or loss	728,885	-	728,885
Trade receivables, net	7,282,821	-	7,282,821
Other current assets	734,179	-	734,179
Property and equipment, net	-	54,191	54,191
Total Assets	24,875,307	54,191	24,929,498
Liabilities			
Trade payables	1,387,491	-	1,387,491
Income tax provision	82,796	-	82,796
Other current liabilities	1,487,724	-	1,487,724
Total Liabilities	2,958,011	-	2,958,011
Net	21,917,296	54,191	21,971,487

	Within1 year	More than 1 year	Total
2015-	JD	JD	JD
Assets			
Cash and bank balances	19,383,834	-	19,383,834
Financial assets at fair value through profit or loss	1,166,746	-	1,166,746
Trade receivables, net	9,867,290	-	9,867,290
Other current assets	763,825	-	763,825
Property and equipment, net	-	66,743	66,743
Total Assets	31,181,695	66,743	31,248,438
Liabilities			
Trade payables	2,219,079	-	2,219,079
Trade reconciliation	700,771	-	700,771
Income tax provision	201,483		201,483
Other current liabilities	1,092,583	-	1,092,583
Total Liabilities	4,213,916	-	4,213,916
Net	26,967,779	66,743	27,034,522

(21) Capital Management

The primary objective of the Company's capital management is to ensure that it maintains capital ratios in order to support its business and maximize owner's equity.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the current or the previous year.

Capital comprises of paid in capital, share premium, statutory reserve and retained earnings and is measured at JD 21,971,487 as at 31 December 2016 (2015: JD 27,034,522).

(22) Standards Issued But Not Yet Effective

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 as issued in July 2014 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendments will be effective for annual periods beginning on or after 1 January 2017, with early application permitted. The application of amendments will result in adding limited amount of disclosure information.

IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

Transfers of Investment Property (Amendments to IAS 40)
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed.

The Group intends to apply the above standards and interpretations; wherever applicable on the effective dates. The Group's management is currently evaluating the impact of the above standards and interpretations on the Group's consolidated financial statements.