للاوضاع
* بورصة عمان
* الدمهاج
السيرعبدالله
٣٠/٦

disclosure

From:	info
Sent:	حزيران، ٢٠٢٠ ١١:٣٩ ص 30
To:	disclosure
Subject:	FW: التجمعات الاستثمارية ٢٠١٩
Attachments:	SPECIALIZED INVESTMENT COMPOUND COMPANY FOR YEAR ENDED DECEMBER ٣١, ٢٠١٩.pdf; ميزانية شركة التجمعات الإستثمارية المتخصصة وشركة بلوتو القوائم المالية الموحدة تقرير المحاسب القانوني المستقل للسنة المنتهية في ٣١ كانون الأول ٢٠١٩.pdf

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From: lena saleh [lsaleh@altajamouat.com]
Sent: Tuesday, June 30, 2020 11:22 AM
To: info; disclosure
Subject: FW: 2019 التجمعات الاستثمارية

هيئة الأوراق المالية
الدائرة الادارية / الديوان
٣٠ حزيران ٢٠٢٠
الرقم المتسلسل ٢٨٥٠
الجهة المختصة الافصاح

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2019

SPECIALIZED INVESETMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2019

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Nexia
Modern Accountants

المحاسبون العصريون
جبل عمان . الدوار السادس
16 شارع جيبوتي
ص.ب 940668
عمان 11194 . الاردن
هاتف: 5561293 (6) 962-
فاكس: 5561204 (6) 962-
بريد الكتروني : info@modern-accountants.com

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders
Specialized Investment Compounds Company (P.L.C.)

Report on Auditing the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Specialized Investment Compounds Company (P.L.C.), which comprise of the consolidated statement of financial position as at December 31, 2019, the related consolidated statements of income, consolidated statement of comprehensive income, consolidated Statement of shareholders' equity, consolidated statement of cash flows for the year then ended, notes to the consolidated financial statements and a summary of significant accounting policies.

In our opinion, excluding the effects that reported on the qualified opinion basis paragraph in our report, the consolidated financial statements present fairly in all material aspects, the financial position of Specialized Investment Compounds Company as of December 31, 2019, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Opinion Basis

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Financial Statements. We are independent from the Company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide basis for our audit opinion.

Key Audit Matters

Key audit matters, according to our professional judgment are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statements. The basic auditing matters have been addressed in our auditing workflow to consolidated financial statements as a whole as we do not express separate opinions.

Key auditing matters	Followed procedures within key audit matters
Property and equipment According to International Financial Reporting Standards, the Company management should review the useful (production) life and depreciation of assets and do impairment test on financial position property and equipment value and make sure that there are no any events or changes in circumstances lead to conclusions that the value is not recoverable and in case there are indicators of value impairment the Company should record impairment losses in accordance with property and equipment impairment policy where the management estimate the impairment value through using assumptions and estimations if any, taking in consideration the importance of property and equipment its considered as significant audit risk.	**Property and equipment** The auditing procedures included the procedures of reviewing controls on verification of existence and completeness, reviewing purchase and sells of fixed assists during the year and ascertain of depreciation expenses calculation, matching the fixed assets count and ascertain from existence that property and equipment are productive and there is no impairment in its value through evaluating the management assumptions, taking in consideration the available external information about property and equipment impairment risks, we also focused on the sufficiency of the management financial notes about property and equipment.
Accounts receivable According to International Standards on auditing, the Company should review the calculation process for impairment of accounts receivable provision, the company assesses the impairment of accounts receivable through assumptions and estimations, and considering its importance it's considered one of the significant audit risks and the impairment of accounts receivable provision has been recognized.	**Accounts receivable** The auditing procedures included control procedures used by the company for collecting accounts receivables, ascertaining a sample of clients accounts through direct confirmations, it has been asserted that the account receivable impairment provision is sufficient through evaluating the management assumptions, taking in consideration the available external information about account receivable risks, also we evaluated the sufficiency of the company disclosure about the important estimation in concluding the impairment provision of accounts receivable.

Other Information

The management is responsible for other information. Which includes other information reported in the annual report, but not included in the consolidated financial statements and our audit report on it.

Our opinion does not include these other information, and we do not express any assertion over it.

Regarding our audit on the consolidated financial statements we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

Management and individuals responsible of governance responsibility of the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control management determined to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 the management either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Individuals responsible of governance are responsible of supervising the preparation of consolidated financial statements.

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Certified Public Accountant responsibility

Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatements from fraud or error , and to issue and 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 International Standards on Auditing will always detect a material misstatement even it exists. Misstatements can arise from fraud or error and or considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these consolidated Financial Statements.

As part of an audit in accordance with The International Standards on Auditing, 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 Company's internal control.

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

- Conclude on the appropriateness of the Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Financial Statements or, if such disclosures are inadequate, we will 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 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.

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

Legal requirements

The Company maintains proper books of accounting records that are in agreement with the accompanying consolidated financial statements and with the financial information included in the Board of Directors report, and we recommend the General Assembly to approve the financial statements.

Modern Accountants

Abdul Kareem Qunais
License No.(496)

Modern Accountants
A member of Nexia International
المحاسبون العصريون

Amman-Jordan
June 14, 2020

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
ASSETS			
Non-current assets			
Property and equipment	4	**390,338**	395,983
Investments in lands	5	**4,102,588**	4,400,653
Investments in rented buildings -net	6	**5,729,603**	6,338,993
Real estate and lands held for sale	10	**372,027**	378,674
Financial assets designated at fair value through statement of other comprehensive income	7	**243,971**	217,003
Total non-current assets		**10,838,527**	11,731,306
Current assets			
Prepaid expenses and other receivables	9	**221,771**	221,051
Accounts receivable and checks under collection	11	**2,898,286**	4,308,197
Financial assets designated at fair value through statement of comprehensive income	12	**1,365,306**	1,400,152
Cash and cash equivalent	13	**763,066**	244,282
Total current assets		**5,248,429**	6,173,682
TOTAL ASSETS		**16,086,956**	17,904,988
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	1	**8,100,000**	8,100,000
Treasury stock	15	**(140,000)**	-
Statutory reserve	14	**885,271**	803,700
Fair value reserve		**(47,356)**	(74,322)
Retained earnings		**3,001,369**	2,267,231
Total shareholders' equity		**11,799,284**	11,096,609
Long – term deferred revenues	16	**1,180,184**	1,605,542
Non-current liabilities			
Long-term loan	17	**46,056**	136,693
Total non-current liabilities		**46,056**	136,693
Current liabilities			
Accrued expenses and other liabilities	18	**1,574,197**	1,813,552
Accounts payable and deferred checks	19	**463,905**	974,781
Current portion of long-term loan	17	**111,600**	111,600
Short – term deferred revenues	16	**911,730**	2,166,211
Total current liabilities		**3,061,432**	5,066,144
Total liabilities		**4,287,672**	6,808,379
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**16,086,956**	17,904,988

The accompanying notes are an integral part of these consolidated financial statements

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
Revenues	21	**2,227,965**	2,274,033
Cost of revenues	22	**(1,142,623)**	(1,256,733)
Gross profit		**1,085,342**	1,017,300
Selling and marketing expenses	23	**(24,653)**	(12,408)
General and administrative expenses	24	**(402,233)**	(364,731)
Other income and expenses		**(82,800)**	15,152
Gains from selling assets	25	**453,241**	6,772,256
Unrealized losses of Financial assets designated at fair value through statement of comprehensive income		**(34,846)**	(54,928)
Contingent liability reversal		**-**	782,791
Realized losses from selling Financial assets designated at fair value through statement of comprehensive income		**-**	(1,049)
Impairment losses due to financial assets designated at fair value through statement of comprehensive income		**-**	(23,070)
Board of Directors members remuneration		**(35,000)**	-
Financial charges		**(42,524)**	(94,316)
Profit for the year before tax		**916,527**	8,036,997
Provision for national contribution and income tax	20	**(100,818)**	(750,000)
NET PROFIT FOR THE YEAR		**815,709**	7,286,997

	2019	2018
Share profit :		
profit per share - JOD / Share	**0,10**	0,90
Outstanding shares weighted average – share	**8,100,000**	8,100,000

The accompanying notes are an integral part of these consolidated financial statements

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED OTHER COMPREHENSIVE INCOME STATEMENT
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	2019	2018
NET PROFIT	**815,709**	7,286,997
Other Comprehensive Income:	-	-
TOTAL OTHER COMPREHENSIVE INCOME TRANSFERRED TO ACCUMULATED LOSSES	**815,709**	7,286,997
Changes in fair value reserve	**26,966**	(55,375)
TOTAL COMPREHENSIVE INCOME	**842,675**	7,231,622

The accompanying notes are an integral part of these consolidated financial statements

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Share premium	Statutory reserve	Voluntary reserve	Treasury stock	Fair value reserve	(Accumulated losses) \ Retained earnings	Total
Balance at December 31, 2017		8,100,000	75,504	2,072,202	2,278	-	(18,947)	(6,112,773)	4,118,264
Effect of application of IFRS 9	26	-	-	-	-	-	-	(253,277)	(253,277)
Balance at January 1, 2018		8,100,000	75,504	2,072,202	2,278	-	(18,947)	(6,366,050)	3,864,987
Amortize part of the accumulated losses	1	-	(75,504)	(2,072,202)	(2,278)	-	-	2,149,984	-
Comprehensive income for the year		-	-	-	-	-	(55,375)	7,286,997	7,231,622
Transfer to Statutory reserve		-	-	803,700	-	-	-	(803,700)	-
Balance at December 31, 2018		8,100,000	-	803,700	-	-	(74,322)	2,267,231	11,096,609
Purchase of treasury stocks		-	-	-	-	(140,000)	-	-	(140,000)
Comprehensive income for the year		-	-	-	-	-	26,966	815,709	842,675
Transfer to Statutory reserve		-	-	81,571	-	-	-	(81,571)	-
Balance at December 31, 2019		8,100,000	-	885,271	-	(140,000)	(47,356)	3,001,369	11,799,284

The accompanying notes are an integral part of these consolidated financial statements

SPECIALIZED INVESTMENT COMPOUNDS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2019
(EXPRESSED IN JORDANIAN DINAR)

	2019	2018
OPERATING ACTIVITIES		
Profit of the year	**815,709**	8,036,997
Adjustments for profit of the year:		
Depreciation	**549,396**	636,734
Unrealized losses of Financial assets designated at fair value through statement of comprehensive income	**34,846**	54,928
Realized losses from selling Financial assets designated at fair value through statement of comprehensive income	-	1,049
Financial charges	**42,524**	94,316
Changes in operating assets and liabilities:		
Accounts receivable, checks under collection	**1,409,911**	(428,628)
Prepaid expenses and other receivables	**(720)**	40,838
Accounts payable and deferred checks	**(510,876)**	(79,090)
Accrued expenses and other liabilities	**(239,355)**	(3,138,465)
Deferred revenues	**(1,679,839)**	(153,717)
Cash available from operating activities	**421,596**	5,064,962
Paid financial charges	**(42,524)**	(94,316)
Net cash available from operating activities	**379,072**	4,970,646
INVESTING ACTIVITIES		
Financial assets designated at fair value through statement of other comprehensive income	-	(180,537)
Equipment and property, net	**370,349**	5,837,878
Net cash available from investing activities	**370,349**	5,657,341
FINANCING ACTIVITIES		
Loans	**(90,637)**	(11,032,345)
Capital lease commitments	-	(254,150)
Treasury stock	**(140,000)**	-
Net cash used in financing activities	**(230,637)**	(11,286,495)
Net change in cash and cash equivalents	**518,784**	(658,508)
Cash and cash equivalents, January 1	**244,282**	902,790
CASH AND CASH EQUIVALENTS, DECEMBER 31	**763,066**	244,282

The accompanying notes are an integral part of these consolidated financial statements

1. ESTABLISHMENT AND ACTIVITIES

Specialized Investment Compound Company is a Jordanian public shareholding Company registered on August 7, 1994 under No. (252). the authorized and paid capital is JOD 8,100,000 divided to 8,100,000 shares of JD 1 each.

The Company decided in its unusual meeting held on April 12, 2018 to amortize a part of the accumulated losses amounting to JD 2,149,984 in its statutory reserve by JD 2,072,202, and its voluntary reserve by JD 2,278 and share premium of JD 75, 504.

The Company main activities are utilizing, developing and investing lands for establishing, selling and investing industrial buildings and specialized craft warehouses.

The company and its subsidiary are located in Amman.

2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)

2.1 New and amended IFRS Standards that are effective for the current year.

- IFRS (16) "Leases"

IFRS 16 was issued in December 2016, IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for less or accounting have remained largely unchanged. Therefore, IFRS 16 does not have an impact for leases where The Company is the less or.

There is no any impact of the adoption of IFRS 16 on the company's financial statements because all of the company's operations rent contracts leases are shorts-term leases.

2.2 NEW AND AMENDED IFRSS IN ISSUE BUT NOT YET EFFECTIVE AND EARLY ADOPTED:-

The Company has not applied the following new.and revised IFRSs that have been issued but are not yet effective.

New Standards	Effective for annual periods beginning on or after
Amendments to IFRS 3 Business Combinations	January1, 2020
Amendments to IAS 1 Presentation of Financial Statements	January1, 2020
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	January1, 2020
Amendments to IFRS 7 Financial Instruments : Disclosures	January1, 2020
Amendments to IFRS 9 Financial Instruments	January1, 2020
Amendments to IFRS 10 Financial Statements	Effective date deferred indefinitely
Amendments to IFRS 28 Investment in Associates and Joint Ventures	Effective date deferred indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of The Company in the period of initial application.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of Consolidated Financial Statements

The accompanying consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards.

Basis of preparation

These consolidated financial statements, were presented in Jordanian Dinar as the majority of the Company's transactions are recorded in the Jordanian Dinar.

The consolidated financial statements have been prepared on historical cost basic; however financial instruments and investment in property are stated at fair value. The following is a summary of significant accounting policies applied by the Company.

Basis of consolidation financial statements

The consolidated financial statements incorporate the financial statements of Specialized Investment Compounds Company (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee or not, if facts and circumstances indicate that there are changes to one or more of the elements of control described in the accounting policy for subsidiaries above.

When The Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the practical ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it considers all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that The Company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholder's meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

The profit or loss and each component of other comprehensive income is distributed to the owners of the parent and to the non-controlling interests, total comprehensive income to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company.

All intra-entity transactions, balances, income and expenses are eliminated in full on consolidation.

The Consolidated Financial Statements as of December 31, 2018 consist of the financial statements of the following subsidiary:

Company	Place of registration	Paid capital	Vote and ownership ratio	Paid capital ratio	Main activity
Pluto residential projects	Jordan	JOD 850,000	100%	100%	Building and selling residential projects without interests and purchase, sell and invest in real estate and lands

Equity instruments at FVTOCI

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the cumulative changes in fair value of securities reserve: The cumulative changes or loss will not be reclassified investments. But reclassified to retained earnings. The Company has designated all instruments that are not held for trading as at FVTOCI

Dividends on these investments in equity instruments are recognized in profit or loss when The Company right to receive the dividends is established, unless the dividends clearly represent a recovery of a part of the cost of the investments. Other net gains and losses are recognized in OCI and are never reclassified to profit or loss.

Debt instruments at amortized cost or at FVTOCI

The Company assesses the classification and measurement of the cash flow characteristics of the contractual asset and the Company's business model for managing the asset
For an asset to classified and measured at amortized cost or at FVTOCI, is contractual terms should give rise to cash flows that are solely represent payments of principal and interest on the principal outstanding (SPPI).

At initial recognition of a financial asset, The Company determines whether newly recognized financial assets are part of an existing business model or whether they reflect the commencement of a new business model. The Company reassesses its business models each reporting period to determine whether the business models have changed since the preceding period. For the current and prior reporting period The Company has not identified a change in its business models.

When a debt instrument measured a FVTOCI is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss. In contrast, for an equity investment designated as measured FVTOCI, the cumulative gain/loss previously recognized in OCI is not subsequently reclassified to profit or loss but transferred within equity
Debt instruments that are subsequently measured at amortized cost or FVTOCI are subject to impairment.

Financial assets at FVTPL
Financial assets at FVTPL are:
(i) Assets with contractual cash flows that are not Supple; or and
(ii) assets that are held in a business model other than held to collect contractual cash flows or held to collect and sell; or
(iii) Assets designated at FVTPL using the fair value option.
These assets are measured at fair value, with any gains / losses arising on re-measurement recognized in profit or loss.

Fair value option: A financial instrument with a reliably measureable fair value can be designated as FVTPL (the fair value option) on its initial recognition even if the financial instrument was not acquired or incurred principally for the purpose of selling or repurchasing .The fair value option can be used for financial assets if it eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities, or recognizing related gains and losses on a different basis (an "accounting mismatch").

Reclassifications
If the business model under which The Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying he Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which The Company holds financial assets and therefore no reclassifications were made

Impairment
IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL
- Cash and bank balances:
- Trade and other receivables;
- Due from related party.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or

- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrument if the credit risk on that financial Instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-monh ECL.

The Company has elected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to life time ECLs.
ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to The Company under the contract and the cash flows that The Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

Loss allowance for financial investments measured at amortized costs is deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, The Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. In addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the statement of income and other comprehensive income
The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment
Measurement of ECL
The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward – looking information.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to stage 3 assets. At each reporting date, The Company assesses whether financial assets carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cash flows of the financial asset have occurred.

DE-recognition of financial assets

The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity .If The Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, The Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If The Company retains substantially all the risks and rewards of ownership of a transferred financial asset, The Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

Presentation of allowance for ECL are presented in the financial information

Loss allowances for ECL are presented in the financial information as follows:

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets.

For debt instruments measured at FVTOCI no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the less allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

Revenue recognition

IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and Interpretation within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step1: identify the contract with customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: performance obligation in a contract is a promise to transfer a good or service to the customer.

Step 3: Determine the transaction price Transaction price is the amount of consideration to which The Company expects to be entitled in exchange for transferring the goods and services to a customer excluding amount collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation The Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which The Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenues as and when the entity satisfies the performance obligation
The Company recognizes revenue over time if any one of the following criteria is met:

-The customer simultaneously receives and consumes the benefits provided by The Company performance as The Company performs.

-The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced or
-The Company performance does not create an asset with an alternative use to The Company and the entity has an enforceable right to payment for performance obligation completed to date
-The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition on the basis of The Company efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects in order to determine amount of revenue to be recognized.
-When he Company satisfies a performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability
- Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal all of its revenue arrangements
-Revenue is recognized in the consolidated financial statements to the extent that it is probable that the economic benefits will flow to The Company and the revenue and costs, if and when applicable, can be measured reliably.

Critical accounting judgments and key sources of estimation uncertainty
The preparation of consolidated financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these consolidated financial statements, the significant Judgments made by management in applying The Company accounting policies and the key sources of estimation uncertainty were the same as those that applied to the audited annual consolidated financial statements.

Critical judgments in applying the Company's accounting policies in respect of IFRS 9
Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company s of financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of f he assets are compensated. Monitoring is part of The Company s continues assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets .

Significant increase of credit risk
ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased The Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing group of assets with similar credit risk characteristics
When ECLs are measured on a collective basis, the financial instruments are Company collected on the basis of shared risk characteristics (e g, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant Increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12 month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

Models and assumptions used
The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in consolidated financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward looking information relevant to each scenario: When measuring ECL The Company uses reasonable and supportable forward looking information, which based on assumptions for the future movement of different economic drivers and how these drivers will affect each other

Probability of Default

PD constitutes a key input in measuring ECL. PD is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given to Default

LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Revenue

Revenue from sale of real estate is recognized when the construction is completed for the purpose of sale and the buyer delivers the sold property and transfers the risks to the buyer.

Rental income and services of leased units are recognized on the basis of the contract period for those leased units and after delivery of the property to the lessee and after service is done.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the marketing and sale of the Company's products. All other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs not specifically part of cost of revenues as required under International Accounting Standards; Expenses are distributed, if necessary, between general and administrative expenses, the cost of real estate sales and the cost of rental properties.

Cash and cash equivalents

Cash and cash equivalent include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Treasury stock

Treasury stock is reported as a separate item deducted from owners equity and does not have that right to the distributed dividends to the shareholders, and also does not have the right to vote in the general Assembly meetings of the Company, and is reported and presented at acquisition cost.

Tools and accessories

Inventories are stated at cost, which is determined by using (FIFO).

Notes receivable

Notes receivable are stated at cost with its actual value.

Investments in associate company
Investments in companies which are at least 20% owned and in which The Company exercises significant influence are recorded using the equity method, under which the investments are stated initially at cost and adjusted thereafter for the post acquisition change in the company's share of the net assets of the investee. These are referred to as subsidiaries (ownership over 50%) companies. Company's share in the associated companies' net income/losses for the year is included in the consolidated statement of income.

Accounts receivable
Accounts receivable are recorded at the original amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when there is substantive evidence that the collection of the full amount is no longer probable.

Accounts payable and accrual
Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

Real estate held for sale

Real estate for sale stated at the lower of cost or net realizable value.

Projects under construction

Projects under construction appear at cost. Borrowing costs are capitalized which was acquired for financing these projects.

Investment in real estates

Rented Real estates are stated at cost less accumulated depreciation. Depreciation is provided over the estimated useful live of building using the straight line method and with annual rate ranged between 2% – 4%.

Property and equipment
Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. The estimated rates of depreciation of the principal assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	Annual depreciation rate
Building	4%
Furniture and decoration	9-15%
Computers, office and electrical equipment	25%
Vehicles	15%
Tools and equipment	20%
placards	10%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

In case of any indication to the impairment value, Impairment losses are calculated according to the policy of the low value of the assets.

At any subsequent exclusion of property and equipment, the value of gains or losses resulting recognized, this represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

Leasing contracts
Leases are classified as finance leases whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
The lease payments under finance lease are recognized as account receivables as of net value of the investment on the straight-line basis over the term of the relevant lease.

Assets held under capital leases are recognized as an asset of The Company at the present value of the minimum lease payments or the fair market value of the asset at the date of the acquisition of the lease, whichever is less.

Finance costs, which represent the difference between the total lease commitments and the present value of the minimum lease payments or the fair market value of the asset at the date of creation of the lease, whichever is less, are charged to the statement of comprehensive income during the lease period and to a constant carrying rate of the remaining amounts of liabilities for each accounting period.

Rentals payable under operating lease are charged to the statement of comprehensive income on a straight line basis over the term of the relevant lease.

The sector report represents
The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.
Geographical segment is associated in providing products in particular economic environment subject to risks and returns that are differed from those for sectors to work in economic environment.

Provisions
The provision had been formed, when the Company has a present obligation (legal or expected) from past events which its cost of repayment considers accepted and it has ability to estimate it reliably.

Offsetting
Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, The Company intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income tax
The Company is subject to Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), The Company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it is immaterial.

The Council of Ministers decided in 2004 to grant the developers of the eligible industrial cities special privileges and exemptions granted to industrial cities and decided to subject the purchases of existing companies in the industrial areas to the general tax on sales by zero.

Foreign currency translation
Foreign currency transactions are translated into Jordanian Dinar at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of income.

4. PROPERTY AND EQUIPMENT

	January 1	Additions	Disposal	December 31
Cost:				
Land	94,804	-	-	**94,804**
Buildings *	1,268,106	-	-	**1,268,106**
Furniture and decoration	305,198	-	-	**305,198**
Computers, office and electrical equipment	312,270	-	-	**312,270**
Vehicles	55,976	**39,885**	**(25,804)**	**70,057**
Tools	105,955	-	-	**105,955**
placards	75,023	-	-	**75,023**
Total cost	2,217,332	**39,885**	**(25,804)**	**2,231,413**
Depreciation:				
Buildings	1,027,855	**25,362**	-	**1,053,217**
Furniture and decoration	301,044	**1,456**	-	**302,500**
Computers, office and electrical equipment	308,188	**1,810**	-	**309,998**
Vehicles	16,165	**15,882**	**(25,804)**	**6,243**
Tools	94,216	**596**	-	**94,812**
Placards	73,881	**424**	-	**74,305**
Total depreciation	1,821,349	**45,530**	**(25,804)**	**1,841,075**
Book value at January 1	395,983			
Book value at December 31				**390,338**

5. INVESTMENTS IN LANDS

	2019	2018
Investments in land	**4,400,653**	5,192,662
Additions	-	-
Dispensing	**(298,065)**	(792,009)
	4,102,588	4,400,653

6. INVESTMENTS IN RENTED BUILDINGS -NET

	2019	2018
Rented buildings cost at beginning of the year	**6,338,993**	22,697,656
Additions during the year	-	-
Disposals during the year	-	(10,791,497)
Total rented buildings cost	**6,338,993**	11,906,159
Less: accumulated depreciation	**609,390**	5,567,166
Net value of rented building at the year end	**5,729,603**	6,338,993

7. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2019	2018
Investment in Tourism Projects Compounds Company P.L.C. by 6,176 shares (2018: 6,176 shares)	**2,223**	1,978
Investment in Al Tajamouat For Catering And Housing Company by 611,200 shares (2018: 611,200 shares)	**191,748**	165,025
Investment in Coalition Industrial and Investments Company Ltd. By 675,000 shares which is 7.41% of the share capital	**50,000**	50,000
	243,971	217,003

* There are 100,000 shares from Investment in Al Tajamouat for Catering and Housing Company are mortgaged to Union bank for the declining loan.

8. TRANSACTIONS WITH RELATED PARTIES

The Company has made transactions with the following related party:

	2019	2018
Transportation allowances for the president and members of board of directors	**51,627**	20,600
Salaries, allowances and remunerations for the president and the members of board of directors	**57,943**	41,226

9. PREPAID EXPENSES AND OTHER RECEIVABLES

	2019	2018
Refundable deposits	**111,480**	91,410
Prepaid expenses	**12,561**	16,437
Income tax deposits	**84,566**	85,300
Other receivables	**13,164**	27,904
	221,771	221,051

10. REAL ESTATE AND LANDS HELD FOR SALE

	2019	2018
Real estate held for sale	**372,027**	378,674
	372,027	378,674

11. ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION

	2019	2018
Accounts receivable	**3,841,364**	5,300,204
Checks under collection	**55,712**	6,783
	3,897,076	5,306,987
Less: Impairment of accounts receivable provision	**(998,790)**	(998,790)
	2,898,286	4,308,197

12. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH STATEMENT OF COMPREHENSIVE INCOME

	2019	2018
Investment in Arab German Insurance Company by 177,460 shares (2018: 177,460 shares)	-	-
Investment in Jordan Ceramic Company by 986,101 shares (2018: 986,101 shares)	**1,222,765**	1,222,765
Investment in Al-Tajamouat Food and Housing Company by 86,738 shares (2018: 86,738)	**26,888**	23,419
Investment in Union Land Development Company by 43,039 shares (2018: 43,039 shares)	**63,697**	68,432
Investment in Jordan Company for Development and Financial Investment by 22,530 shares (2018: 22,530 shares)	**51,819**	85,389
Investment in Union Tobacco and Cigarettes Industries Company by 100 shares (2018: 100 shares)	**137**	147
	1,365,306	1,400,152

13. CASH AND CASH EQUIVALENTS

	2019	2018
Cash in hand	**150,000**	70,737
Cash at the banks	**613,066**	173,545
	763,066	244,282

14. RESERVES AND SHARE PREMIUM

Statutory reserve:

In accordance with the Companies' Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, The Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, The Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the authorized capital of The Company in full. This reserve is not available for dividends distribution, the General Assembly is entitled to decide, in its unusual meeting, to amortize its losses by the accumulated statuary reserve if all other reserves pay off, to rebuild it again in accordance with the law.

15. TREASURY STOCK

During the year 2019 the Company purchased treasury stock 81,732 Stock the cost amount JD 140,000 these shares do not have a right to dividends to shareholders and vote in the General Assembly meetings of the company.

16. DEFERRED REVENUES

	2019	2018
Deferred rent revenues and services	**1,180,184**	1,605,542
Short-term deferred rent revenues and services	**911,730**	2,166,211
	2,091,914	3,771,753

17. LOAN

The Company obtained a commercial loan from Union Bank amounted to JD 450,000 to be paid in 60 installments with a value amounted to JD 9,300 for each including interests after the grace period and the interest rate is 8.75% annually, payable monthly and without commission, guaranteed by mortgaging real estate No.(103, 122, 101) of basin Abu Swana No. (3) Lands ALRaqeem village, plus mortgaging 100,000 shares of Al Tajamouat For Catering And Housing Company shares for the Bank.

	2019	2018
Loan amount	**157,656**	248,293
Less: current portion	**111,600**	111,600
Long term portion	**46,056**	136,693

18. ACCRUED EXPENSES AND OTHER LIABILITIES

	2019	2018
Accrued expenses	**20,840**	178,896
Employees leaves provision	**4,927**	328
Jordanian Universities fees	**75,335**	187,828
Employment, training and vocational and technical education fund provision	**6,722**	6,722
Shareholders deposits	**15,911**	15,911
Sales tax deposits	**35,371**	24,655
Other provisions	**739,521**	644,069
Income tax provision	**671,845**	750,000
Miscellaneous	**3,725**	5,143
	1,574,197	1,813,552

19. ACCOUNTS PAYABLE AND DEFERRED CHECKS

	2019	2018
Deferred Checks	**58,704**	-
Financial brokerage accounts payable	**46,364**	116,045
Vendors account payable	**358,837**	858,736
	463,905	974,781

20. INCOME TAX

The tax position has been finalized with Income and Sales Tax Department until the end of 2014.

For the years 2015, 2016, 2017 and 2018 The Company has submitted its income return statement and it has not been audited by Income and Sales Tax Department till the date of preparing these consolidated financial statements.

21. REVENUES

	2019	2018
Rents revenues	**1,415,440**	1,626,091
City services revenues	**812,525**	647,942
	2,227,965	2,274,033

22. COST OF REVENUES

	2019	2018
Depreciation	**531,873**	635,675
Salaries, wages and benefits	**106,355**	98,849
Property tax	**54,000**	108,477
Insurance	**12,255**	15,412
Maintenance and repairs	**148,098**	35,821
Water and electricity	**28,619**	35,666
Fuel expenses	**782**	2,476
Vehicles and transportation expenses	**3,724**	5,227
Security	**33,844**	39,400
Sewage	**96,024**	138,966
Cleaning	**125,505**	140,071
Other	**1,544**	693
	1,142,623	1,256,733

23. SELLING AND MARKETING EXPENSES

	2019	2018
Salaries, wages and benefits	**7,255**	11,382
Selling commissions	**17,317**	-
Other	**81**	1,026
	24,653	12,408

24. GENERAL AND ADMINISTRATIVE EXPENSES

	2019	2018
Salaries, wages and benefits	**146,677**	131,625
Board of directors members transportation allowance	**52,098**	44,826
Fees, licenses and subscriptions	**20,963**	28,296
Professional and consulting fees	**42,496**	34,048
Rents	**16,000**	16,000
Water and electricity	**12,829**	12,387
Post and telephone	**3,733**	3,863
Employees Course and remunerations	**20,664**	17,841
Stationary	**3,776**	2,221
Hospitality	**5,837**	5,364
Depreciation	**17,523**	19,278
Maintenance	**2,809**	940
General assembly meetings expenses	**2,453**	2,932
Cleaning	**1,046**	917
Advertising	**3,839**	431
Oil and Fuels	**8,696**	5,864
Insurance	**6,040**	6,057
Investment Committee Fees	**18,000**	18,000
Other	**16,754**	13,841
	402,233	364,731

25. GAINS ON SALES ON ASSETS

Upon the decision of owning the mortgaged assets from the leased lands and buildings, gains have been recognized During the year 2018 :

Cost of lands sold	**972,009**
Cost of leased buildings	**6,177,896**
Net sold assets	**7,149,905**
The amount of interests due to the bonds	**(2,972,161)**
Assets value of bonds	**(10,950,000)**
	6,772,256

*** During the year 2019, The Company sold land No. (1959) Basin No. (3) Abu Hawana, south of the capital, Amman, at a value of 863,800 JD with cost amount of 410,559 JD**

26. IMPACT OF ADOPTION OF IFRS 9 FINANCIAL INSTRUMENTS

IFRS 9Financial Instruments provides requirements for the recognition and measurement of financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This Standard supersedes IAS 39Financial Instruments: "Recognition and Measurement"

The Company has adopted IFRS 9as of January 1, 2018. The Company has chosen not to adjust the comparative figures and the changes in the effective date have been included in the carrying amounts of the financial assets and liabilities within the opening balances of the retained earnings.

Accounts receivable and other receivables were previously classified as loans and receivables under IAS 39 are now classified at amortized cost. An additional impairment allowance of JD 253,277 for these receivables was recognized as a part of the opening balance of retained earnings as of January 1, 2018 when IFRS 9 was applied.

27. LEGAL STATUS OF THE COMPANY

Summary of cases brought by The Company and its subsidiaries to others:
The value of cases filed by The Company and its subsidiary companies with a value of JD 393,493.

28. FINANCIAL INSTRUMENTS

The Fair Value
The fair value of financial assets and financial liabilities include cash and cash equivalents and checks under collection and receivables, securities, and include accounts payable, credit facilities, loans, credits, and other financial liabilities.

Level I: the market prices stated in active markets for the same financial instruments.

Level II: assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Level III: valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

December 31, 2019	Level I	Level II	Level III	Total
Financial assets stated at fair value through statement of comprehensive income	1,365,306	-	-	1,365,306
Financial assets stated at fair value through statement of other comprehensive income	243,971	-	-	243,971
	1,609,277	-	-	1,609,277

December 31, 2018	Level I	Level II	Level III	Total
Financial assets stated at fair value through statement of comprehensive income	1,400,152	-	-	1,400,152
Financial assets stated at fair value through statement of other comprehensive income	217,003	-	-	217,003
	1,617,155	-	-	1,617,155

The value set out in the third level reflect the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most proper way to measure the fair value of these assets and that there was no impairment.

Management of share capital risks

The Company manages its capital to make sure that The Company will continue when it takes the highest return by the best limit for debts and owners equity balances. The Company's strategy does not change from 2018.

Structuring of Company's capital includes a debt that consists of loans as shown in Notes No. (18, 19, 20) and the owner's equity in The Company which includes share capital, issuance premium, reserves, fair value reserve, and accumulated losses as it listed in the changes in consolidated owners equity statement.

The debt ratio

The board of directors is reviewing the share capital structure periodically. As a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company's capital structure includes debts from the borrowing. The Company does not determine the highest limit of the debt ratio and it does not expect increase in the debt ratio.

	2019	2018
Debts	**157,656**	248,293
Owners' equity	**11,799,284**	11,096,609
Debts / Owners' equity ratio	**1%**	%2

Risk management

Include the risks those they may be exposed to the following risks:

Foreign Currency risk

When consolidating financial statements of subsidiaries outside Jordan with the parent Company, the assets and liabilities are exchanged as of financial position date to Jordanian Dinar by exchange rates as at the year end, for revenues and expenses it exchanged based on average exchange rates for the period, exchange differences, if any, included in owners' equity.

Interest rates risk

Interest rate risk arises mainly from floating rate borrowings (floating rate) and short-term fixed-rate deposits. Interest rate risk for borrowed funds is managed effectively.

The sensitivity of the statement of income is the effect of the assumed changes in interest rates on the Company's profit for one year and is calculated based on financial liabilities bearing a variable interest rate at the end of the year.

The following table shows the sensitivity of profit or loss and owner equity to interest rates changes by the facility or their deposits at banks and on interest rates paid by the entity to borrow from banks:

Currency	increase in interest	Effect on the loss	
Jordanian Dinars	%	**2019**	2018
	25	**- 394**	- 621

Currency	Decrease in interest	Effect on the loss	
Jordanian Dinars	%	**2019**	2018
	25	**+ 394**	+ 621

Capital risk
The contains of capital are reviewed on a regular basis and are taking in consideration the cost of capital and risks related with it , as capital is controlled to ensure continuity of business and increase revenue by achieving an optimal balance between owner's equity and debts.

This decrease in the debt ratio for 2014 is attributed to the decrease in debts from payment of facilities with ceiling.

Other price risk
The Company is exposed to price risk arising from its investments in the equity of other companies. The Company maintains investments in the equity of other companies for strategic purposes and not for trading purposes and The Company does not actively trade in those investments.

Sensitivity analysis of the owner investments prices
Sensitivity analysis followed based on that The Company exposed to investments prices risks in owners' equity of other companies at the date of the financial statements.

In case investments prices in owners' equity of other companies higher/ lower by 5%:

-The Company's owners' equity reserves become higher/ lower of 12,199 JOD (2018: higher/ lower of JOD 10,850) resulting from the company's portfolio that classified as available for sale investments.

-The Company's owners' equity reserves become higher/ lower of 68,265 JOD (2018: higher/ lower of JOD 70,008) resulting from the company's portfolio that classified as financial assets classified at fair value through comprehensive income.

The Company's sensitivity to investments prices in owners' equity of others companies have changed substantially compared with the previous year are resulting to the disposal of important part from the investments portfolio during the year .

Credit risk management
The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that The Company is exposing financial losses, However, there are no any contracts with any other parts so The Company doesn't expose to different types of the credit risks, The significant credit exposed for any parts or group of parties that have a similar specification have been disclosed in note No.8.The Company classified the parties which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credits risks that are resulting from the cash money are specific because the parties that are dealing with it are local banks have good reputations and have been controlled from control parties.

The amounts had listed in the financial statements data represents the highest credit risk expose to the trade accounts receivable and to the cash and cash equivalent.

Management of liquidity risks
Board of directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks through controlling the future cash flow that evaluated permanently and correspond the due dates of assets and liabilities.

29. SUBSEQUENT EVENTS
The existence of novel corona virus (COVID -19) was confirmed in early 2020 and has spread across multiple geographies, causing disruptions to businesses and economic activity. The Company considers this outbreak to be a non-adjusting post balance sheet event. At this early stage when situation is rapidly evolving; The Company has already mobilized a task force to assess the possible impact on its business. The initial study encompasses reviewing the potential risks around continued uninterrupted functioning of sales facilities. It is not practicable to provide a quantitative estimate of the potential impact at this stage. The Company does not foresee major impact on its operations issued on operation result before March 15, 2020, if the situation is normalized within a reasonable time period. The management and those charged with governance will continue to monitor the situation and accordingly update stakeholders as per the regulatory requirements. Any changes in circumstances may require enhanced disclosures or recognition of adjustments in the financial statements of The Company for the subsequent periods.

30. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS
The consolidated financial statements were approved by the Board of Directors and authorized for issuance June 14, 2020 these consolidated financial statements require the General Assembly of shareholders approval.

31. COMPARATIVE FIGURES
Certain figures for 2018 have been reclassified to conform to the presentation in the current year.