

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS

31 DECEMBER 2020

أولاً: تقرير هيئة مديري الشركة

1. الوضع القانوني والأنشطة الرئيسية

شركة سيلدون للاستثمارات ليمتد-الأردن شركة ذات مسؤولية محدودة تأسست في الأردن وسجلت لدى وزارة الصناعة والتجارة تحت رقم (1265) بتاريخ 2018/06/26 م وقد بدأت الشركة بممارسة نشاطاتها في العام 2018. تمارس الشركة الأنشطة التالية من خلال التراخيص الممنوحة من قبل هيئة الأوراق المالية لممارسة أعمال الوسيط المالي المحلي والوسيط المالي لحساب الغير والوسيط المعرف والاستشارات المالية في البورصات الأجنبية.

2. رأس مال الشركة وحقوق الشركاء

شركة سيلدون للاستثمارات ليمتد- الأردن، شركة مساهمة خاصة محدودة برأس مال مصرح به 2,530,000 دينار لاغير وبرأس مال مكتتب به مدفوع 2,530,000 دينار اردني لا غير .

• المركز المالي ونتائج أعمال الشركة

كما في 31 كانون الأول 2020

2020	
دينار	
	الموجودات
	موجودات غير متداولة
126,783	ممتلكات ومعدات
226,843	موجودات غير ملموسة
5,799	حق استخدام اصول مستأجرة
359,425	
	موجودات متداولة
926,664	أرصدة مدينة أخرى
2,703,294	النقد وما في حكمه
3,629,958	
3,989,383	مجموع الموجودات
	حقوق المساهم والمطلوبات
	حقوق المساهم
2,530,000	رأس المال المدفوع
(349,709)	الخسائر المتراكمة
2,180,291	صافي حقوق المساهم
	المطلوبات
	المطلوبات غير المتداولة
0	التزامات عقود تأجير تشغيلية
	مطلوبات متداولة
817,953	ذمم وأرصدة دائنة أخرى
984,805	مبالغ مستحقة الى جهات ذات علاقة
6,334	التزامات عقود تأجير تشغيلية
1,809,092	
1,809,092	مجموع المطلوبات
3,989,383	مجموع حقوق المساهم والمطلوبات

كما يبين المركز المالي للشركة، تتمتع الشركة بمركز مالي قوي وقدرة على الوفاء بالتزاماتها قصيرة الأجل (التي تستحق خلال سنة) تجاه عملائها ودائنيها بسهولة. كانت نسب السيولة للشركة في عام 2020 م 2%

SELDON

INVESTMENTS

JORDAN

قائمة الدخل الشامل للسنة المنتهية في 31 كانون الاول 2020

2019	2020	
دينار	دينار	
862.838	6,348.283	إيرادات
(767.207)	(5,224.036)	تكلفة الإيرادات
95.631	1,124.247	الربح الإجمالي
(541.834)	(1,036.868)	مصاريف إدارية
0	12.884	إيرادات أخرى
(446.203)	73.263	خسارة التشغيلية للسنة/الفترة
(1.078)	(578)	مصرف فوائد مقابل التزامات عقود تأجير تشغيلية
57.569	39.308	إيراد فوائد
(389.712)	111.993	خسارة السنة/الفترة
-	-	بنود الدخل الشامل الأخرى
(389.712)	111.993	مجموع الربح / الخسارة الشاملة للسنة/الفترة

3. أعضاء هيئة المديرين والشركاء والإدارة التنفيذية

• هيئة المديرين

العضو	المنصب
جبره سمير جبرة سريه	رئيس مجلس ادارة
ايد ديب ابو ميزر	نائب رئيس مجلس ادارة
ايد ديب ابو ميزر	أمين السر

• الشركاء

الرقم	اسم الشريك	الجنسية	عدد الحصص	نسبة الملكية
1	سيلدون للاستثمارات ليمتد	جزر العذراء البريطانية	كامل	100%

• الإدارة التنفيذية

ايد ديب سليمان ابو ميزر	المدير العام
ميشيل فؤاد مخائيل الخوري	مدير الوساطة
محمد احمد محمد شحادة	المدير المالي
حسام عدنان ناجي موسى	ضابط امتثال

• الموظفين (الوسطاء الماليين المعتمدين ومدراء الدوائر)

الموظف	الرتبة	المؤهل والخبرة
ايد ديب سليمان ابو ميزر	المدير العام	بكالوريوس
ميشيل فؤاد مخائيل الخوري	مدير الوساطة	بكالوريوس
محمد احمد محمد شحادة	المدير المالي	ماجستير
معين اديب فارس ايوب	مدير فرع اربد	بكالوريوس
حسام عدنان ناجي موسى	ضابط امتثال	دبلوم عالي
سامي شكيب زخريا عواد	وسيط	بكالوريوس
فرح علاء الدين محمود زيد الكيلاني	وسيط	بكالوريوس
فادي محمد ابراهيم الطوالبة	مسؤول حسابات رئيسي	ماجستير

4. الهيكل التنظيمي للشركة وعدد موظفيها ومؤهلاتهم وبرامج التأهيل والتدريب لموظفي الشركة

- مرفق الهيكل التنظيمي للشركة
- بلغ عدد موظفي الشركة كما في 31 كانون الأول 2020 اربعة عشر موظف منهم موظفان من حملة الماجستير و موظف ادارة عليا تسعة موظفين من حملة الدرجة الجامعية الأولى.

5. وصف للمخاطر التي تتعرض لها الشركة

تتعرض الشركة لمخاطر مالية مختلفة نتيجة لنشاطاتها، وتتضمن هذه المخاطر تأثير التقلبات في السوق (مخاطر تحويل العملات ومخاطر الاسعار) ومخاطر الائتمان ومخاطر السيولة. يركز برنامج ادارة المخاطر الاجمالية للشركة على تخفيض التأثير السلبي المحتمل على النتائج المالية للشركة الى الحد الادنى.

6. الأثر المالي لعمليات ذات طبيعة غير متكررة حدثت خلال السنة الماضية

لا يوجد عمليات ذات طبيعة غير متكررة حدثت خلال السنة الماضية.

7. التطورات المستقبلية الهامة بما في ذلك أي توسعات أو مشروعات جديدة والخطة المستقبلية للشركة

التوسعات والمشروعات : رؤية الشركة وخطةها المستقبلية

تسعى الشركة إلى فتح فروع بهدف تعزيز قدرة الشركة على الاستفادة من الفرص المتاحة من خلال إستقطاب عملاء جدد للتداول بالأسواق العالمية .

تتميز بنية الشركة بقدرتها على تعزيز إستغلال الفرص الإستثمارية المتاحة في الأسواق في ضوء تدني كلف الإستثمارات في مختلف القطاعات والناجمة عن الأوضاع الاقتصادية والسياسية الي تعرضت لها مختلف الأسواق. ونعتقد بإمكانية إستغلال هذه الفرص وبما يؤدي الى تحقيق نتائج إيجابية في المدى القصير الى رفع حقوق ملكية المساهم و تحقيق نمو نوعي سيكون له أكبر الأثر في تعظيم قيمة الإستثمار الأصلي ضمن إطار معلوم ومقبول من المخاطر.

• خطة العمل 2021

بالاف الدنانير	الربع الأول	الربع الثاني	الربع الثالث	الربع الرابع
ايرادات نشاط الوساطة المالية	220,000	240,000	260,000	280,000
المصاريف الادارية	200,000	200,000	200,000	200,000
الاستهلاكات	11,500	11,500	11,500	11,500

8. مقدار أتعاب تدقيق الشركة ، ومقدار أي أتعاب عن خدمات أخرى تلقاها المدقق و/أو مستحقة له

الخدمة	الشركة	الأتعاب المهنية
تدقيق الحسابات	بر ايس ووتر هاوس كوبر	6000

ثانياً: البيانات المالية السنوية مع تقرير مدققي الحسابات

مرفق طيه نسخة عن البيانات المالية السنوية مع تقرير مدققي الحسابات الشركة للسنة المالية 2020

ثالثاً: إقرارات

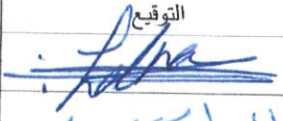


1. إقرار بعدم وجود أي أمور جوهرية قد تؤثر على إستمرارية الشركة :

تقر شركة سيلدون للاستثمارات ليمتد (الأردن) بعدم وجود أي أمور جوهرية قد تؤثر على إستمرارية الشركة خلال السنة المالية التالية 2021.

2. إقرار بالمسؤولية عن إعداد البيانات المالية وتوفير نظام رقابي فعال في الشركة:

تقر شركة سيلدون للاستثمارات ليمتد (الأردن) بمسؤوليتها عن إعداد البيانات المالية للشركة عن سنة 2020 وتقر بتوفير نظام رقابي فعال في الشركة.




شركة سيلدون للاستثمارات ليمتد - الأردن

العضو	المنصب	التوقيع
السيد جبره سمير جبرة سريّة	رئيس مجلس الادارة	
اياد ديب سليمان ابو ميزر	نائب رئيس مجلس الادارة	
اياد ديب سليمان ابو ميزر	امين السر	

3. إقرار بصحة ودقة واكتمال المعلومات الواردة في التقرير:

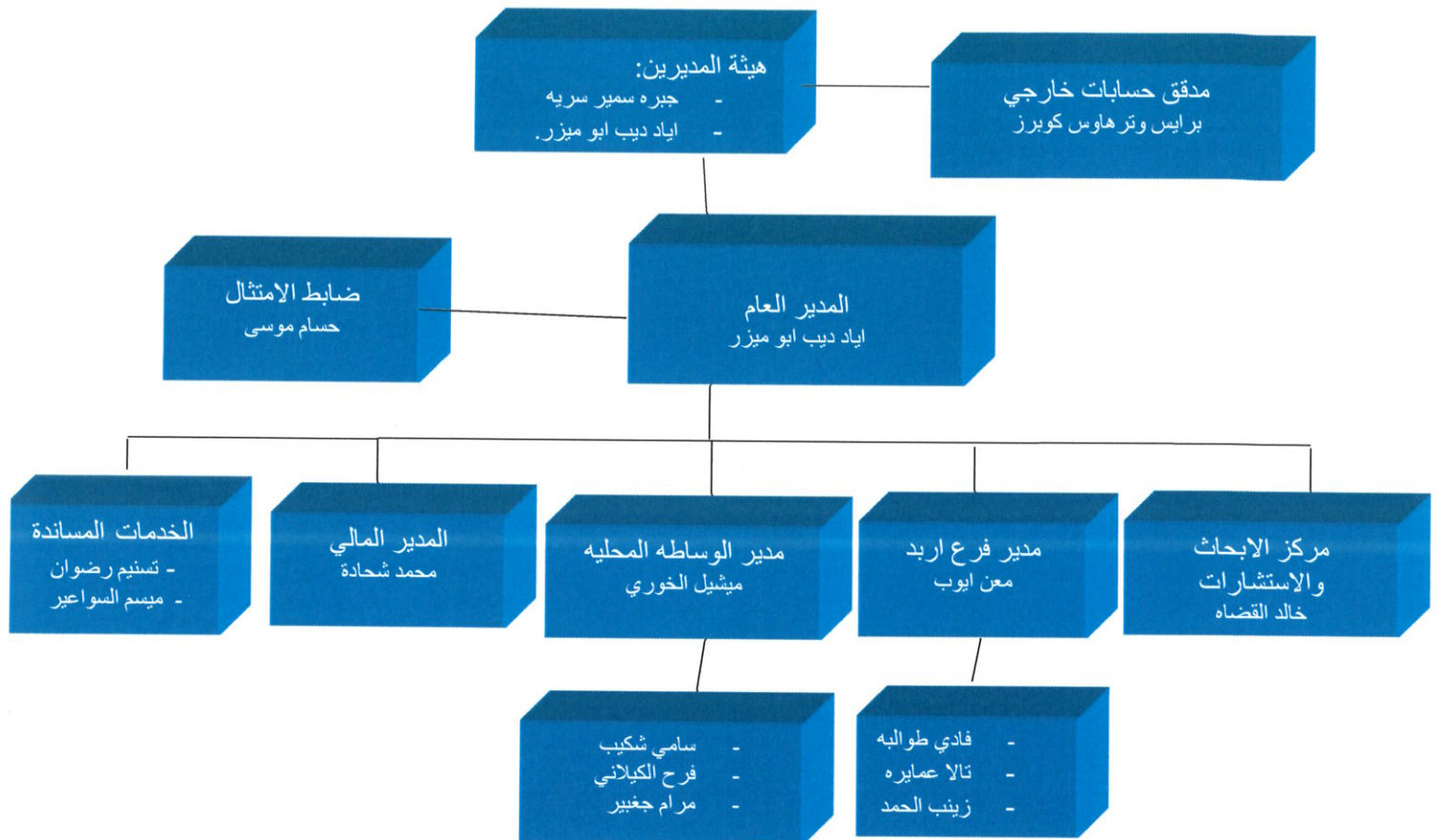
تقر شركة سيلدون للاستثمارات ليمتد (الأردن) بصحة ودقة واكتمال المعلومات الواردة في التقرير السنوي 2020

شركة سيلدون للاستثمارات ليمتد - الأردن

الاسم	المنصب	التوقيع
السيد جبره سمير جبرة سريّة	رئيس مجلس الإدارة	
أياد نيب سليمان أبو ميزر	المدير العام	
محمد احمد محمد شحادة	المدير المالي	



الهيكل التنظيمي للشركة وفقا للرسم التوضيحي المبين في ملاحق النظام، حيث يوضح هذا الرسم التسلسل الوظيفي في الشركة و العلاقات بين المستويات الوظيفية المختلفة و الوظائف فيها.



SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)

FINANCIAL STATEMENTS

31 DECEMBER 2020

**SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)**

FINANCIAL STATEMENTS

31 DECEMBER 2020

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)**

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Seldon Investments limited (Jordan) (A Private Shareholding Company), (later on the "Company") as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in shareholder's equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

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 International Financial Reporting Standards, and for such internal control as board of directors 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 board of directors either intend to liquidate the Company or to cease operations, or have 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 exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors.

- Conclude on the appropriateness of board of directors' 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 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.

Report on other legal and regulatory requirements

The Company maintains proper accounting records that are in agreement with the accompanying financial statements. We recommend that the General Assembly approve these financial statements.

For and on behalf of PricewaterhouseCoopers "Jordan" L.L.C.

Omar Kalanzi
License No (1015)

Amman – Jordan
[Date]

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2020

	Notes	2020 JD	2019 JD
ASSETS			
Non-current assets			
Property and equipment	5	126,783	159,217
Intangible assets	6	226,843	232,434
Right of use assets	11	5,799	11,599
		<u>359,425</u>	<u>403,250</u>
Current assets			
Other debit balances	7	926,664	619,782
Cash and cash equivalents	8	2,703,294	2,122,952
		<u>3,629,958</u>	<u>2,742,734</u>
TOTAL ASSETS		<u>3,989,383</u>	<u>3,145,984</u>
SHAREHOLDER'S EQUITY AND LIABILITIES			
SHAREHOLDER'S EQUITY			
Share capital	10	2,530,000	2,530,000
Accumulated losses		(349,709)	(461,702)
NET SHAREHOLDER'S EQUITY		<u>2,180,291</u>	<u>2,068,298</u>
LIABILITIES			
Non-current liabilities			
Lease obligation	11	-	6,334
Current liabilities			
Trade and other payables	9	817,953	318,151
Due to related parties	13	984,805	747,419
Lease obligation	11	6,334	5,782
		<u>1,809,092</u>	<u>1,071,352</u>
TOTAL LIABILITIES		<u>1,809,092</u>	<u>1,077,686</u>
TOTAL SHAREHOLDER'S EQUITY AND LIABILITIES		<u>3,989,383</u>	<u>3,145,984</u>

The attached notes from 1 to 14 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 JD	2019 JD
Revenue		6,348,283	862,838
Cost of revenue	13	(5,224,036)	(767,207)
Gross profit		1,124,247	95,631
Administrative expenses	12	(1,063,868)	(541,834)
Other income		12,884	-
Operating profit (loss) for the year		73,263	(446,203)
Finance expense on lease obligation	11	(578)	(1,078)
Finance income		39,308	57,569
Profit (loss) for the year		111,993	(389,712)
Other comprehensive income items		-	-
Total comprehensive income (loss) for the year		111,993	(389,712)

The attached notes from 1 to 14 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF CHANGES SHAREHOLDER'S EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital JD	Accumulated losses JD	Net Shareholder's Equity JD
2020			
Balance at 1 January 2020	2,530,000	(461,702)	2,068,298
Total comprehensive profit for the year	-	111,993	111,993
Balance at 31 December 2020	<u>2,530,000</u>	<u>(349,709)</u>	<u>2,180,291</u>
2019			
Balance at beginning of the year	2,530,000	(71,990)	2,458,010
Total comprehensive loss for the year	-	(389,712)	(389,712)
Balance at 31 December 2019	<u>2,530,000</u>	<u>(461,702)</u>	<u>2,068,298</u>

The attached notes from 1 to 14 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	JD	JD
Operating activities		
Profit (loss) for the year	111,993	(389,712)
Adjustments:		
Depreciation and amortization	47,291	41,894
Depreciation - Right of use assets	5,800	5,799
Finance income	(39,308)	(57,569)
Finance expense	578	1,078
Changes in working capital:		
Other debit balances	(306,882)	6,821
Trade and other payables	499,802	282,500
Due to related parties	237,386	678,619
Net Cash flows from operating activities	<u>556,660</u>	<u>569,430</u>
Investing activities		
Purchases of property and equipment	(5,765)	(36,943)
Purchase of intangible assets	(3,501)	(2,500)
Finance income received	39,308	54,724
Net cash flows from investing activities	<u>30,042</u>	<u>15,281</u>
Financing activities		
Payments on lease obligation	(6,360)	(6,360)
Net change in cash and cash equivalents	580,342	578,351
Cash and cash equivalents at 1 January	2,122,952	1,544,601
Cash and cash equivalents at 31 December	<u><u>2,703,294</u></u>	<u><u>2,122,952</u></u>
Non-cash transactions		
Right of use assets	5,799	11,599
Lease obligation	<u>6,334</u>	<u>12,116</u>

The attached notes from 1 to 15 are an integral part of these financial statements

(1) GENERAL INFORMATION

Seldon investment limited (Jordan) (the "Company") was registered at the Ministry of Industry and Trade as a Private shareholding company under No. (1265) on 26 June 2018 with a total authorized and paid-in capital of JD 2,530,000.

The Company's main objectives are:

- Provide financial consulting
- Financial Brokerage

The Company is fully owned by Seldon investment Ltd - British Virgin Islands.

The Company is located in 198 Zahran Street - Amman, Hashemite Kingdom of Jordan.

The financial statements were approved by the board of directors on [Date].

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Seldon Investments limited (Jordan) (Private Shareholding Company) have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRS Interpretations Committee (IFRS IC) interpretations applicable to companies reporting under IFRS.

The financial statements have been prepared under the historical cost convention.

The financial statements of the Company are presented in Jordanian Dinars.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in (Note 4).

2.2 Changes in accounting policies and disclosures

(a) The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- **Amendments to IAS 1 and IAS 8** - These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.

• **Amendments to IFRS 9, IAS 39 and IFRS 7** – Interest rate benchmark reform - These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the income statement. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.

• **Amendments to Conceptual framework** – The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:

- increasing the prominence of stewardship in the objective of financial reporting
- reinstating prudence as a component of neutrality
- defining a reporting entity, which may be a legal entity, or a portion of an entity
- revising the definitions of an asset and a liability
- removing the probability threshold for recognition and adding guidance on derecognition
- adding guidance on different measurement basis, and
- stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements.

(b) New and revised IFRS issued but not yet effective and not early adopted

The Company has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

Title	Key requirements	Effective Date
<i>Classification of Liabilities as Current or Non-current</i> – <i>Amendments to IAS 1</i>	<p>The narrow-scope amendments to IAS 1 <i>Presentation of Financial Statements</i> clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (e.g. the receipt of a waiver or a breach of covenant). The amendments also clarify what IAS 1 means when it refers to the 'settlement' of a liability.</p> <p>The amendments could affect the classification of liabilities, particularly for entities that previously considered management's intentions to determine classification and for some liabilities that can be converted into equity.</p> <p>They must be applied retrospectively in accordance with the normal requirements in IAS 8 <i>Accounting Policies, Changes in Accounting Estimates and Errors</i>.</p> <p>In May 2020, the IASB issued an Exposure Draft proposing to defer the effective date of the amendments to 1 January 2023.</p>	1 January 2022

There are no other relevant applicable new standards and amendments to published standards or IFRIC interpretations that have been issued but are not effective for the first time for the Company's financial year beginning on 1 January 2020 that would be expected to have a material impact on the financial statements of the Company.

2.3 Foreign currency translation

(a) Functional and presentation currency of the financial statements

Items included in the financial statements are measured using Jordanian Dinars which is the currency of the primary economic environment in which the Company operates (the "functional currency"). The financial statements are presented in Jordanian Dinars.

(b) Transactions and balances

Foreign currency transactions are translated into the Jordanian Dinar using the exchange rates prevailing at the dates of the transactions or valuations where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

2.4 Property and equipment

Property and equipment is shown at historical cost, less depreciation which is shown at cost. Historical cost includes expenditures that are directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate the cost over their useful life for property and equipment. Land is not depreciated. The main useful lives used for that purpose are as follows:

	Useful life (in years)
Furniture	5
Machinery & Equipment	5-6
Leasehold Improvements	7-8
Computers	4-5
Signage boards	6-7

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

The value of an item of property and equipment is written down to its recoverable amount if its net carrying amount is greater than its recoverable amount. Decrease is recognised in the statement of comprehensive income.

Gains and losses arising on disposal of property and equipment are determined by comparing the proceeds with the book value and are recognised in the statement of comprehensive income.

2.5 Intangible assets

Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.

Intangible assets are classified based on their lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortised during this lifetime and are recognised in the statement of comprehensive income. For intangible assets that have an indefinite lifetime, their impairment is reviewed in the financial statements and any impairment shall be recognised in the statement of comprehensive income.

Intangible assets resulting from the Company's business are not capitalised and are recognised in the statement of comprehensive income in the same period.

Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives using 10-20%.

2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment loss whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognised for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered from impairment except goodwill are reviewed for possible reversal of impairment at each reporting date.

2.7 Other debit balances

These amounts generally arise through transactions that are not in the ordinary course of business for the company. They are recognized and classified in the same manner as trade receivables.

2.8 Financial assets

2.8.1 Classification

The Company classifies its financial assets (cash and cash equivalents, receivables and other receivables) as assets at amortized cost on the basis of the objective for which the financial asset is acquired and is held for cash collection. Management determines its classification of financial assets at initial recognition.

Other receivables

Other receivables are financial assets (other than derivatives) consisting of fixed or fixed payments that are not quoted in the financial market. These assets are classified as current assets unless their maturity is more than 12 months after the statement of financial position date and are classified as non-current assets.

2.8.2 Recognition and Valuation

The purchase and sale of financial assets is recognized on the date of execution of the contract, the date on which the Company commits to purchase and sell the asset.

Trade receivables and amounts due from related parties are amounts receivable for goods sold within the normal course of business. They are normally due within 30 days and therefore are classified as current assets of the company.

Initial recognition of receivables is recognized at fair value in unconsolidated amount unless significant elements of financing are recognized when recognized at fair value. The Company maintains receivables in order to collect contractual cash flows and is subsequently measured at amortized cost using the effective interest method.

2.8.3 Impairment of financial assets

The Company does not have any class of financial assets that are substantially subject to the expected credit loss model.

Cash and cash equivalents and other debit balances are subject to the impairment requirements of IFRS 9, but the impairment of these financial assets is not material.

2.9 Cash and cash equivalents

In the statement of cash flows, cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.12 Employees' benefits

For defined contribution plans, the Company pays contributions to pension plans administered by the Social Security Corporation on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognised as a social security expense when they are due.

2.13 Revenue recognition

IFRS 15 "Revenue from contracts with customers"

The Company applies IFRS 15 "Revenue from contracts with customers".

2.13.1 Identify performance obligation

The Company provides a set of financial intermediation and brokerage services, the Company determines performance obligations for these services that will be provided under the sales contract.

The Company recognizes revenue when the amount of revenue and related costs can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.13.2 A performance obligation satisfied at a point of time

Revenue is recognized in the amount earned by the Company for brokerage services.

2.14 Offsetting

A financial asset and financial liability is recognized and a net amount is recognized in the statement of financial position when there is a legally enforceable right to settle the recoverable amount and there is an intention to settle on a net basis or to sell the asset and settle the obligation at the same time.

2.15 Leases

Leases are recognized as assets of the right to use and corresponding liabilities on the date that the leased assets are available for use in the Company. Each lease payment is distributed between the obligation and the financing cost. The cost of financing is charged to profit or loss over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Depreciation is calculated on the assets of the right to use over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

2.16 Provisions

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

2.17 Income tax

Tax is recognized in the income statement, except to the extent that it relates to items recognised in other comprehensive income or directly in equity.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the statement of financial position date in Jordan where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

2.18 Financial instruments by category

	2020 JD	2019 JD
Assets as per the statement of financial position		
Financial assets at amortised cost		
Other debit balances (excluding prepayments)	894,082	590,586
Cash and cash equivalents	2,703,294	2,122,952
	<u>3,597,376</u>	<u>2,713,538</u>
Liabilities as per the statement of financial position		
Liabilities at amortised cost		
Trade and other payables (excluding statutory liabilities)	984,805	313,405
Due to related parties	817,953	747,419
Lease obligation	6,334	12,116
	<u>1,809,092</u>	<u>1,072,940</u>

(3) FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including Foreign exchange risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Market risk

- Foreign exchange risk

Most of the Company's transactions are in the Jordanian Dinar or US Dollar. The foreign exchange rate between the US Dollar and the Jordanian Dinar is fixed, therefore, the Company is not exposed to material risks of currency exchange.

(b) Credit risk

Financial assets subject to credit risk are limited to cash at banks and other debit balances. The Company only deals with financial institutions of acceptable credit solvency. The Company has a policy for limiting the value exposed to credit risk at a single financial institution.

The Company is not exposed to concentration risk.

The following table shows the cash at banks and its credit rating as at 31 December as follows:

	Rating	2020 JD	2019 JD
Arab Bank	BB	1,200,944	962,651
Jordan Kuwait Bank	B+	283,617	289,790
Invest Bank	B	975,853	731,191
CardPay	Unrated	86,385	139,320
GatetoPay	Unrated	156,495	-
		<u>2,703,294</u>	<u>2,122,952</u>

(c) Liquidity risk

The Company follows a liquidity risk management, which consists of maintaining sufficient cash and funding through an adequate amount of credit facilities.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

	Less than 1 year JD	More than a year JD
As at 31 December 2020		
Trade and other payables (excluding statutory liabilities)	984,805	-
Lease obligation	6,334	-
As at 31 December 2019		
Trade and other payables (excluding statutory liabilities)	313,405	-
Lease obligation	5,782	8,016

3.2 Fair value estimation

The carrying amounts of borrowings approximate to their fair values.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The Company monitors its capital on the basis of the gearing ratio. This ratio is calculated as total bank borrowings divided by total equity. Gearing ratio was not calculated as the Company had no borrowings as of 31 December 2019 and 2020.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

A- Income tax

The Company is subject to income taxes. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

B- Leases

Determination of lease term: In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably certain to be extended (or not terminated). The evaluation is reviewed in the event of a significant event or significant change in the circumstances that affect this evaluation and that are under the control of the lessee.

Discounting lease payments: Lease payments are discounted using an additional borrowing rate ("IBR"). Management applied provisions and estimates to determine the additional borrowing rate at the start of the lease.

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(5) PROPERTY AND EQUIPMENT

2020	Furniture	Machinery &	Leasehold	Computers	Signage	Total
Cost	JD	Equipment	Improvements	JD	Boards	JD
At 1 January 2020	33,148	16,629	122,557	25,889	2,520	200,743
Additions	-	937	956	3,872	-	5,765
At 31 December 2020	33,148	17,566	123,513	29,761	2,520	206,508

2019	Furniture	Machinery &	Leasehold	Computers	Signage	Total
Accumulated depreciation	JD	Equipment	Improvements	JD	Boards	JD
At 1 January 2020	7,443	3,050	22,689	8,312	32	41,526
Depreciation for the year	6,607	4,097	18,556	8,564	378	38,199
At 31 December 2020	14,047	7,147	41,245	16,876	410	79,725
Net book value at 31 December 2020	19,101	10,419	82,268	12,885	2,110	126,783

2019	Furniture	Machinery &	Leasehold	Computers	Signage	Total
Cost	JD	Equipment	Improvements	JD	Boards	JD
At 1 January 2019	24,218	4,096	115,547	19,939	-	163,800
Additions	8,930	12,533	7,010	5,950	2,520	36,943
At 31 December 2019	33,148	16,629	122,557	25,889	2,520	200,743

2019	Furniture	Machinery &	Leasehold	Computers	Signage	Total
Accumulated depreciation	JD	Equipment	Improvements	JD	Boards	JD
At 1 January 2019	1,731	190	4,366	1,507	-	7,794
Depreciation for the year	5,712	2,860	18,323	6,805	32	33,732
At 31 December 2019	7,443	3,050	22,689	8,312	32	41,526
Net book value at 31 December 2019	25,705	13,579	99,868	17,577	2,488	159,217

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(6) INTANGIBLE ASSETS

	Trading License JD	Software license JD	Computer software JD	Total JD
2020				
Cost				
At 1 January 2020	200,000	4,338	37,500	241,838
Additions	-	-	3,501	3,501
At 31 December 2020	200,000	4,338	41,001	245,339
2020				
Accumulated amortisation				
At 1 January 2020	-	940	8,464	9,404
Amortisation for the year	-	867	8,225	9,092
At 31 December 2020	-	1,807	16,689	18,496
Net book value as at 31 December 2020	<u>200,000</u>	<u>2,531</u>	<u>24,312</u>	<u>226,843</u>
	Trading License JD	Software license JD	Computer software JD	Total JD
2019				
Cost				
At 1 January 2019	200,000	4,338	35,000	239,338
Additions	-	-	2,500	2,500
At 31 December 2019	200,000	4,338	37,500	241,838
2019				
Accumulated amortisation				
At 1 January 2019	-	73	1,169	1,242
Amortisation for the year	-	867	7,295	8,162
At 31 December 2019	-	940	8,464	9,404
Net book value as at 31 December 2019	<u>200,000</u>	<u>3,398</u>	<u>29,036</u>	<u>232,434</u>

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(7) OTHER DEBIT BALANCES

	<u>2020</u>	<u>2019</u>
	JD	JD
Cash margins against guarantees	891,000	584,152
Prepaid expenses	32,582	29,196
Refundable deposits	2,890	2,890
Employee receivables	-	2,845
Others	192	699
	<u>926,664</u>	<u>619,782</u>

(8) CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
	JD	JD
Cash at banks	1,278,184	853,889
Deposits at banks*	1,425,110	1,269,063
	<u>2,703,294</u>	<u>2,122,952</u>

* Deposits at banks represent short term deposits at Jordanian banks for periods of one to three months in Jordanian dinars and US dollars. Average interest rates during 2020 were between 0.05% and 4.75% (2019: 2% and 4.75%).

	<u>2020</u>	<u>2019</u>
	JD	JD
Deposits in Jordanian Dinars	210,660	204,520
Deposits in US Dollars	1,214,450	1,064,543
	<u>1,425,110</u>	<u>1,269,063</u>

The Company calculated the ECL of deposits at banks and did not record any ECL as the amount was not material.

(9) TRADE PAYABLES AND OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	JD	JD
Trade payables	808,342	301,165
Employee payables	5,000	11,470
Social security	3,165	3,241
Employees Income tax	474	1,505
Others	972	770
	<u>817,953</u>	<u>318,151</u>

(10) Shareholder's Equity

Share capital

The authorized and paid-in capital of the Company consists of 2,530,000 shares (JD 1 per share)

The Company is wholly owned by Seldon Investments Limited - British Virgin Islands.

(11) LEASES

The Company has a rental contract for Irbid office. The contents of the contract could contain rental and non-rental related components. These are classified as follows:

The schedule below shows the movement of right of use lease assets and operating lease liability as at 31 December 2020:

	<u>Cost</u> JD	<u>Depreciation</u> JD	<u>Net book value</u> JD
Right of use leased assets			
Administration office in Irbid	<u>11,599</u>	<u>(5,800)</u>	<u>5,799</u>

	<u>Balance at beginning of period</u> JD	<u>Interest on Lease obligation</u> JD	<u>Lease payments</u> JD	<u>Balance at end of period</u> JD	<u>Lease obligation – Short term</u> JD	<u>Lease obligation – Long term</u> JD
Lease obligation						
Administration office in Irbid	<u>12,116</u>	<u>578</u>	<u>(6,360)</u>	<u>6,334</u>	<u>6,334</u>	<u>-</u>

The Company also has a rental contract for Amman office, it is considered short term by management, and they are not certain if they will extend the term.

SELDON INVESTMENT LIMITED (JORDAN)
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(12) ADMINISTRATIVE EXPENSES

	<u>2020</u>	<u>2019</u>
	JD	JD
Marketing and advertisements	487,697	199,434
Salaries, wages and other benefits	304,981	185,357
Bank charges	38,885	14,585
Depreciation of Property and equipment	38,199	33,732
Rent expense	25,236	19,836
Postage, telephone and electricity	22,052	11,810
Donations	20,000	-
Professional and consulting fees	18,278	15,312
Governmental fees	14,777	7,198
Subscriptions	12,610	1,725
Medical insurance and training	12,089	8,222
Amortisation	9,092	8,162
Cleaning and maintenance	8,383	8,819
Depreciation of right of use assets	5,800	5,799
Travel & transport	4,602	2,895
Hospitality	428	1,704
Board of directors' remuneration	-	7,500
Others	40,759	9,744
	<u>1,063,868</u>	<u>541,834</u>

(13) RELATED PARTY TRANSACTIONS

Related parties comprise the parent Company, the directors and business that are controlled directly or indirectly by the parent company or over which they can exercise significant management influence.

Related parties consist of the parent company Seldon Investments – British Virgin Islands and a sister company Windsor Brokers – Belize.

The following transactions have been with related parties in accordance to agreements agreed upon with management:

	<u>2020</u>	<u>2019</u>
	JD	JD
Cost of sales (Windsor Brokers – Belize) *	<u>5,224,036</u>	<u>767,207</u>

* Seldon Investments Limited (Jordan) recognizes cost of revenue from related party transactions due to the usage of the trading platform owned by its sister company (Windsor Brokers - Belize).

(10) Shareholder's Equity

Share capital

The authorized and paid-in capital of the Company consists of 2,530,000 shares (JD 1 per share)

The Company is wholly owned by Seldon Investments Limited - British Virgin Islands.

(11) LEASES

The Company has a rental contract for Irbid office. The contents of the contract could contain rental and non-rental related components. These are classified as follows:

The schedule below shows the movement of right of use lease assets and operating lease liability as at 31 December 2020:

	<u>Cost</u> JD	<u>Depreciation</u> JD	<u>Net book value</u> JD
Right of use leased assets			
Administration office in Irbid	<u>11,599</u>	<u>(5,800)</u>	<u>5,799</u>

	<u>Balance at beginning of period</u> JD	<u>Interest on Lease obligation</u> JD	<u>Lease payments</u> JD	<u>Balance at end of period</u> JD	<u>Lease obligation – Short term</u> JD	<u>Lease obligation – Long term</u> JD
Lease obligation						
Administration office in Irbid	<u>12,116</u>	<u>578</u>	<u>(6,360)</u>	<u>6,334</u>	<u>6,334</u>	<u>-</u>

The Company also has a rental contract for Amman office, it is considered short term by management, and they are not certain if they will extend the term.

**SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)**

FINANCIAL STATEMENTS

31 DECEMBER 2020

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**INDEPENDENT AUDITOR'S REPORT
TO THE SHAREHOLDER OF SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)**

Report on the audit of the financial statements

Our opinion

In our opinion, the financial statements present fairly, in all material respects the financial position of Seldon Investments limited (Jordan), (later on the "Company") as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Company's financial statements comprise:

- the statement of financial position as at 31 December 2020;
- the statement of comprehensive income for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- notes to the financial statements, which include significant accounting policies and other explanatory information.

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

Independence

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code). We have fulfilled our other ethical responsibilities in accordance with the IESBA Code.



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 International Financial Reporting Standards, and for such internal control as board of directors 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 board of directors either intend to liquidate the Company or to cease operations, or have 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 exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by board of directors.
- Conclude on the appropriateness of board of directors' 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 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.

Report on other legal and regulatory requirements

The Company maintains proper accounting records that are in agreement with the accompanying financial statements. We recommend that the General Assembly approve these financial statements.

For and on behalf of PricewaterhouseCoopers "Jordan"

A handwritten signature in blue ink, appearing to read "Omar Kalanzi", written over a horizontal line.

Omar Kalanzi
License No (1015)



Amman – Jordan
27 April 2021

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2020

	Notes	2020 JD	2019 JD
ASSETS			
Non-current assets			
Property and equipment	5	126,783	159,217
Right of use assets	11	5,799	11,599
Intangible assets	6	226,843	232,434
		<u>359,425</u>	<u>403,250</u>
Current assets			
Other debit balances	7	926,664	619,782
Cash and cash equivalents	8	2,703,294	2,122,952
		<u>3,629,958</u>	<u>2,742,734</u>
TOTAL ASSETS		<u>3,989,383</u>	<u>3,145,984</u>
EQUITY AND LIABILITIES			
EQUITY			
Share capital	10	2,530,000	2,530,000
Statutory reserve	10	11,199	-
Accumulated losses		(360,908)	(461,702)
NET EQUITY		<u>2,180,291</u>	<u>2,068,298</u>
LIABILITIES			
Non-current liabilities			
Lease liabilities	11	-	6,334
Current liabilities			
Lease liabilities	11	6,334	5,782
Due to related parties	14	984,805	747,419
Trade and other payables	9	817,953	318,151
		<u>1,809,092</u>	<u>1,071,352</u>
TOTAL LIABILITIES		<u>1,809,092</u>	<u>1,077,686</u>
TOTAL EQUITY AND LIABILITIES		<u>3,989,383</u>	<u>3,145,984</u>

The attached notes from 1 to 16 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2020

	Note	2020 JD	2019 JD
Revenue		6,348,283	862,838
Cost of revenue	14	(5,224,036)	(767,207)
Gross profit		1,124,247	95,631
Administrative expenses	13	(1,063,868)	(541,834)
Other income		12,884	-
Operating profit (loss)		73,263	(446,203)
Finance income		39,308	57,569
Lease liabilities Interest expense	11	(578)	(1,078)
Profit (loss) for the year		111,993	(389,712)
Other comprehensive income items		-	-
Total comprehensive income (loss) for the year		111,993	(389,712)

The attached notes from 1 to 16 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2020

	Share capital JD	Statutory reserve JD	Accumulated losses JD	Net Equity JD
2020				
Balance at 1 January 2020	2,530,000	-	(461,702)	2,068,298
Total comprehensive income for the year	-	-	111,993	111,993
Transfer to statutory reserve	-	11,199	(11,199)	-
Balance at 31 December 2020	<u>2,530,000</u>	<u>11,199</u>	<u>(360,908)</u>	<u>2,180,291</u>
2019				
Balance at 1 January 2019	2,530,000	-	(71,990)	2,458,010
Total comprehensive loss for the year	-	-	(389,712)	(389,712)
Balance at 31 December 2019	<u>2,530,000</u>	<u>-</u>	<u>(461,702)</u>	<u>2,068,298</u>

The attached notes from 1 to 16 are an integral part of these financial statements

SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	2020	2019
	JD	JD
Operating activities		
Profit (loss) for the year	111,993	(389,712)
Adjustments:		
Depreciation and amortization	47,291	41,894
Depreciation - Right of use assets	5,800	5,800
Finance income	(39,308)	(57,569)
Lease liabilities Interest expense	578	1,078
Changes in working capital:		
Other debit balances	(306,882)	6,820
Due to related parties	237,386	678,619
Trade and other payables	499,802	282,500
Net cash flows generated from operating activities	<u>556,660</u>	<u>569,430</u>
Investing activities		
Purchases of property and equipment	(5,765)	(36,943)
Purchase of intangible assets	(3,501)	(2,500)
Finance income received	39,308	54,724
Net cash flows generated from investing activities	<u>30,042</u>	<u>15,281</u>
Financing activities		
Payments on lease liabilities	(6,360)	(6,360)
Net cash flows used in financing activities	<u>(6,360)</u>	<u>(6,360)</u>
Net change in cash and cash equivalents	580,342	578,351
Cash and cash equivalents at 1 January	<u>2,122,952</u>	<u>1,544,601</u>
Cash and cash equivalents at 31 December	<u>2,703,294</u>	<u>2,122,952</u>
Non-cash transactions		
Right of use assets	-	17,399
Lease liabilities	-	17,399

The attached notes from 1 to 16 are an integral part of these financial statements

**SELDON INVESTMENT LIMITED (JORDAN)
(A PRIVATE SHAREHOLDING COMPANY)
NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2020**

(1) GENERAL INFORMATION

Seldon investment limited (Jordan) (the "Company") was registered at the Ministry of Industry and Trade as a Private shareholding company under No. (1265) on 26 June 2018 with a total authorized and paid-in capital of JD 2,530,000.

The Company's main objectives are:

- Provide financial consulting
- Financial Brokerage

The Company is fully owned by Seldon investment Ltd - British Virgin Islands.

The Company is located in 198 Zahran Street - Amman, Hashemite Kingdom of Jordan.

The financial statements were approved by the board of directors on 27 April 2021.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The financial statements of Seldon Investments limited (Jordan) have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the interpretations of the International Financial Reporting Interpretations Committee (IFRIC).

The financial statements of the Company are presented in Jordanian Dinars which is the Company's functional currency.

The financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note (4).

2.2 Changes in accounting policy and disclosures

(a) New standards and interpretations not yet adopted

The Company has applied the following standards and amendments for the first time for their annual reporting period commencing 1 January 2020:

- **Amendments to IFRS 3** - This amendment revises the definition of a business. According to feedback received by the IASB, application of the current guidance is commonly thought to be too complex, and it results in too many transactions qualifying as business combinations.
- **Amendments to IAS 1 and IAS 8** - These amendments to IAS 1, 'Presentation of financial statements', and IAS 8, 'Accounting policies, changes in accounting estimates and errors', and consequential amendments to other IFRSs: i) use a consistent definition of materiality throughout IFRSs and the Conceptual Framework for Financial Reporting; ii) clarify the explanation of the definition of material; and iii) incorporate some of the guidance in IAS 1 about immaterial information.
- **Amendments to IFRS 9, IAS 39 and IFRS 7** – Interest rate benchmark reform - These amendments provide certain reliefs in connection with interest rate benchmark reform. The reliefs relate to hedge accounting and have the effect that IBOR reform should not generally cause hedge accounting to terminate. However, any hedge ineffectiveness should continue to be recorded in the statement of comprehensive income. Given the pervasive nature of hedges involving IBOR based contracts, the reliefs will affect companies in all industries.
- **Amendments to Conceptual framework** – The IASB has issued a revised Conceptual Framework which will be used in standard-setting decisions with immediate effect. Key changes include:
 - Increasing the prominence of stewardship in the objective of financial reporting
 - Reinstating prudence as a component of neutrality
 - Defining a reporting entity, which may be a legal entity, or a portion of an entity
 - Revising the definitions of an asset and a liability
 - Removing the probability threshold for recognition and adding guidance on derecognition
 - Adding guidance on different measurement basis, and
 - Stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements

(b) New and revised IFRS issued but not yet effective and not early adopted

The Company has not yet applied the following new standards, amendments and interpretations that have been issued but are not yet effective:

New standards, amendments and interpretations	Effective for annual periods beginning on or after 1 January 2023
<ul style="list-style-type: none"> IFRS 17, 'Insurance contracts' - On 18 May 2017, the IASB finished its long-standing project to develop an accounting standard on insurance contracts and published IFRS 17, 'Insurance Contracts'. IFRS 17 replaces IFRS 4, which currently permits a wide variety of practices. IFRS 17 will fundamentally change the accounting by all entities that issue insurance contracts and investment contracts with discretionary participation features. <p>The standard applies to annual periods beginning on or after 1 January 2023, with earlier application permitted if IFRS 15, 'Revenue from contracts with customers' and IFRS 9, 'Financial instruments' are also applied.</p> <p>IFRS 17 requires a current measurement model, where estimates are remeasured in each reporting period. The measurement is based on the building blocks of discounted, probability-weighted cash flows, a risk adjustment and a contractual service margin ("CSM") representing the unearned profit of the contract. A simplified premium allocation approach is permitted for the liability for the remaining coverage if it provides a measurement that is not materially different from the general model or if the coverage period is one year or less. However, claims incurred will need to be measured based on the building blocks of discounted, risk-adjusted, probability weighted cash flows.</p> Amendments to IAS 1, Presentation of financial statements' on classification of liabilities - These narrow-scope amendments to IAS 1, 'Presentation of financial statements', clarify that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. Classification is unaffected by the expectations of the entity or events after the reporting date (for example, the receipt of a waiver or a breach of covenant). The amendment also clarifies what IAS 1 means when it refers to the 'settlement' of a liability. 	1 January 2022

There are no other relevant applicable new standards and amendments to published standards or IFRIC interpretations that have been issued but are not effective for the first time for the Company's financial year beginning on 1 January 2020 that would be expected to have a material impact on the financial statements of the Company.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Jordanian Dinar' which is the Company's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

2.4 Property and equipment

Property and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of these property and equipment and making them ready for their intended purposes.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the statement of comprehensive income during the financial period in which they are incurred.

Depreciation on assets is calculated using the straight-line method to allocate the cost over their useful life for property and equipment. The main useful lives used for that purpose are as follows:

	<u>Years</u>
Leasehold Improvements	7-8
Machinery and Equipment	5-6
Furniture	5
Computers	4-5
Signage boards	6-7

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each financial period.

If the recoverable amount of property and equipment is less than the assets' net carrying amount, the recoverable amount is written down to its recoverable amount, and the impairment loss is recognized in the statement of comprehensive income (Note 2-6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognized in the statement of comprehensive income.

2.5 Intangible assets

Intangible assets that are acquired through the merger are stated at fair value at the date of acquisition. The intangible assets that are obtained by a method other than the merger are stated at cost.

Intangible assets are classified based on their lifetime for a definite or indefinite period. Intangible assets that have a definite lifetime are amortised during this lifetime and are recognised in the statement of comprehensive income. For intangible assets that have an indefinite lifetime, their impairment is reviewed in the financial statements and any impairment shall be recognised in the statement of comprehensive income.

Intangible assets resulting from the Company's business are not capitalised and are recognised in the statement of comprehensive income in the same period.

Amortisation is calculated using the straight-line method to allocate the cost of intangible assets over their estimated useful lives using 10-20%.

2.6 Impairment of non-financial assets

Assets that are subject to depreciation and amortisation are reviewed for impairment loss whenever events or changes in circumstances indicate that the book value may not be recoverable. An impairment loss is recognised for the amount by which the asset's book value exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered from impairment except goodwill are reviewed for possible reversal of impairment at each reporting date.

2.7 Other debit balances

These amounts generally arise through transactions that are not in the ordinary course of business for the company. They are recognized and classified in the same manner as trade receivables.

2.8 Financial assets

2.8.1 Classification

The Company classifies its financial assets (cash and cash equivalents, Other debit balances) as assets at amortized cost on the basis of the objective for which the financial asset is acquired and is held for cash collection. Management determines its classification of financial assets at initial recognition.

Other debit balances

Other debit balances are financial assets (other than derivatives) consisting of fixed or fixed payments that are not quoted in the financial market. These assets are classified as current assets unless their maturity is more than 12 months after the statement of financial position date and are classified as non-current assets.

2.8.2 Recognition and Valuation

The purchase and sale of financial assets is recognized on the date of execution of the contract, the date on which the Company commits to purchase and sell the asset.

Initial recognition of receivables is recognized at fair value in unconsolidated amount unless significant elements of financing are recognized when recognized at fair value. The Company maintains receivables in order to collect contractual cash flows and is subsequently measured at amortized cost using the effective interest method.

2.8.3 Impairment of financial assets

The Company does not have any class of financial assets that are substantially subject to the expected credit loss model.

Cash and cash equivalents and other debit balances are subject to the impairment requirements of IFRS 9, but the impairment of these financial assets is not material.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits held at call with banks with original maturities of three months or less.

2.10 Share capital

Ordinary shares are classified as equity.

2.11 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade and other payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.12 Employee benefits

For defined contribution plans, the Company pays contributions to pension insurance plans administered by the Social Security Corporation and on a mandatory basis. The Company has no further payment obligations once the contributions have been paid. The contributions are recognized as a social security expense when they are due.

2.13 Revenue recognition

IFRS 15 "Revenue from contracts with customers"

The Company applies IFRS 15 "Revenue from contracts with customers".

2.13.1 Identify performance obligation

The Company provides a set of financial intermediation and brokerage services, the Company determines performance obligations for these services that will be provided under the sales contract.

The Company recognizes revenue when the amount of revenue and related costs can be reliably measured, it is probable that future economic benefits will flow to the entity and when specific criteria have been met for each of the Company's activities as described below. The Company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

2.13.2 A performance obligation satisfied at a point of time

Revenue is recognized in the amount earned by the Company for brokerage services.

2.14 Offsetting

A financial asset and financial liability is recognized and a net amount is recognized in the statement of financial position when there is a legally enforceable right to settle the recoverable amount and there is an intention to settle on a net basis or to sell the asset and settle the obligation at the same time.

2.15 Leases

Leases are recognized as assets of the right to use and corresponding liabilities on the date that the leased assets are available for use in the Company. Each lease payment is distributed between the obligation and the financing cost. The cost of financing is charged to statement of comprehensive income over the term of the lease to obtain a constant periodic rate of interest payable on the remaining balance of liabilities for each period. Depreciation is calculated on the assets of the right to use over the useful life of the asset or lease term, whichever is shorter, using the straight-line method.

2.16 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

2.17 Income tax

Tax expenses represent tax amounts payable for the year and are presented in the statement of comprehensive income. Due tax expenses are calculated based on the tax rates established under the laws, regulations and instructions applicable at the date of the financial statements of the Company on any operating activity and realized profits that are subject to tax.

Deferred taxes are the taxes expected to be paid or recovered as a result of temporary timing differences between the value of assets or liabilities in the financial statements and the value based on which tax profit is calculated. Deferred taxes are calculated using the liability method in the statement of financial position, and they are calculated in accordance with tax rates expected to be applied to settle the tax liability or realise deferred tax assets. Due to uncertainty of realizing deferred tax assets, the Company didn't recognize these amounts as assets in the financial statements.

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2.18 Financial instruments by category

	<u>2020</u>	<u>2019</u>
	JD	JD
Assets as per the statement of financial position		
Financial assets at amortized cost		
Other debit balances		
(excluding prepayments and Refundable deposits)	891,192	587,696
Cash and cash equivalents	<u>2,703,294</u>	<u>2,122,952</u>
	<u>3,594,486</u>	<u>2,710,648</u>
Liabilities as per the statement of financial position		
Financial liabilities at amortized cost		
Lease liabilities	6,334	12,116
Due to related parties	984,805	747,419
Trade and other payables		
(excluding statutory liabilities)	<u>814,314</u>	<u>313,405</u>
	<u>1,805,453</u>	<u>1,072,940</u>

(3) FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Company's activities expose it to a variety of financial risks: market risk (including Foreign exchange risk), credit risk and liquidity risk. The Company's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Company's financial performance.

(a) Market risk

- Foreign exchange risk

Most of the Company's transactions are in the Jordanian Dinar or US Dollar. The foreign exchange rate between the US Dollar and the Jordanian Dinar is fixed, therefore, the Company is not exposed to material risks of currency exchange.

(b) Credit risk

Financial assets subject to credit risk are limited to cash at banks and certain other debit balances. The Company only deals with financial institutions of acceptable credit solvency. The Company has a policy for limiting the value exposed to credit risk at a single financial institution.

The management of the Company does not expect any losses resulting from non-compliance by customers.

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The following table shows the cash at banks and its credit rating as at 31 December as follows:

	Rating	2020 JD	2019 JD
Arab Bank	BB	1,200,944	962,651
Jordan Kuwait Bank	B+	283,617	289,790
Invest Bank	B	975,853	731,191
CardPay	Unrated	86,385	139,320
GatetoPay	Unrated	156,495	-
		<u>2,703,294</u>	<u>2,122,952</u>

The above-mentioned ratings were obtained from Moody's, S&P and Fitch corporation websites.

(c) Liquidity risk

Management of the Company monitors the Company's liquidity requirements to ensure it has sufficient cash to meet its operational needs.

The table below summarizes the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates:

	Less than 1 year JD	More than a year JD
As at 31 December 2020		
Lease liabilities	6,334	-
Trade and other payables (excluding statutory liabilities)	814,314	-
As at 31 December 2019		
Lease liabilities	5,782	6,334
Trade and other payables (excluding statutory liabilities)	313,405	-

3.2 Fair value estimation

The carrying amounts of borrowings approximate to their fair values.

3.3 Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year are addressed below.

A- Income tax

The Company is subject to income taxes. Significant judgement is required in determining the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax in the period in which such determination is made.

B- Leases

Extension and termination options in leases

Extension and termination options are included in several leases. These conditions are used to increase operational flexibility in terms of contract management, that most of the held extension and termination options are renewable by both the Company and the lessor.

Determine the term of the lease

When determining the term of the lease, management considers all facts and circumstances that create an economic incentive such as the option to extend or not the option to terminate. The extension options (or periods after the termination options) are included only in the term of the lease if the lease is reasonably confirmed to be extended (or not terminated). The evaluation is reviewed in the event of an important event or significant change in the circumstances that affect this evaluation and that are under the control of the tenant.

Discounting rental payments

Discount payments are discounted using the additional borrowing rate. Management applied provisions and estimates to determine the additional borrowing rate at the commencement of the lease

**SELDON INVESTMENT LIMITED (JORDAN)
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(5) PROPERTY AND EQUIPMENT

	Leasehold Improvements JD	Machinery and Equipment JD	Furniture JD	Computers JD	Signage Boards JD	Total JD
2020						
Cost						
At 1 January 2020	122,557	16,629	33,148	25,889	2,520	200,743
Additions	956	937	-	3,872	-	5,765
At 31 December 2020	123,513	17,566	33,148	29,761	2,520	206,508
Accumulated depreciation						
At 1 January 2020	22,689	3,050	7,443	8,312	32	41,526
Depreciation for the year	18,556	4,097	6,604	8,564	378	38,199
At 31 December 2020	41,245	7,147	14,047	16,876	410	79,725
Net book value at 31 December 2020	82,268	10,419	19,101	12,885	2,110	126,783
2019						
Cost						
At 1 January 2019	115,547	4,096	24,218	19,939	-	163,800
Additions	7,010	12,533	8,930	5,950	2,520	36,943
At 31 December 2019	122,557	16,629	33,148	25,889	2,520	200,743
Accumulated depreciation						
At 1 January 2019	4,366	190	1,731	1,507	-	7,794
Depreciation for the year	18,323	2,860	5,712	6,805	32	33,732
At 31 December 2019	22,689	3,050	7,443	8,312	32	41,526
Net book value at 31 December 2019	99,868	13,579	25,705	17,577	2,488	159,217

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(6) INTANGIBLE ASSETS

	Trading License JD	Software license JD	Computer software JD	Total JD
2020				
Cost				
At 1 January 2020	200,000	4,338	37,500	241,838
Additions	-	-	3,501	3,501
At 31 December 2020	<u>200,000</u>	<u>4,338</u>	<u>41,001</u>	<u>245,339</u>
2020				
Accumulated amortisation				
At 1 January 2020	-	940	8,464	9,404
Amortisation for the year	-	867	8,225	9,092
At 31 December 2020	<u>-</u>	<u>1,807</u>	<u>16,689</u>	<u>18,496</u>
Net book value				
as at 31 December 2020	<u>200,000</u>	<u>2,531</u>	<u>24,312</u>	<u>226,843</u>
2019				
Cost				
At 1 January 2019	200,000	4,338	35,000	239,338
Additions	-	-	2,500	2,500
At 31 December 2019	<u>200,000</u>	<u>4,338</u>	<u>37,500</u>	<u>241,838</u>
2019				
Accumulated amortisation				
At 1 January 2019	-	73	1,169	1,242
Amortisation for the year	-	867	7,295	8,162
At 31 December 2019	<u>-</u>	<u>940</u>	<u>8,464</u>	<u>9,404</u>
Net book value				
as at 31 December 2019	<u>200,000</u>	<u>3,398</u>	<u>29,036</u>	<u>232,434</u>

(7) OTHER DEBIT BALANCES

	2020 JD	2019 JD
Cash margins against guarantees	891,000	584,152
Prepaid expenses	32,582	29,196
Refundable deposits	2,890	2,890
Employee receivables	-	2,845
Others	192	699
	<u>926,664</u>	<u>619,782</u>

SELDON INVESTMENT LIMITED (JORDAN)
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(8) CASH AND CASH EQUIVALENTS

	<u>2020</u>	<u>2019</u>
	JD	JD
Cash at banks	1,278,184	853,889
Deposits at banks *	<u>1,425,110</u>	<u>1,269,063</u>
	<u>2,703,294</u>	<u>2,122,952</u>

* Deposits at banks represent short term deposits at Jordanian banks for periods of one to three months in Jordanian dinars and US dollars. Average interest rates during 2020 were between 0.05% and 4.75% (2019: 2% and 4.75%).

	<u>2020</u>	<u>2019</u>
	JD	JD
Deposits in Jordanian Dinars	210,660	204,520
Deposits in US Dollars	<u>1,214,450</u>	<u>1,064,543</u>
	<u>1,425,110</u>	<u>1,269,063</u>

Cash at banks was taken into consideration when calculating expected credit losses and no impairment losses were recorded as the impact is not significant.

(9) TRADE AND OTHER PAYABLES

	<u>2020</u>	<u>2019</u>
	JD	JD
Trade payables	808,342	301,165
Employee payables	5,000	11,470
Social security	3,165	3,241
Employees Income tax	474	1,505
Others	<u>972</u>	<u>770</u>
	<u>817,953</u>	<u>318,151</u>

(10) SHAREHOLDER'S EQUITY

Share capital

The authorized and paid-in capital of the Company consists of 2,530,000 shares (JD 1 per share)

The Company is wholly owned by Seldon Investments Limited - British Virgin Islands.

Statutory reserve

According to the Jordanian Companies Law No. (70) and the Company's by-laws, the Company should deduct 10% of its annual net profit to transfer to the statutory reserve, and continue do so each year provided that the total deducted amounts for the reserve do not exceed the Company's capital. For the purposes of this law, net profits represent profits before the income tax provision deduction. This reserve is not available for distribution to shareholders.

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(11) LEASES

The company entered into a lease agreement for the Irbid office as follows:

- A lease agreement for the company's Irbid office. Whereas, the term of the agreement is 2.8 years as of 1 January 2019. The annual rental expense equals to JD 6,360. There is no interest rate implied in the contract therefore the additional borrowing rate of the lessee has been calculated and used as the interest rate of 10%.

Upon adopting IFRS 16, the company acknowledged the lease obligations related to the lease contracts that were previously classified as "operating leases". These proposals are measured at the present value of the remaining lease payments, discounted using the lessee's additional borrowing rate as of 1 January 2019.

The company recognized the asset's right of use at a value of JD 17,399 and the lease liability of JD 17,399 as of 1 January 2019, which is the current value of all rental payments. Lease liability interest expenses are calculated using the average borrowing rate used by the lessees there is no implicit price mentioned in the contracts. The company has recognized the right to use the asset and the lease liability for the lease contracts mentioned above.

The movement in the right of use assets is as follows:

	Cost JD	Accumulated depreciation JD	Net book value JD
Right of use assets as at 31 December 2020	17,399	(11,600)	5,799
Right of use assets as at 31 December 2019	17,399	(5,800)	11,599

The table below shows the recognition of liabilities related to the lease liabilities:

	Balance as at 1 January JD	Lease liabilities Interest expense JD	Payments on lease liabilities JD	Balance as at 31 December JD	Lease liabilities – Short term JD	Lease liabilities – Long term JD
Lease liabilities						
2020	12,116	578	(6,360)	6,334	6,334	-
2019	17,399	1,078	(6,360)	12,116	5,782	6,334

The Company also has a rental contract for Amman office, it is considered short term by management, and they are not certain if they will extend the term.

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(12) INCOME TAX PROVISION

Management has calculated the income tax provision for the Company's results for the year ended 31 December 2020 and 2019 in accordance with the Jordanian Income Tax Law No. (38) of 2018 and its subsequent amendments.

Under the Income Tax Law, which came into effect on 1 January 2019, the statutory tax rate became 28% by imposing a national contribution tax of 4%.

As per the opinion of the management and their tax consultant, no income tax provision is required for the year ended 31 December 2020 as the Company have accumulated losses carrying forward from prior years. Due to uncertainty of realizing deferred tax assets, the Company didn't recognize these amounts as assets in the financial statements.

The company has submitted its tax returns for the years from inception in 26 June 2018 to 2019 and is still under audit by the Income and Sales Tax Department.

(13) ADMINISTRATIVE EXPENSES

	<u>2020</u>	<u>2019</u>
	JD	JD
Marketing and advertisements	487,697	199,434
Salaries, wages and other benefits	304,981	185,357
Bank charges	38,885	14,585
Depreciation of Property and equipment	38,199	33,732
Rent expense	25,236	19,836
Postage, telephone and electricity	22,052	11,810
Donation	20,000	-
Professional and consulting fees	18,278	15,312
Governmental fees	14,777	7,198
Subscriptions	12,610	1,725
Medical insurance and training	12,089	8,222
Amortisation expenses	9,092	8,162
Cleaning and maintenance	8,383	8,819
Depreciation of right of use assets	5,800	5,800
Travel & transport	4,602	2,895
Hospitality	428	1,704
Board of directors' remuneration	-	7,500
Others	40,759	9,743
	<u>1,063,868</u>	<u>541,834</u>

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(14) RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the parent Company, the directors and business that are controlled directly or indirectly by the parent company or over which they can exercise significant management influence.

Related parties consist of the parent company Seldon Investments – British Virgin Islands and a sister company Windsor Brokers – Belize.

The following transactions have been with related parties in accordance to agreements agreed upon with management:

	<u>2020</u>	<u>2019</u>
	JD	JD
Cost of revenue (Windsor Brokers – Belize) *	<u>5,224,036</u>	<u>767,207</u>

* Seldon Investments Limited (Jordan) recognizes cost of revenue from related party transactions due to the usage of the trading platform owned by its sister company (Windsor Brokers - Belize).

The following is a summary of balances with related parties that appear in the statement of financial position:

	<u>2020</u>	<u>2019</u>
	JD	JD
Due to related parties		
Windsor Brokers – Belize (Sister company)	984,805	723,597
Seldon Investments - British Virgin Islands (Parent company)	-	23,822
	<u>984,805</u>	<u>747,419</u>
Key management compensation		
Salaries, wages and other benefits	<u>30,000</u>	<u>33,454</u>

(15) CONTINGENT LIABILITIES

As at the statement of financial position date, the Company had contingent liabilities in respect of bank guarantees arising in the ordinary course of business for which no material liabilities are anticipated, and are as follows:

	<u>2020</u>	<u>2019</u>
	JD	JD
Letters of guarantee	<u>810,000</u>	<u>510,000</u>

(16) IMPACT OF COVID-19 ON THE COMPANY'S OPERATIONS

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and was classified as a pandemic by the World Health Organization (WHO) in March 2020 due to its worldwide outbreak, causing uncertainty of its adverse impact on macro-economy leading to disruption in businesses and economic activity. Local and international fiscal and monetary authorities have announced various financial and incentive measures around the world to face potential negative impacts.

Business continuity planning

The Company continues to monitor the situation closely and takes suitable measures to ensure the safety and security of the Company's employees and customers without disruption. Work arrangements have been tested in accordance with government directors. Business continuity plans have also been tested and put into action. The Company's management collects and analyses the best available information to assess such potential risk in order to set appropriate response measures to respond to and minimise the risk, and to ensure the Company's ability to continue as a going concern.

Impact on expected credit losses

The Company reviewed the potential impact of the Covid-19 outbreak on the inputs and assumptions for measuring expected credit losses (ECLs) considering the available information. Generally, the situation of Covid-19 is still changing and evolving rapidly at this stage, making it difficult to reliably demonstrate its effects in the Company's estimates of expected credit losses. The Company took into consideration the potential impacts of the current economic fluctuations in determining the recorded amounts of the Company's financial and non-financial assets, which represent management's best estimate based on observable information.

Impairment of non-financial assets

For the impairment of non-financial assets, and despite the impacts of Covid-19 on some economic sectors, management believes that there is no indicator for impairment of non-financial assets, as most non-financial assets consist of property and equipment and right of use assets and Intangible assets. The management believe there is no impairment for any of the non-financial assets.