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CONTEMPO FOR HOUSING PROJECTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

CONDENSED INTERIM
FINANCIAL STATEMENTS
FOR THE THREE-MONTH PERIOD ENDED
MARCH 31, 2019
TOGETHER WITH THE
REVIEW REPORT

CONTEMPO FOR HOUSING PROJECTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
MARCH 31, 2019

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Review Report

AM/ 017622

To the Chairman and Members of the Board of Directors
Contempro for Housing Projects Company
(A Public Shareholding Limited Company)
Amman – Jordan

Introduction

We have reviewed the condensed interim statement of financial position for Contempro for Housing Projects (A Public Shareholding limited Company) as of March 31, 2019 and the related condensed interim statements of income and comprehensive income, changes in shareholders' equity and condensed interim statement of cash flows for the three-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard (34) Related to Interim Financial Reporting. Our responsibility is to express an opinion on these condensed interim financial Information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of interim financial information consists of making inquiries, primarily from the persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements of Contempro for Housing Projects Company (A Public Shareholding Company) are not prepared, in all material respects, in accordance with International Accounting Standard (34) relating to interim financial reporting.

Emphasis of a matter:

We draw attention to note (13) of the condensed interim financial statements, which discloses that the comparative figures of the condensed interim statement of changes in shareholders' equity have been restated in line with the new International Financial Reporting Standards. Furthermore, it have been restated due to change in accounting policy of revenue recognition. Our conclusion is not modified in respect of this matter.

Other Matters:

1. The fiscal year for the company ends on December 31, of each year. However, the accompanying condensed interim financial statements have been prepared only for management and Jordan Securities Commission purposes.
2. The accompanying condensed interim financial statements are a translation of the statutory condensed interim financial statements in the Arabic language to which reference should be made.

Amman – Jordan
April 30, 2019


Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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CONTEMPO FOR HOUSING PROJECTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		March 31, 2019 (Reviewed not Audited) JD	December 31, 2018 JD
	ASSETS		
Current assets			
Cash on hand and at banks	4	1,840,713	1,794,273
Accounts receivable - Net	5	93,796	127,688
Advanced payment to subcontractor		22,623	848
Apartments available for sale	6	4,376,100	4,654,167
Other debit balances		16,423	11,717
Total Current Assets		6,349,655	6,588,693
Non-Current assets			
Payments on projects under construction	7	965,685	892,793
Defferd tax assets		9,630	9,630
Property and equipment - net		15,076	17,243
Total Non - Current Assets		990,391	919,666
TOTAL ASSETS		7,340,046	7,508,359
<u>Liabilities and Shareholders' Equity</u>			
<u>LIABILITIES</u>			
Current Liabilities			
Accounts payable		70,717	52,258
Advanced payments from customers		156,849	313,697
Shareholders payable (dividends not distributed)		194,691	194,860
Income tax provision	8	3,874	3,874
Other credit balances		30,818	40,444
Total Current Liabilities		456,949	605,133
TOTAL LIABILITIES		456,949	605,133
<u>Shareholders' Equity</u>			
Authorized and paid-up capital		6,000,000	6,000,000
Statutory reserve		642,921	642,921
Voluntary reserve		169,064	169,064
Retained earnings		91,241	91,241
(Loss) for the period		(20,129)	-
Total Shareholders' Equity		6,883,097	6,903,226
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,340,046	7,508,359

Chairman of the Board of Directors

General Manager

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED INTERIM FINANCIAL
STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

CONTEMPO FOR HOUSING PROJECTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED INTERIM STATEMENTS OF INCOME
AND COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three-Month period Ended March 31,	
		2019	2018 (Restated)
		JD	JD
Sales of apartments		355,846	862,469
Cost of Sales		(311,965)	(767,991)
Gross operating profit		43,881	94,478
General and administrative expenses		(62,422)	(61,619)
Property and equipment depreciation expense		(2,161)	(2,208)
Bank credit interest		531	6,675
Profit on sale of property and equipment		42	-
(Loss) income for the period before tax		(20,129)	37,326
Income tax expense		-	(7,465)
(Loss) profit for the period / Total comprehensive		(20,129)	29,861
(Loss) Income for the Period		(20,129)	29,861
 Earnings per Share for the Period (Basic & Diluted)	9	 (0.003)	 0.005

Chairman of the Board of Directors

General Manager

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CONTEMPRO FOR HOUSING PROJECTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN – JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

	Note	Paid-Up Capital	Statutory Reserve	Voluntary Reserve	Retained Earnings	(Loss) / Profit for the Period	Total
		JD	JD	JD	JD	JD	JD
For the period Ended March 31, 2019							
Balance at the beginning of the period		6,000,000	642,921	169,064	91,241	-	6,903,226
Total Comprehensive (loss) for the period		-	-	-	-	(20,129)	(20,129)
Balance at the end of period		6,000,000	642,921	169,064	91,241	(20,129)	6,883,097
For the period Ended March 31, 2018 (Restated)							
Balance at the beginning of the period		6,000,000	660,908	460,453	50,623	-	7,171,984
(As disclosed previously)							
Previous years restatment	13	-	(22,215)	(291,389)	49,031	-	(264,573)
Net impact of implementation of IFRS (9)	13	-	-	-	(38,519)	-	(38,519)
Restated balance at the beginning of the period		6,000,000	638,693	169,064	61,135	-	6,868,892
Total Comprehensive income for the period		-	-	-	-	29,861	29,861
Balance at the end of period		6,000,000	638,693	169,064	61,135	29,861	6,898,753

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CONTEMPO FOR HOUSING PROJECTS
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
CONDENSED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

	Note	For the Three Month Ended March 31,	
		2019	2018 (Restated)
		JD	JD
Cash Flows from Operating Activities:			
(Loss) income for the period before tax		(20,129)	37,326
Adjustments for:			
(Gain) on sale of property and equipment		(42)	-
Depreciation and amortization		2,161	2,208
Net Cash Flows (used in) from Operations before Changes in Working Capital		(18,010)	39,534
Decrease in accounts receivable		33,892	166,131
Decrease in apartments available for sale		278,067	1,444,632
(Increase) in other debit balances		(4,706)	(16,276)
(Decrease) in advance payment to subcontractor		(21,775)	-
Increase (decrease) in accounts payable		(18,459)	(20,585)
(Decrease) in shareholders payable – dividends		(169)	(4,512)
(Decrease) in advanced payments from customers		(156,848)	(543,303)
(Decrease) in other credit balances		(9,626)	(30,791)
Net Cash Flows from Operating Activities before paid income tax		119,284	1,034,830
Paid income tax		-	(17,209)
Net Cash Flows from Operating Activities		119,284	1,017,621
Cash Flows from Investing Activities:			
Proceeds from Property and equipment		48	-
Payments on projects under construction		(72,892)	(853,012)
Net Cash Flows (used in) Investing Activities		(72,844)	(853,012)
Net Increase in Cash	4	46,440	164,609
Cash on hand at and banks - beginning of the period		1,794,273	2,247,888
Cash on Hand and at Banks - End of the Period Before the Provision		1,840,713	2,412,497

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH
THEM AND WITH THE ACCOMPANYING REVIEW REPORT.

CONTEMPRO FOR HOUSING PROJECTS COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN -JORDAN
NOTES TO THE CONDENSED
INTERIM FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. Contempro for Housing Projects Company was established as a Jordanian limited liability company and was registered with the Ministry of Industry and Trade under No. (7285) on May 19, 2002 and it was converted to a public shareholding limited company on January 3, 2006 and registered under No. (381) with a paid-up capital of JD 3,615,000 per Share and was increased on february 15, 2007 to be JD 6,000,000 represented by 6,000,000 shares at a par value of one Jordanian Dinar per share. The address of the Company is Sweifieh, PO Box 831223, Amman-Jordan.
- b. The Company's main objectives:
- Purchase of lands and the establishment of apartments on them and sell without interest.
 - Invest the Company's funds in real estate fields.
 - Acquire land to fulfill the Company's goals.
 - Investment of agricultural lands.
 - Borrow from banks for the Company purposes up to 50% of the Company's paid-up capital.
 - Tourism investments.
 - Commercial investments.
- d. The Company's Board of Directors approved the condensed interim financial statements on April 25, 2019.

2. Summary of Significant Accounting Policies

Basis of Preparation of the Condensed Interim Financial Statements

- The accompanying condensed interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 related to (Interim Financial Reporting).
- The condensed interim financial statements are prepared in accordance with the historical cost principle, except for financial assets and financial liabilities at fair value as of the date of the condensed interim financial statements.
- The condensed interim financial statements are stated in Jordanian Dinar which represents the operational currency for the Company.
- The condensed interim financial statements do not include all information and disclosures required for the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read with the annual report for the Company as of December 31, 2018. Moreover, the results of operations for the three-month period ended March 31, 2019 do not necessarily provide an indication of the expected results of operations for the year ending December 31, 2019, where no reserves have been recorded on the income for the period ended March 31, 2019 where it is performed at the end of the fiscal year.
- The accounting policies adopted in preparing the condensed consolidated interim financial statements are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on or after the 1st of January of 2019 as follow:

a. Amendments with no material effect on the condensed interim financial statements of the company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards (12), Income Taxes and (23) Borrowing Costs.

IFRIC (23) Uncertainty on the Treatment of Income Tax

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- Whether the tax treatment should be considered in aggregate;
- Assumptions regarding the procedures for the examination of tax authorities;
- Determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS (9) Financial Instruments.

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures".

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS (19) Employee Benefits.

These amendments relate to adjustments to plans, reductions, or settlements.

b. Amendments that has impact on the condensed interim financial statements of the Company

Effect of Application of IFRS (16) "Leases"

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases", IFRIC (4) "Determining whether an arrangement contains a lease" and the interpretation of the previous Interpretations Committee (15) "Operational leases - incentives" and SIC 27 "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has adopted for the modified retrospective application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The Company have evaluated the scope of IFRS (16), and there was no material impact on the condensed interim financial statements, noting that the impact (if any) will be revaluated in details during the year.

The adoption of the above standards and policies have not affected the amounts or disclosures in the condensed interim financial statements except for the policy of revenue recognition policy which impact is presented in Note (13).

3. Significant accounting Estimates and key sources of uncertainty estimates

Preparation of the accompanying condensed interim financial statements and the application of accounting policies require from the Company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. The estimates and assumptions also affect income, expenses, provisions, in general and expended credit loss also the changes in fair value that appears in condensed interim statement of comprehensive income and within shareholder's equity, and in a specific way, it requires the Company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believe that the estimates used in the condensed interim financial statements are reasonable and consistent with the estimates used in preparing the financial statements for the year 2018.

4. Cash on Hand and at Banks

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Current accounts	60,844	97,208
Deposits at banks	1,790,451	1,707,647
<u>Less:</u> Provision for expected credit loss	<u>(10,582)</u>	<u>(10,582)</u>
	<u>1,840,713</u>	<u>1,794,273</u>

5. Account Receivable – Net

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Trade receivables *	128,576	162,618
Employees receivables	220	70
<u>Less:</u> Provision for expected credit loss	<u>(35,000)</u>	<u>(35,000)</u>
	<u>93,796</u>	<u>127,688</u>

* Trade receivables include a check under collection in the amount of JD 66,000 and the due date for the last one is October 1, 2019.

6. Apartments Availabe for Sale

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Khalda palace (1)	121,941	121,740
Khalda palace (2)	433,735	430,669
Kherbet Abdoun (535)	257,342	258,429
Kherbet Abdoun (202)	788,762	787,689
Qaser Al Snobar	143,175	288,118
The School	1,188,170	1,339,551
Al-Ryalat	1,442,975	1,427,971
	<u>4,376,100</u>	<u>4,654,167</u>

- The fair value for the apartments based on real estate valuation reports prepared by an accredited real estate appraiser at the Department of Lands and Survey, are approximates the carrying value.

7. Payments on Projects Under Construction

This item consists of the following:

	March 31, 2019	December 31, 2018
	JD	JD
Ras Al Junde Project land No. (276) basin (22)	965,685	892,793
	<u>965,685</u>	<u>892,793</u>

8. Income Tax**Tax Status:**

A final settlement with the Income and Sales Tax Department has been reached up to the end of the year 2017.

The Company filed its income tax return for the year 2018. However, the return have not yet been audit by the Income and Sales tax department.

In the opinion of the Company's management, the booked provisions in the condensed interim financial statements is adequite to cover any tax liability provisions.

9. (Loss)/Earning per Share for the period

This item consists of the following:

	For Three Month period Ended March 31,	
	2019	2018 (Restated)
	JD	JD
(Loss) income for the period attributable to Company's shareholders	(20,129)	29,861
Weighted average number of shares	6,000,000	6,000,000
(Loss)/Earning per Share for the period	<u>(0/003)</u>	<u>0/005</u>

10. Related Parties Balances and Transactions

- The salaries and bonuses of executive management amounted to JD 24,000 for the three month period ended March 31, 2019 (24,000 JD for the three month period ended March 31, 2018).
- During the years 2016 and 2017, the Company entered in to a transactions with a member of the Board of Directors of the Company and a first degree based on a signed contract with the Company. The agreement was signed on cost plus 12.4%. to be added to incurred costs to complete the project. The total cost of the project amounted to JD 1,234,268 and the total revenue of the project amounted to JD 1,387,317 of which JD 156,848 has been recognized as part of the Company's revenue for the period ended March 31, 2019. The Company has collected the total sale amount as of March 31, 2019. An amount of JD 156,849 is booked in the advance payments of customer's balance until its revenue is recognized.

11. Sectoral and Geographical Distribution

All of the Company's assets and activities are inside The Hashemite Kingdom of Jordan, where the Company's operations are focused on buying lands, building residential projects and then selling them.

12. Risk Management

All risk management objectives and policies are consistent with those disclosed in the Company's annual financial statements for the year ended December 31, 2018.

13. Comparative Figures

During the three-month ended March 31, 2019, the Company's management has restated the condensed interim financial statements retrospectively to adjust the accounting policy of revenue recognition in the previous period to be in line with the requirements of the International Financial Reporting Standard (15).

Furthermore, during the three months ended March 31, 2019 the Company's management has adjusted the comparative figures for the three-month ended March 31, 2018 to comply with the requirements of IAS (8). The impact of these adjustments on statement of changes in shareholder's equity for the three months ended March 31, 2018 is due to errors related to the calculation and initial implementation for the expected credit loss to identify the value of the provision for expected credit loss for the accounts receivable and cash on hand and at banks that are subject to IFRS (9) and to adjust the deferred tax related to it.

The restatement impact on the condensed interim statements of income and comprehensive income, change in shareholder's equity and cash flow are as follow:

	For the Three Months Ended March 31, 2018		
	Balance before Restated	Prior year Adjustments	Restated Balance
	JD	JD	JD
Condensed Interim Statement of Changes in Shareholders' Equity			
Retained earnings *	(6,529)	97,525	90,996
Statutory reserve	660,908	(22,215)	638,693
Voluntary reserve	460,453	(291,389)	169,064

	For the Three Months Ended March 31, 2018		
	Balance before Restated	Prior year Adjustments	Restated Balance
	JD	JD	JD
Condensed Interim Statement of Income and Comprehensive Income			
Revenue and Costs			
Sales of Apartments	-	862,469	862,469
Cost of Sales	-	(767,991)	(767,991)
Income Tax Expense	-	(7,465)	(7,465)
Earnings per share (basic and diluted)	(0.010)	0.015	0.005

	For the Three Months Ended March 31, 2018		
	Balance before Restated	Prior year Adjustments	Restated Balance
	JD	JD	JD
Condensed Interim Statement of Cash Flows			
Accounts receivable – Net	384,998	(218,867)	166,131
Advance payments from customers	-	(543,303)	(543,303)
Payments on projects under construction	(235,846)	(617,166)	(853,012)

- * The restatement on this item consists of an amount of JD 38,519 which represents the adjustment on the opening balances of retained earnings for the impact of the implementation for IFRS (9), and an amount of JD 49,031 that represents restatement on prior periods to adjust the accounting policy of revenue recognition.