شركة المعاصرون للمشاريع الاسكانية م.ع.م
Contempro For Housing Projects p.l.c.

الرقم : م.ب.ع 2020/5/1130
التاريخ : 2020/5/31

السادة / بورصة عمان المحترمين

تحية طيبة وبعد ،،،

عملاً بتعليمات الإفصاح نرفق لكم طيه الميزانية العمومية باللغة الانجليزية والحسابات الختامية وتقرير مراقبي الحسابات عن الفترة المالية المنتهية في 31 كانون أول 2019 لشركة المعاصرون للمشاريع الإسكانية المساهمة العامة المحدودة.

وتفضلوا بقبول فائق الاحترام ،،،

شركة المعاصرون للمشاريع الاسكانية
المدير العام
إياد محمد العمد

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١ حزيران ٢٠٢٠
الرقم المتسلسل 2951
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الصويفية - مركز العمد التجاري - تلفون ٥٨٥٩٥١٠ - فاكس ٥٨٦٥٠٢٩ - ص.ب ٨٣١٢٢٢ عمان ١١١٨٣ الأردن
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CONTEMPRO FOR HOUSING PROJECTS
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2019
TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT

CONTEMPRO FOR HOUSING PROJECTS
(A PUBLIC SHAREHOLDING LIMITIED COMPANY)
AMMAN – JORDAN
DECEMBER 31, 2019

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Independent Auditor's Report

AM/017622

To The Shareholders of
Contempro for Housing Projects
(A Public Shareholding Limited Company)
Amman – Jordan

Opinion

We have audited the financial statements of Contempro for Housing Projects Company, (A Public Shareholding Limited Company), which comprise the statement of financial position as of December 31, 2019 and the statement of profit or loss and other comprehensive income, statement of changes in shareholders equity, and the statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants together with the other ethical requirements that are relevant to our audit of the Company's financial statements in Jordan, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The accompanying financial statements are a translation of the statutory financial statements in the Arabic language to which reference should be made.

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Key Audit Matters

Key audit matters, in our professional judgement, are the most significant matters in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion on the financial statements and we do not provide a separate opinion on these matters:

We have performed the tasks mentioned in the auditor's responsibilities related to the audit of the financial statements, in addition to all matters related to that. Accordingly, our audit includes the implementation of procedures designed to respond to our assessment of the risks of material misstatement of the statements. The results of our audit procedures, including procedures for handling matters referred to below, provide a basis for our opinion on the audit of the accompanying financial statements.

Impairment loss in apartment Available for sale	Scope of the Audit to Address the Risk
Apartments ready and availabe for sale Amounted to 2.8 Milion Dinars as of 31 December 2019 which represents 36% of the Company's assets. The Company has to prepare a study to determine if there is any impairment in the apartments value when preparing the financial statements and reflect the impairment in value "if any" in the statement of profit or loss in accordance with the requirements of the International Financial Reporting Standards. Accordingly, the Company relies on independent real estate evaluators to determine the fair value of these apartments ready and available for sale and reflect any impairments in their value in the statement of profit or loss. Accordingly, fair value estimation of these assets is a key audit matter. We have also assessed the adequacy of disclosures, which are shown in note (7).	Our audit procedures to test the impairment analysis prepared by the Company included the following: - We obtained an understanding of the management's assessment of impairment for the apartments available for sale. - We evaluated the assessment of the methodology applied in the impairment analysis prepared by the Company. - We evaluated the assumptions made and judgements applied by management and the Valuers. - We evaluated the competence, capabilities, qualifications and objectivity of the Valuers by, inter alia, verifying their accreditation with the Department of Land and Survey. - We reviewed the reports issued by the Valuers to assess the impairment in the apartments ready for sale. - We assessed the disclosure in the financial statements relating to this matter against the requirements of IFRSs.

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Other Information
Management is responsible for other information which comprise information in the annual report excluding the financial statements and the independent auditor's reflect thereon. Furthermore, we expect the annual audit to be made available to us after the date of our audit report. Our opinion on the financial statements does not cover other information, and we do not express any type of assurance or conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information above mentioned when it becomes available to us. In doing so, we consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 IFRS, and for such internal control as management determines necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, if 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 ISA's, we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 expressing an opinion on effectiveness of internal control.

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

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- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidenced 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.

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

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

Report on Other Legal and Regulatory Requirements
The Company maintains proper accounting records duly organized and inline with the accompanying financial statements. We recommend that the General Assembly of Shareholders approve these financial statements.

Amman – Jordan
5 March 2020

Deloitte & Touche (M.E.) – Jordan

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

	Note	December 31, 2019	December 31, 2018
		JD	JD
ASSETS:			
Current Assets:			
Cash on hand and at banks	5	3,451,427	1,794,273
Accounts receivable – Net	6	43,974	127,688
Advance payment to subcontractor		-	848
Apartments avaliable for sale	7	2,779,449	4,654,167
Other debit balances	8	22,578	11,717
Total Current Assets		6,297,428	6,588,693
Non–Current assets:			
Payments on projects under construction	9	520,475	892,793
Deferred tax assets	12/c	2,630	9,630
Investment Property – net	10	778,676	-
Property and equipment - net	11	20,474	17,243
Total Non - Current Assets		1,322,255	919,666
TOTAL ASSETS		7,619,683	7,508,359
Liabilities and Shareholders' Equity			
LIABILITIES:			
Current Liabilities:			
Accounts payable	13	11,026	52,258
Advanced payments from customers	14	-	313,697
Shareholders payable (dividends not distrubuted)	15	192,964	194,860
Income tax provision	12/a	44,656	3,874
National Contribution Tax Provision	12/d	2,376	-
Deferred Revenue		23,333	-
Other credit balances	16	49,444	40,444
Total Current Liabilities		323,799	605,133
TOTAL Liabilities		323,799	605,133
Shareholders' Equity:			
Authorised and Paid-up capital	21/a	6,000,000	6,000,000
Statutory reserve	21/b	687,876	642,921
Voluntary reserve	21/c	169,064	169,064
Retained earnings		438,944	91,241
Total Shareholders' Equity		7,295,884	6,903,226
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		7,619,683	7,508,359

Chairman of the Board of Directors

Genaral Manager

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

CONTEMPRO FOR HOUSING PROJECTS
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
STATEMENTS OF PROFIT OR LOSS
AND COMPREHENSIVE INCOME

	Note	For the year ended December 31, 2019	2018
		JD	JD
Sales of apartments		2,912,695	1,445,884
Revenue from the Rent of investment Property		16,667	-
Cost of Sales		(2,350,552)	(1,224,997)
Gross operating profit		578,810	220,887
General and administrative expenses	17	(250,573)	(253,792)
Depreciation of property and equipment and investment Property	11,10	(18,538)	(8,735)
Bank credit interest		96,338	81,348
Profit on sale of property and equipment		2,602	-
Other Revenue		15,637	-
Recovered from expected credit loss	5,6	25,273	2,567
Income for the year before tax		449,549	42,275
National cotribution tax expense	12/d	(2,376)	-
Income tax expense	12/b	(54,515)	(7,941)
Profit for the Year / Total Comprehensive Income for the Year		392,658	34,334
Earnings per Share for the year (Basic and Diluted)	18	0.065	0.006

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CONTEMPRO FOR HOUSING PROJECTS
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid-Up Capital	Statutary Reserve	Voluntary Reserve	Retaind Earnings	Total
		JD	JD	JD	JD	JD
For the Year Ended December 31, 2019						
Balance at the beginning of the year		6,000,000	642,921	169,064	91,241	6,903,226
Total Comprehensive income for the year		-	-	-	392,658	392,658
Transferred to reserves		-	44,955	-	(44,955)	-
Balance at the end of the year		6,000,000	687,876	169,064	438,944	7,295,884
For the Year ended December 31, 2018						
Balance at the beginning of the year		6,000,000	638,693	169,064	61,135	6,868,892
Total Comprehensive income for the year		-	-	-	34,334	34,334
Transferred to reserves		-	4,228	-	(4,228)	-
Balance at the end of the year		6,000,000	642,921	169,064	91,241	6,903,226

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

CONTEMPRO FOR HOUSING PROJECTS
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN – JORDAN
STATEMENT OF CASH FLOWS

	Note	For the Year Ended December 31, 2019 JD	2018 JD
Cash Flows from Operating Activities:			
Income for the year before tax		449,549	42,275
Adjustments for:			
(Gain) on sale of property and equipment		(2,602)	-
Net (Recovered) from expected credit loss provision	5,6	(25,273)	(2,567)
Depreciation of property and equipment and invesment Preperty	11,10	18,538	8,735
Net Cash Flows Operations before Changes in Working Capital		440,212	48,443
Decrease in accounts receivable		118,714	7,886
Decrease in apartments avaliable for sale		2,280,208	1,224,997
(Increase) decrease in other debit balances		(10,863)	6,984
Payments on Prejects under constructions		(825,047)	(1,110,232)
Increase in advance payment to subcontractor		848	23,106
(Decrease) in account payable		(41,232)	(9,992)
(Decrease) in shareholders payable		(1,896)	(7,411)
(Decrease) in advanced payments from customers		(313,697)	(543,303)
Increase (decrease) in other credit balances		32,335	(73,162)
Net Cash Flows from (used in) Operating Activities before paid income tax		1,679,582	(432,684)
Paid income tax	12/a	(6,733)	(10,349)
Net Cash Flows from (used in) Operating Activities		1,672,849	(443,033)
Cash Flows from Investing Activities:			
(Purchasing) of property and eqiupment		(15,365)	-
Proceeds from sale of property and equipment		9,397	-
Net Cash flows (used in) Investing Activities		(5,978)	-
Net Increase (Decrease) in Cash		1,666,881	(443,033)
Cash on hand at and banks - beginning of the year		1,804,855	2,247,888
Cash on Hand and at Banks - End of the Year before the provision	5	3,471,736	1,804,855
Non-cash transactions:			
Transfer from Projects under construction to Appartments Available and Ready for sale		1,197,365	2,245,344
Transfer to Appartments Available and Ready for sale from Projects under construction	9	(1,197,365)	(2,245,344)
Transfer from Appartments Available and Ready for sale to investment Preperty		791,875	
Transfer To investment Preperty from Appartments Available and Ready for sale	10	(791,875)	

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE FINANCIAL STATEMENTS AND SHOULD BE READ WITH THE ACCOMPYING AUDIT REPORT

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 per share with a par value of JD 1 per share. The address of the Company is Sweifieh, PO Box 831223, Amman-Jordan.

b. The Company's main objectives are:
   - Purchase of land and the establishment of apartments on them and sell without interest.
   - Investing the Company's funds in real estate fields.
   - Aquiring land to fulfill the Company's goals.
   - Investment of agricultural lands.
   - Borrowing from banks for the Company purposes up to 50% of the Company's paid-up capital.
   - Tourism investments.
   - Commercial investments.

c. The Company's Board of Directors approved the financial statements on February 6 2020 .

2. Summary of Significant Accounting Policies

- Basis of Preparation of Financial Statements

- The financial statements of the Company are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by International Accounting Standards Board (IASB) and their related interpretations.

- The financial statements of the Company are presented in Jordanian Dinar, which is also its functional currency.

- The financial statements are prepared according to the historical cost principle, except for the financial assets and the financial liabilities which are stated at fair value as of the date of the financial statements.

- The accounting policies adopted in the preparation of the financial statements of the company are consistent with those applied in the year ended December 31, 2018 except for the what stated in Note (3).

The following are the most significant adopted accounting policies:

a. Debt Instruments at Amortized Cost or at Fair Value through Comprehensive Income

The Company evaluates the classification and measurement of the financial asset based on the contractual cash flow characteristics and the Company's business model for manging the assetes.

For an asset to be classified and measured at amortized cost or at fair value through comprehensive income, its contractual terms should result in cash flows that are only principal and interest payments on the principal outstanding.

For the purpose of testing the principal and interest payments on the principal outstanding, the asset is the fair value of the financial asset at initial recognition. This principal a amount may change over the life of the financial asset (for example, if there is a principal repayment). Interest consists of the considaration for the time value of money, for the credit risk associated with the principle amount outstanding during a particular period of time, and other basic lending options and risks, as well as the profit margin. An assessment of the principal and interest payments is made for the principal amount outstanding in the currency in which the financial asset is evaluated.

Contractual cash flows represent the principal and interest payments on the principal outstanding and are consistent with the underlying funding arrangement. Contractual terms involving exposure to risks or fluctuations in contractual cash flows unrelated to the underlying financing arrangement, such as exposure to changes in equity prices or commodity prices, do not result in contractual cash flows that are only from principal and interest payments, A financial asset granted or acquired may also be the primary financing arrangement regardless of whether it is a loan in its legal form.

Assessment of Business Model

Assessment of business models for the management of financial assets is essential for the classification of financial asset. Moreover, the Company defines business models at a level that reflects how the groups of financial assets are managed together to achieve a particular business objective. In this regard, the Company's business model does not depend on the management's intentions concerning an individual instrument, and therefore, the business model is evaluated at a group level and not on an instrument-by-instrument basis.

The Company adopts more than one business model to manage its financial instruments that reflect how the Company manages its financial assets to generate cash flows. In addition, the Company's business models determine whether cash flows will result from the collection of contractual cash flows, the sale of financial assets, or both.

The Company takes into account all relevant information available when conducting an evaluation of the business model, However, this assessment is not done on the basis of scenarios that the Company does not expect to occur reasonably, such as the so-called "worst case" or "stress state" scenarios. The Company also takes into account all available relevant evidence such as:

- The stated policies and objectives of the portfolio and the application of those policies whether the management strategy focuses on obtaining contractual revenues, maintaining a specific profit rate, matching the period of financial assets with the period of financial liabilities that finance those assets, or achieving cash flows through the sale of assets.
- How to evaluate the performance of the business model and financial assets held in this business model and to report to key management personnel;
- Risks affecting the performance of the business model (and the financial assets of that model)l in particular the manner in which such risks are managed; and
- How to compensate business managers (for example, whether compensation is based on the fair value of the assets managed or on the contractual cash flows received).

Upon Initial recognition of the financial asset, the Company determines whether the newly recognized financial assets are part of an existing business model or whether they reflect the beginning of a new business model. The Company evaluates its business models in each reporting period to determine whether business models have changed since the prior period.

When a debt instrument measured at fair value through comprehensive income is derecognised, the cumulative gain / loss previously recognized in comprehensive income is reclassified as equity to the statement of profit or loss. On the other hand, for equity investments measured at fair value through comprehensive income, the cumulative gain / loss previously recognized in comprehensive income is not subsequently reclassified to the statement of profit or loss but transferred directly to equity.

Debt instruments that are subsequently measured are carried at amortized cost or at fair value through comprehensive income for impairment testing.

Reclassification

If the business model in which the Company retains financial assets changes, the financial assets that have been affected are reclassified. The classification and measurement requirements relating to the new class are effective from the first day of the first reporting period after the change in the business model resulting in the reclassification of the Company's financial assets. Changes in contractual cash flows are considered in the accounting policy for the adjustment and disposal of the financial assets described below.

Impairment

The Company recognizes the expected credit loss provisions on the following financial instruments that are not measured at fair value through the profit or loss statement:

- Balances and deposits with banks..
- Account Receivables.
- Checks under collection

No impairment loss is recognized in equity instruments.

The Company calculates the impairment impact on the financial statements using the simplified method.

Defining Default

The definition of default is very important in determining the expected credit loss. It is used to measure the value of credit loss, because default is a component of the probability of default that affects the measurement of credit losses.

Impairment of Financial Assets

The Company takes a provision for the expected credit losses on account receivables. The expected credit losses are updated on each reporting date to reflect changes in creditworthiness since the initial recognition of the relevant financial instrument.

The Company continuously records the expected credit losses over the lives of receivables. Moreover, the expected credit losses for these financial assests are estimated using a provision matrix based on the Company's previous credit loss experience and adjusted to the factors relating to debtors, general economic conditions, and assessment of the current and future conditions and driectioins at the reporting date, including the time value of money, as appropriate.

For all other financial assets, the Company recognizes the expected credit losses over their lifetime if there has been a significant increase in credit risk since initial recognition. The expected credit loss over its life span represents the expected credit losses that will arise from all probable defaults over the course of the expected lifetime of the financial instrument.

Provision for the Expected Credit Losses

The Company has adopted the simplified method to recognize the expected credit losses over their lifetime concerning account receivables and cash on hand and at banks as p ermitted by IFRS (9). Accordingly, non-impaired account receivables and cash on hand and at banks that do not contain a significant component of finance have been classified within the second stage with the recognition of expected credit losses over their lifetime.

A provision for the expected long-term credit loss of a financial instrument should be recognized if the credit risk on that financial instrument increases substantially since initial recognition, and the expected credit loss is a potential weighted estimate of the present value of the credit loss, This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the weighting of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is an objective evidence of impairment on an individual basis for each asset with an individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Modification and Derecognition of Financial Assets

An adjustment is made to the financial asset when the contractual terms that govern the cash flows of a financial asset are renegotiated or otherwise modified between the initial recognition and maturity of the financial asset. The adjustment affects the amount and / or timing of the contractual cash flows either immediately or at a future date.

When a financial asset is adjusted, the Company assesses whether such an adjustment results in derecognition. According to the Company's policy, the adjustment leads to derecognition when it causes a significant difference in terms.

If a financial asset is derecognized, the provision for expected credit losses at the derecognition date is re-measured to determine the net carrying amount of the asset at that date. The difference between the adjusted carrying amount and the fair value of the new financial assets with the new terms will result in a gain or loss on derecognition.

When the contractual terms of a financial asset are modified, and the adjustment does not result in derecognition, the Company determines whether the credit risk of the financial asset has increased significantly since initial recognition by comparing,

- the probability of non-payment for the remaining period estimated on the basis of data at initial recognition and original contractual terms; with
- The probability of non-payment for the remaining period at the reporting date based on the modified terms.

When the adjustment does not result in derecognition, the Company calculates the adjustment gain / loss to compare the total carrying amount before and after the adjustment (except for the expected credit loss provision). The Company then measures the expected credit loss of the adjusted asset, as the expected cash flows arising from the adjusted financial asset are included in the expected cash deficit from the original asset.

Derecognition of Financial Assets

The Company derecognises a financial asset upon expiry of the contractual rights relating to the receipt of the cash flows from the asset, or when the entity has transferred the financial asset, together with all significant risks and rewards of ownership, to another entity. If the Company does not transfer or retain substantially the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its remaining interest in the transferred asset and the related liabilities that the Company may have to pay, If the Company retains substantially all the risks and rewards of ownership of the transferred asset, the Company continues to recognize the financial asset.

Upon derecognition of any financial asset measured at amortized cost, the difference between the carrying amount of the asset and the consideration received or receivable is recognized in the statement of profit or loss.

Write-off

The Company written-off financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability Of recovery, for example. Such written-off also applies if the debtor is placed under liquidation, or he has filed for bankruptcy, or where trade receivables are past due for more than two years, whichever is earlier. The Company may continue to subject written-off financial assets to collection procedures, taking into account legal advice, where appropriate. Meanwhile, any recoveries are recognized in the statement of profit or loss.

b. Property and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any accumulated losses resulting from impairment in the value. the cost consist of all the expenses related directly in purchasing the asset. When there is any part of the properities and eqipments with a different useful life it's processed as a separate item within the property and equipmet.

property and equipment are depreciated based on the straight-line method over their estimated useful lives using ranging between 10-15% years, in order to decrease the cost of assets over their useful lives.

Property and equipment are derecognized when disposed of or when no future benefits are expected from their use or disposal.

Any gain or loss arising on disposal of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss in the year the asset is disposed.

The useful lives, residual value and depreciation method of property and equipment are reviewed as of the date of the financial statements, and changes results are calculated in a prospective effect.

c. Projects under construction

Projects under construction are shown at cost and include the cost of construction, equipment and direct expenses.

d. Foreign Currency Transactions

Exchange rates differences are recorded in profit or loss statement in the period in which they arise.

e. Account payables and accrued expenses

Liabilities are recognized for accrued payables amounts in the future for accrued services, whether claimed or not claimed by the supplier.

f. Provisions

Provisions are recognized in the statement of profit or loss when the Company has obligations on the date of the statement of financial position as a result of past events, it is probable to settle the obligation, and the amount of the obligation can be reliably measured.

g. Appartments availabe for sale

Apartments available for sale are stated at the lower of cost or net realizable value. Cost includes an appropriate share of land development costs charged to apartments ready for sale. The actual cost per unit is determined separately. Net realizable value represents the sale price of the apartments less all the costs required to complete the sale.

h. Income tax

- Income tax expenses represent accrued taxes and deferred taxes.

- Accrued Tax expenses are calculated based on taxable income. Moreover, taxable income differs from income declared in the statement of profit or loss, as declared revenue includes non-taxable revenue, tax expenses not deductible in the current year but deductible in the subsequent years, or accumulated losses acceptable by the tax authorities, or allowable for tax deduction purposes.

- Taxes are calculated according to the tax rates prescribed by the prevailing laws, regulations, and instructions in Jordan.

- Deferred taxes are taxes expected to be paid or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and the value of the taxable amount, Deferred taxes are calculated according to the liability method in the statement of financial position, based on the tax rates expected to be applied at the tax liability settlement date, or the realization of the deferred tax assets.

i. Offsetting

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

j. Revenue recognition

Revenue from selling apartments

The Company recognizes revenue mainly from sales of apartments.

Revenue is measured at the fair value of the amounts received or to be collected from the contracts with customers. Revenue is recognized when the Company transfers the ownership of the apartments to the customer when the ownership of the apartments is waived in the Department of Land and Survey according to the Jordanian law. All contracts are considered void if they are not documented in the department.

Apartment avilable for sales revenue is recognized at the fair value of the consideration received when all the following conditions are met:

a. The company transfer all significant risks and benefits associated with the ownership of the apartment to the buyer.

b. The transfer of the legal ownership to the buyer, or actual control over the sold apartments.

c. The amount of revenue can be measured reliably;

d. It is probable that the economic benefits associated with the transaction will flow to the Company; and

e. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

k. Interest Income and Expenses

Interest income and expense for all financial instruments are recognized in the statement of profit or loss using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (i.e. at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets, the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (i.e. the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI), the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset

l. Financial Liabilities and Equity Instruments Issued by the Company

Classification as Debt or Equity Instruments

Debt and equity instruments are classified either as financial liabilities or as equity in accordance with the substance matter of the contractual arrangements, the definitions of financial liabilities, and the equity instrument.

Equity Instruments

An equity instrument is defined as a contract that evidences ownership of the remaining shares of an entity's assets after deducting all liabilities. The equity instruments issued are recorded with the proceeds received net of the direct issue cost.

Financial Liabilities

All financial liabilities are subsequently measured at amortized cost using the effective yield method or at fair value through profit or loss. Financial liabilities that are not (i) a potential consideration for the acquiree in a business combination, (ii) held for trading, or (iii) designated at fair value through profit or loss, are subsequently measured at amortized cost using the effective yield method.

Other accounts payable are initially classified as "financial liabilities" at fair value less transaction costs, whereas they are subsequently measured at amortized cost using the effective yield method. Interest expense is recognized on an effective yield basis except for short-term liabilities if the return recognition is insignificant.

The effective yield method is the method of calculating the amortized cost of a financial liability and allocating the expense over the period in question. The effective interest rate is the rate that exactly discounts the expected future cash payments within the expected life of the financial obligation ort where appropriate, a shorter period.

Derecognition of Financial Liabilities,

The Company derecognises financial liabilities when it is discharged from its obligations, or when such obligations are canceled or expired. The difference between the carrying amount of the derecognised financial liability and the consideration payable or payable is recognized in profit or loss.

Foreian Exchange Gains and Losses
The carrying amount of financial assets recorded in a foreign currency is determined and translated at the rate prevailing at the end of each reporting period. Specifically:

- For financial assets measured at amortized cost that are not part of a specific hedging relationship, the currency exchange differences are recognized in the statement of profit or loss; and

- For debt instruments measured at fair value through comprehensive income that are not part of a specific hedging relationship, the exchange differences on the amortized cost of the debt instrument are recognized in the profit or loss statement, Other exchange differences are recognized in comprehensive income in the revaluation reserve; and

- If financial liabilities are part of a portfolio managed on a fair value basis, in accordance with a documented risk management or investment strategy; or

- If a derivative is included in the basic financial or non-financial contract, and the derivative is not closely related to the basic contract.

Fair Value
Closing market prices (acquiring assets / selling liabilities) in active markets at the date of the financial statements represent the fair value of traded financial derivatives. In case declared market prices do not exist, some financial derivatives are not actively trading, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparing it with the market value of another financial asset with similar terms and conditions.

- Analyzing future cash flows and discounting the expected cash flows based on a rate used for similar instruments.

- Adopting option pricing models,

The valuation methods aim at providing a fair value reflecting market expectations, and take into consideration market factors, risks, and future benefits when estimating the financial instruments value. For the financial assets of which we cant measure its fair value reliably, are stated at cost less any impairment.

Investment Property
Investment Properties are stated at cost After subtracting the Accumulated Depreciation and any Impairment in their Value , and their market value is disclosed

Investment Preperties are depreciated over their estimated useful lives at a rate of 4% Annually , Any impairment in its value is taken to the profit or loss statement , and the operating income or expenses of these investments are taken to the profit or loss statement

In case of any increase in the Fair Value of the investment Properties that an Impairment of its Value Had been Recognized on a Prior Periods , the Impairment Losses Recognized Previously will Be Recovered no more then the Cost.

3. Application of new and revised International Financial Reporting Standards

a. Amendments with no material effect on the financial statements of the Company:

The following new and revised IFRSs have been adopted and are effective for financial periods beginning on or after January 1, 2019 or thereafter in the preparation of the Company financial statements that did not materially affect the amounts and disclosures in the financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements

New and Revised IFRS Standards	Amendments to New and Revised IFRS Standards
Annual Improvements to IFRS Standards 2015–2017 Cycle	The Group has adopted the amendments included in the Annual Improvements to IFRS (3) Business Combinations, IFRS (11) Joint Arrangements, IAS (12) Income Taxes and IAS (23) Borrowing Costs : IAS 12 Income Taxes The amendments clarify that the Group should recognize the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognized the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. IAS 23 Borrowing Costs The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalization rate on general borrowings. IFRS 3 Business Combinations The amendments clarify that when the Group obtains control of a business that is a joint operation, the Group applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognized assets, liabilities and goodwill relating to the joint operation. IFRS 11 Joint Arrangements The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Group does not remeasure its PHI in the joint operation.
IFRIC 23 Uncertainty over Income Tax Treatments	- 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 it specifically addresses. - Whether tax treatment should be considered in aggregate; - Assumptions related to the examining procedures for tax authorities - Determining taxable profit, tax loss, tax basis, unused tax losses, unused tax exemptions, and tax rates. - The effect of changes in facts and circumstances.

New and Revised IFRS Standards	Amendments to New and Revised IFRS Standards
Amendments to IFRS (9) : Financial instruments	These amendments relate to the advantages of prepayment with negative compensation, as the current requirements of IFRS (9) have been modified in relation to termination rights to allow measurement of the amortized cost (or based on the business model, at fair value through other comprehensive income) even in case of negative compensation payments.
Amendments to IAS (28) Long-term Interests in Associates and Joint Ventures	These amendments and long-term shares in associate facilities and joint ventures relate to and clarify that the facility applies the IFRS (9) Financial instruments for long-term shares in an associate facility or joint venture that form part of the net investment in the associate facility or joint Venture in case the Equity method has not been applied in this regard.
Amendments to IAS (19) Employee Benefits Plan Amendment, Curtailment or Settlement	The amendments Pertain to the Amendments on the (Plans or curtailment or settlement)
IFRS (16) Leases :	The company has implemented IFRS (19) "leases" that have replaced existing guidance on lease contracts, including IAS (17) "leases" and IFRIC (4) "determine whether an arrangement is Involves a lease contract and the interpretation of the previous Interpretation Committee (10) operating lease contracts. Incentives "and the previous interpretation of the Interpretations Committee (27)" Evaluating the substance of transactions that take the legal form of the lease" . The International Financial Reporting Standard No. (16) was issued in January 2016 and is effective for financial periods beginning on or after January 1 2019 The IFRS (16) states that all lease contracts, rights, and associated contractual obligations must be generally recognized in the financial position of the company, unless the period is 12 months or less or a lease contract for low-value assets and therefore, the required classification Under International Accounting Standard (17) "leases" in operating or financing leases are canceled for lessees. For each lease Contract, the lessee recognizes a liability in exchange for the future Lease liabilities. In contrast, the right to use the leased asset is capitalized, which is generally equivalent to the present value of future lease payments plus the costs directly attributable that are amortized over the useful life. The company has chosen to use the simplified and permitted approach under the IFRS (16) when applying IFRS (19) for the first time on individual operating leases (for each lease separately), the right to use the leased assets has been measured generally by an amount of Lease liability to use the interest rate when applying for the first time. The assets of the right to use have been measured at an amount equal to the lease Liability, after having been modified with any prepaid or accrued Lease payments related to a lease contract recognized in the statement of financial position as on December 31 2019 and no adjustments were Recorded to the retained earnings as of January 1 have been produced by this method. There were no low lease contracts that required an amendment to the right to use assets on the date of their initial application The application of IFRS 16 does not have any material impact on the financial statement

b. New and revised IFRS in issue but not yet effective:

At the date of authorization of these financial statements, the Company has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

Amendments to New and revised IFRSs	**New and revised IFRSs**
Amendments to IAS 1 *Presentation of Financial Statements These amendments relate to the definition of significance The new definition states that* information *is essential if its negligence, misleading or concealment can reasonably influence the decisions made by primary users of general purpose financial statements that provide financial information* about a specific reporting entity.	January 1, 2020
Definition of a Business – Amendments to IFRS 3 *Business Combinations* These amendments clarify the definition of business, as the IASB Issued "The Conceptual Framework for Prepared Financial Reporting That includes revised definitions of assets and liabilities, as well as new guidance on measurement, cancellation of recognition, presentation and disclosure.	January 1, 2020
Amendments to References to the Conceptual Framework in IFRS Standards related IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32 to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.	January 1, 2020
IFRS 17 Insurance Contracts IFRS 17 requires insurance liabilities to be measured at a current fulfilment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 Insurance Contracts as at January 1, 2022.	January 1, 2022
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures* (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.	Effective date deferred indefinitely. Adoption is still permitted.

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

4. Significant Accounting Judgments and Key Sources of Uncertainty

The preparation of the financial statements and the adoption of accounting policies requires from the management to make judgments, estimates and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenue, expenses and provisions in general and expected credit losses. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. These mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Judgments, estimates and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change has occurred and only if the change affects the same financial period. Moreover, the effect of the change in estimates is recognized in the financial period in which the change has occurred and in future periods in case the change affects the financial period and future financial periods.

Management believes that its estimates in the financial statements are reasonable. The key estimates used by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the financial statements are as follows:

Income tax
The fiscal year is charged its related income tax expense in accordance with the regulations, laws and accounting standards. The deferred taxes and income tax provision are calculated and recognized.

Lawsuit provision
A provision is booked to meet any potential litigation obligations based on the legal study prepared by the Company's legal counsel that identifies potential risks in the future and periodically reviews the study.

Useful life of property and equipment
The Company's management periodically recalculates the useful lives of tangible assets and intangible assets for calculating annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the statement of profit or loss for the year.

Assets and liabilities presented at cost
Management reviews the assets and liabilities at cost periodically for the purpose of estimating any impairment in value, any impairment loss is recognized in the statement of profit or loss for the year.

Calculation of provision for expected credit losses
The management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses.

The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the assets.

Determining the number and relative weight of forward looking scenarios for each type of products / market and the identification of future information relevant to each scenario
When measuring the expected credit loss, the Company uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

Probability of default
The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

Loss given default
Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account cash flows from collaterals and credit adjustments.

Impairment on "Apartment availabe for sale"
The Company's management assesses properties within apartments availabe for sale, on a regular basis and a provision is taken for any impairment in it's value in statement of profit or loss and comprehensive income (if any) in accordance with the requirements of International Financial Reporting Standards.

Revenue recognition
The Company's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

5. Cash on Hand and at Banks - Net

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Current accounts	33,727	97,208
Deposits at banks**	3,438,009	1,707,647
	3,471,736	1,804,855
Less: Provision for expected credit loss *	(20,309)	(10,582)
	3,451,427	1,794,273

* The movement on the expected credit loss provision was as follows:

	December 31,	
	2019	2018
	JD	JD
Balance at the beginning of the year	10,582	-
Impact of the implementation of IFRS (9)	-	13,149
Balance / adjusted balance as of the beginning of the year	10,582	13,149
Provision (recovered) during the year	9,727	(2,567)
Balance as the end of the year	20,309	10,582

** Deposit Profits Rates on the Bank Deposit Balances Ranged from 3,8% to 4,75% During 2019 (4,2% to 4,5% during 2018) Bearing in Mind that thease Deposits are Linked Monthly,Quarterly and Semi Annually.

6. Account Receivable – Net

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Trade receivables **	43,376	162,618
Employees receiables	598	70
Less: Provision for expected credit loss *	-	(35,000)
	43,974	127,688

* The movement on expected credit loss provision was as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	35,000	-
Impact of the implementation of IFRS (9)	-	35,000
Balance / adjusted balance as of the beginning of the year	35,000	35,000
Released from the provision during the year	(35,000)	-
Balance at the End of the Year	-	35,000

** The Company follows a policy of dealing with creditworthy parties in order to mitigate the risk of financial losses arising from non-performance of obligations. The following table states the trade receivable aging:

	December 31,	
	2019	2018
	JD	JD
Not due yet receivables	41,000	159,000
30 day – 120 Day	-	-
More than 120 Days	2,376	3,618
Total	43,376	162,618

7. Apartments availabe for sale

This item consists of the following:

	December 31,	
	2019	2018
Project name:	JD	JD
Khalda palace (1)	122,394	121,740
Khalda palace (2)	434,764	430,669
Kherbet Abdoun (535)	-	258,429
Kherbet Abdoun (202)	-	787,689
Qaser Al Snobar	-	288,118
The School	1,190,938	1,339,551
Al-Ryalat	1,031,353	1,427,971
	2,779,449	4,654,167

- 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 as of December 31, 2019.

8. Other Debit balances

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Prepaid expenses	5,969	5,962
Refundable deposits	2,700	1,350
Accrued revenue	12,401	4,300
Import stamps withholding	1,508	105
	22,578	11,717

9. Payments on projects under construction

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Ras Al Junde Project land No. (276) basin (22)	-	892,793
The New Bader project*	520,475	-
	520,475	892,793

* The total cost of the project is estimated at about 1,2 milion dinars , and the remaining cost until the completion of the project is 679 thousand diners and it is expected to be completed during the month of march 2021.

The movement on Payments on projects under construction was as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	892,793	2,735,665
Additions during the Year	825,047	402,472
Transferred to appartments available and ready for sale	(1,197,365)	(2,245,344)
	520,475	892,793

10. Investment Property

a. This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Westerm Villa Plot No(202)	791,875	-
Less: Accumulated Depreciation	(13,199)	-
	778,676	-

During the year 2019 a lease agreement of the above property was signed at 40,000 dinars annually, and the property was reclassified from appartments available and ready for sale to investment property and the property is to be depreciated on a rate of 4% annually.

b. The fair value of the investment property was revaluated by two accredited evaluators and the average market value of them was JD 885,000 according to the most recent real estate valuation available with the Company during January 2020. The fair value of investment property is determined by comparing them with the market value of similar investment properties.

11. Property and Equipment

For the year ended December 31, 2019	Tools	Furniture and Fixtures	Office Equipment	Vehicles	Total
	JD	JD	JD	JD	JD
Cost:					
Balance - beginning of the year	5,245	5,077	15,409	64,432	90,163
Additions	-	14,373	992	-	15,365
Disposals	(1,792)	-	-	(10,250)	(12,042)
Balance - End of the Year	3,453	19,450	16,401	54,182	93,486
Accumulated Depreciation:					
Balance - beginning of the year	4,699	4,735	12,961	50,525	72,920
Additions	173	646	564	3,956	5,339
Disposals	(1,788)	-	-	(3,459)	(5,247)
Balance - End of the Year	3,084	5,381	13,525	51,022	73,012
Net Book Value as of December 31, 2019	369	14,069	2,876	3,160	20,474
For the year ended December 31, 2018					
Cost:					
Balance - beginning of the year	5,245	5,077	15,409	64,432	90,163
Balance - End of the Year	5,245	5,077	15,409	64,432	90,163
Accumulated Depreciation:					
Balance - beginning of the year	4,466	4,658	12,347	42,712	64,183
Additions	233	77	614	7,813	8,737
Balance - End of the Year	4,699	4,735	12,961	50,525	72,920
Net Book Value as of December 31, 2018	546	342	2,448	13,907	17,243
Annual Depreciation Rates %	10	10	10	15	

- Fully depreciated assets amounted to JD 63,193 as of December 31, 2019.

12. Income Tax

a. Provision for Income Tax

The movement on the provision from income tax is as follows:

	2019	2018
	JD	JD
Balance - beginning of the year	3,874	6,282
Accrued income tax for the current year	47,515	7,941
Income tax paid during the year	-	(6,282)
Income tax deductions (deducted tax on the bank deposits profits)	(6,733)	(4,067)
Balance – End of the Year	44,565	3,874

b. Income tax expense

The Income tax shown in the profit or loss statement represents the following:

	For the year ended December 31,	
	2019	2018
	JD	JD
Income tax expense during the year	47,515	7,941
Add:released from deferred tax assets	7,000	-
	54,515	7,941

c. Deferred tax assets

The movement on deferred tax assets account during the year is as follows:

	2019	2018
	JD	JD
Balance at the beginning of the year	9,630	9,630
Released during the Year	(7,000)	-
Balance – End of the Year	2,630	9,630

The percentage 20% was used to calculate income and deferred taxes for the year 2019 accourding to incom tax No.(38) 2018

d. National contribution Tax

This amount represents 1% of the taxable income as a national contribution, according to the Income Tax Law No. (34) for the year 2014 and its amendments in force since the beginning of the year 2019 Law No. (38) for the year 2018.

d. Tax Status

Tax Status:

A clearance has been made with Income and Sales Tax Department until the end of the year 2018.

In the opinion of the management, the provisions taken in the financial statements are sufficient to meet any tax obligations.

13. Account Payable:

This item consist of the following:

	December 31,	
	2019	2018
	JD	JD
Trade payable	11,026	52,258
	11,026	52,258

14. Advanced Payments from Clients:

This item consist of the following:

	December 31,	
	2019	2018
	JD	JD
Advanced payments from clients *	-	313,697
	-	313,697

* This item represents advance payments received from a customer for the purchase of apartments within "Qasr Al Snobar project".

15. Sahreholders Balances (Dividends distributed not collected)

This item consist of the following:

	December 31,	
	2019	2018
	JD	JD
Company's shareholders balances	192,964	194,860
	192,964	194,860

* This amount represents accrued dividends for the Company shareholders for the year from 2007 to 2016.

16. Other credit balances:

This item consist of the following:

	December 31,	
	2019	2018
	JD	JD
Refundables	-	2,883
Provision for annual vacations	-	20,315
Provision of the board of directors members transportation	18,600	16,000
Projects accrued expenses	21,644	-
End of service indimnity provision	-	1,246
Others	9,200	-
	49,444	40,444

17. General and administrative expenses

This item consist of the following:

	2019	2018
	JD	JD
Salaries and employees benifits	136,000	154,440
Company contributions to social security	12,209	14,747
Board of directors transportation	16,800	16,800
Professional fees	16,085	14,509
Cars lisence and maintenance	10,455	12,947
Rent expense	8,921	8,345
Subscriptions	4,934	5,230
Printing and stationery	3,698	4,721
Advertising expenses	1,504	3,987
Listing shares comissions	3,600	3,600
Refunbdables	1,145	1,079
Bank charges	290	254
End of service indemnity	21,611	-
Other	13,321	13,131
	250,573	253,790

18. Earning per Share for the year

This item consists of the following:

	For The Year Ended December 31,	
	2019	2018
	JD	JD
Income for the year attributable to Company's shareholders	392,658	34,334
Weighted average number of shares	6,000,000	6,000,000
Earnings per Share for the Year	0.065	0.006

19. Related Parties Balances and Transactions

- The salaries and bonuses of executive management amounted to JD 96,000 for the Year ended December 31, 2019 (JD 96,000 for the Year ended December 31, 2018).

- The Company entered in to a transactions with a member of the Board of Directors of the Company and a first Level relative to the member in the years 2016 and 2017 based on a signed silling contract with the Company. The agreement was signed on the Sale of one of the Projects which will Comprise About 12,4% Profit Margin To Be Added to incurred Costs of 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 1,073,384 has been recognized as part of the Company's revenue for the year ended December 31, 2018 and an amount of JD 313,697 was recognized in the Company's revenue for the year ended 31 December 2019. The Company has collected the total sale amount.

20. Sectoral and Geographical Distribution

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

21. Shareholder's equity

This item consist of the following:

a. Authorized and paid up capital

The paid up capital amounted to JD 6,000,000 divided in to over 6,000,000 shares, the par value of each is JD 1 as of December 31, 2019 and 2018.

b. Statutory reserve

The amounts collected in this account represent what has been transferred from the annual income before income tax from previous years in a percentage of 10% in accordance with the Companies Law, and It is not available for distribution to shareholders.

c. Voluntary reserve

The amount accumulated in this account represent what has been transferred from the annual income from previous years by a maximum limit of 20% and The reserve is used for purposes determined by the Board of Directors and the General Assembly is entitled to distribute it in full or any part thereof as dividends to shareholders.

d. Proposed Dividends

In its meeting held on 6 February 2020, the Board of Directors agreed to distribute 5% of the nominal value of the share to the shareholders as dividends amounted to 300,000 JD

22. Financial Instruments

a. Capital risk management

The Company manages its capital to ensure that it will be able to continue as a going concern while maximizing the return to partners and comply with local regulations.

b. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

c. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of dealing with only creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

- There are credit concentrations in the account receivable for one client representing 93% of the total receivables as of December. 31, 2019 (There were risk concentrations as of Dec. 31, 2018 representing 94%) .

d. Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Company will encounter difficulty in raising funds to meet its commitments.

The Company manages the Liquidity risk mainly by maintaining cash reserves in banks and raising capital when required.

f. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The sensitivity analysis below has been prepared in accordance with the exposure to interest rates on bank deposits as at the balance sheet date. The analysis is based on the assumption that the required amounts of deposits at the statement of financial position date were in place throughout the year and an increase or decrease of 0.5% in interest rates which represents the management's assessment of the possible change in interest rates:

	2019		2018	
	0.5%	(0.5%)	0.5%	(0.5%)
			JD	JD
Deposits at banks	17,190	(17,190)	8,538	(8,538)
	17,190	(17,190)	8,538	(8,538)

23. Lawsuits

There are no lawsuits against the Company as of December 31, 2019.

24. Contingent liability

1. The Company has contingent liabilities as of the date of the financial statements, represented in bank guarantees in the amount of JD 2,000 and its cash margin in the amount of JD 200, as of December 31, 2019.
2. The remaining cost to complete of the project under consrtructions is estimated at JD 679 thousand and it is expected to be completed during the month of March 2021

25. Fair value levels

Management believes that the book value of financial assets and financial liabilities shown in the Company's financial statements approximate their fair values.