

**AL-HULOUL AL-MALYEH LELDAFEA
BELHATEF ANAQQAL
(A PRIVATE SHARHOLDING COMPANY)
AMMAN - JORDAN**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
TOGETHER WITH THE INDEPENDENT
AUDITOR'S REPORT**

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

FOR THE YEAR ENDED DECEMBER 31, 2020

Contents	<u>Page</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Profit or Loss and Other Comprehensive Income	4
Statement of Changes in Shareholder's Equity	5
Statement of Cash Flows	6
Notes to the Financial Statements	7-28



Independent Auditors' Report

To the General Assembly
Al-Huloul Al-Malyeh Leldafea Belhatef Anaqqal.
(A Private Shareholding Company)
Amman – Jordan

Opinion

We have audited the financial statements of Al-Huloul Al-Malyeh Leldafea Belhatef Anaqqal (“the Company”), which comprise the statement of financial position as at December 31, 2020, the statements of profit or loss and other comprehensive income, changes in shareholder’s equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Company as at December 31, 2020, and of 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 (ISAs). Our responsibilities under those standards are further described in the Auditors’ Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Ethics Standards Board of Accountant Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements as at and for the year ended December 31, 2019 were audited by another auditor, who issued an unqualified opinion on June 21, 2020.

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 is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, the Board of Directors are responsible for overseeing the Company’s financial reporting process.



Independent Auditors' Report

Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records. The accompanying financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the Company's General Assembly approves these financial statements.

Kawasmy and partners
KPMG

Hatem Kawasmy
License No. (656)

Amman - Jordan
April 28, 2021

KPMG
Kawasmy & Partners Co.

AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

STATEMENT OF FINANCIAL POSITION

<i>Jordanian Dinar</i>	Note	As at December 31,	
		2020	2019
Assets			
Non – current assets			
Property and equipment	5	9,269	14,644
Intangible assets	6	183,253	101,558
Deferred tax assets	11	110,023	-
Total non - current assets		302,545	116,202
Current assets			
Trade and other receivables	7	198,353	58,476
Cash and cash equivalents	8-2	1,562,859	72,893
Restricted cash	8-1	9,955,381	781,326
Total current assets		11,716,593	912,695
Total assets		12,019,138	1,028,897
Shareholder's equity and liabilities			
Shareholder's equity			
Paid-up capital	1	2,000,000	1,500,000
Statutory reserve	12	-	1,418
Share premium	13	755,984	-
Accumulated losses		(955,253)	(1,258,492)
Total shareholder's equity		1,800,731	242,926
Liabilities			
Current liabilities			
Trade and other payables	9	9,755,877	299,264
Due to related parties	10	462,530	486,707
Total current liabilities		10,218,407	785,971
Total shareholder's equity and liabilities		12,019,138	1,028,897

The accompanying notes on pages from (7) to (28) are an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

<i>Jordanian Dinar</i>	<u>Note</u>	<u>For the Year Ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
Revenue	14	276,589	26,327
Cost of providing services	15	(179,021)	(103,267)
Gross Profit (loss)		97,568	(76,940)
Depreciation, amortization and impairment	5,6	(116,780)	(30,168)
Administrative expenses	16	(542,674)	(351,000)
Interest income		36,582	12,234
Expected credit loss	7	(26,919)	-
Loss before income tax		(552,223)	(445,874)
Income tax expense	11	110,023	-
Loss and total comprehensive loss for the year		(442,200)	(445,874)

The accompanying notes on pages from (7) to (28) are an integral part of these financial statements.

Chief Executive Officer

Chief Financial Officer

**AL-HULOUL AL-MALYEH LE LDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

STATEMENT OF CHANGES IN SHAREHOLDER'S EQUITY

<i>Jordanian Dinar</i>	Paid in Capital	Statutory Reserve	Share Premium	Accumulated losses	Total Shareholder's Equity
<u>Changes for the year ended December 31, 2020</u>					
Balance as at January 1, 2020	1,500,000	1,418	-	(1,258,492)	242,926
Total loss and comprehensive loss for the year	-	-	-	(442,200)	(442,200)
Share premium (Note 13)	-	-	755,984	-	755,984
Statutory reserve	-	(1,418)	-	1,418	-
Amortized accumulated losses	-	-	-	744,021	744,021
Increase in capital	500,000	-	-	-	500,000
Balance as at December 31, 2020	2,000,000	-	755,984	(955,253)	1,800,731
<u>Changes for the year ended December 31, 2019</u>					
Balance as at January 1, 2019	1,500,000	1,418	-	(812,618)	688,800
Total loss and comprehensive loss for the year	-	-	-	(445,874)	(445,874)
Balance as at December 31, 2019	1,500,000	1,418	-	(1,258,492)	242,926

The accompanying notes on pages from (7) to (28) are an integral part of these financial statements.

AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQAL
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AMMAN – JORDAN

STATEMENT OF CASH FLOWS

<i>Jordanian Dinar</i>	<u>Notes</u>	<u>For the year ended December 31,</u>	
		<u>2020</u>	<u>2019</u>
Cash flows from operating activities:			
Loss for the period		(552,223)	(445,874)
Adjustments for:			
Depreciation, amortization and impairment	5,6	116,780	30,168
Interest revenue		(36,582)	(12,234)
Provision expense	7	26,919	-
Cash flows before changes in working capital		(445,106)	(427,940)
Change in working capital:			
Trade and other receivables		(138,671)	(8,315)
Due to related parties		719,844	242,705
Trade and other payables		282,555	102,246
Cash flows from operating activities before income tax paid		418,622	(91,304)
Cash flows from investing activities:			
Acquisition of property and equipment		-	(420)
Acquisition of intangible assets		(193,100)	(69,381)
Interest earned		8,460	12,234
Net cash flows used in investing activities		(184,640)	(57,567)
Cash flows from financing activities:			
Increase in capital		500,000	-
Share premium		755,984	-
Net cash flows from financing activities		1,255,984	-
Net change in cash and cash equivalent		1,489,966	(148,871)
Cash and cash equivalent balances at beginning of the year		72,893	1,003,090
Cash and cash equivalent balances at end of the year	8	1,562,859	854,219

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**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
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AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1) GENERAL

Al-Huloul Al-Malyeh Leldafea Belhatef Anaqqal Company (A Private Shareholding Company) was established in October 29, 2014 under registration number (39144) with authorized and paid up capital 1,500,000 JOD.

The company started its operational activities during the year 2018.

The General Assembly of the company decided during the extraordinary meeting held on September 19, 2018 to convert the company's legal status from a "Limited Liability Company" to a "A Private Shareholding Company". The company's General Assembly also decided to amortize an amount of 744,014 JOD from the company's accumulated losses, in addition to increase the capital to be 2,000,000 JOD. All legal procedures related to these decisions were completed on March 8, 2020.

The Company's main activities are:

- Owning movable and immovable funds to implement the company's objectives.
- Issuing and managing payment instruments, except for debit instruments.
- Issuing and managing electronic money.
- Managing the implementation of credit and debit electronic payments, which include mobile phone payments.
- Online fund collection services.
- Electronic funds transfer.
- Borrowing from banks.

The accompanying financial statements were approved by the company's management on April 27, 2021 and subject to the approval of the General Assembly.

2) BASIS OF PREPARATION

(a) Statement of Compliance:

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs).

(b) Basis of Measurement:

The financial statements have been prepared on the historical cost basis except for the financial assets and financial liabilities measured at amortized cost.

(c) Functional and Presentation Currency:

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

(d) Use of judgements and estimates

In preparing these financial statements, management has made judgements and estimates that affect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

• Judgments

The following are the most significant judgments that have a material effect on the amounts of assets and liabilities in the financial statements:

- Classification of financial assets: Valuation of the business model under which the asset is to be held and determining whether the contractual terms of the SPPI are on the outstanding balance.
- The development of new criteria to determine whether financial assets have declined significantly since initial recognition and determine the methodology of future expectations and methods of measuring expected credit loss.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

• **Assumptions and estimation uncertainties**

Information about assumptions and estimation uncertainties at December 31, 2020 that have significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities in the next financial year is included in the following notes:

- Recognition of deferred tax assets: availability of future taxable profit against which deductible temporary differences and tax losses carried forward can be utilised;
- Impairment test of tangible assets: key assumptions underlying recoverable amounts, and periodically reassessment of the the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Impairment test of intangible assets: key assumptions underlying recoverable amounts, including the recoverability of development costs; and periodically reassessment of the the economic useful lives of intangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate; and

Measurement of fair values:

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values.

This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the chief financial officer.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of the Standards, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Company's Board of Directors.

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs). If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Management believes that its estimates and judgments are reasonable and adequate.

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AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

3) SIGNIFICANT ACCOUNTING POLICIES

The accounting policies applied by the Company in these financial statements for the year ended December 31, 2020 are the same as those applied by the Company in its financial statements for the year ended December 31, 2019, except for the following new International Financial Reporting Standards or amendments that become effective after January 1, 2020:

- Amendments to References to Conceptual Framework in IFRS Standards.
- Definition of Material (Amendments to IAS 1 and IAS 8).
- Definition of a Business (Amendments to IFRS 3).
- Interest Rate Benchmark Reform (Amendments to IFRS 9, IAS 39 and IFRS 7)

The application of these new standards and amended standards did not have a significant effect on the Company's financial statements.

The following are the significant accounting policies applied by the Company:

a) Revenue recognition

The Company generates revenue primarily from providing mobile payment services to its customers.

Contract balances results from contracts with customers include receivables, contract assets and contract liabilities.

The contract assets primarily relate to the Company's rights to consideration for work completed but not billed at the reporting date. The contract assets are transferred to receivables when the rights become unconditional. This usually occurs when the Company issues an invoice to the customer.

The contract liabilities primarily relate to the advance consideration received from customers, for which revenue is recognized over time.

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognizes revenue when it transfers control - at a point in time or over time - over a good or service to a customer.

1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations.
2. Identify the performance obligations in the contract.
3. Determine the transaction price: The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
4. Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.
5. Recognize revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.

The Company satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Company's performance as the Company performs; or
- The Company's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- The Company's performance does not create an asset with an alternative use to the Company and the Company has an enforceable right to payment for performance completed to date.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

b) Financial Instruments:

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

ii. Classification and subsequent measurement

• **Financial Assets:**

On initial recognition, a financial asset is classified as measured at: amortised cost; FVOCI – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It's held within a business model whose objective is to hold assets to collect contractual cash flows.
- Its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

A debt investment is measured at fair value through other comprehensive income if it meets both of the following conditions and is not designated as at fair value through profit or loss:

- It's held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets.
- Its contractual terms give rise on specified dates to cash flows (that are solely payments of principal and interest on the principal amount outstanding).

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an investment-by-investment basis.

All financial assets not classified as measured at amortized cost or fair value through other comprehensive income as described above are measured at fair value through profit or loss. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at fair value through other comprehensive income as at fair value through profit or loss if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

• **Business model assessment**

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- The stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- How the performance of the portfolio is evaluated and reported to the Company's management;
- The risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- How managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- The frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

• **Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest**

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- Contingent events that would change the amount or timing of cash flows;
- Terms that may adjust the contractual coupon rate, including variable-rate features;
- Prepayment and extension features; and
- Terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

• **Financial assets – Subsequent measurement and gains and losses**

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortized cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Debt investments at FVOCI	These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

• **Financial liabilities – Classification, subsequent measurement and gains and losses**

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss. Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

iii. Derecognition

• **Financial assets**

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

• **Financial liabilities**

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c) **Impairment**

i. **Non-derivative financial assets**

• **Financial instruments and contract assets**

The Company recognizes loss allowances for ECLs on:

- Financial assets measured at amortised cost;
- Debt investments measured at FVOCI; and
- Contract assets.

The Company also recognises loss allowances for ECLs on lease receivables, which are disclosed as part of trade and other receivables.

Loss allowances for trade receivables (including lease receivables) and contract assets are always measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Company's historical experience and informed credit assessment, that includes forward-looking information.

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NOTES TO THE SEPARATE FINANCIAL STATEMENTS

The Company assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Company considers a financial asset to be in default when:

- The debtor is unlikely to pay its credit obligations to the Company in full, without recourse by the Company to actions such as realising security (if any is held); or
- The financial asset is more than 90 days past due.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of 'investment grade'.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

• **Measurement of ECLs**

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Company expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

• **Credit-impaired financial assets**

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- A breach of contract.
- The restructuring of a loan or advance by the Company on terms that the Company would not consider otherwise;
- It is probable that the debtor will enter bankruptcy or other financial reorganization; or
- The disappearance of an active market for a security because of financial difficulties.

• **Presentation of allowance for ECL in the statement of financial position**

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

For debt securities at FVOCI, the loss allowance is charged to profit or loss and is recognized in OCI.

• **Write-off**

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Company has a policy of writing off the gross carrying amount when the financial asset is past due based on historical experience of recoveries of similar assets. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

ii. **Non-financial assets**

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories, contract assets and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

For impairment testing, assets are grouped together into the smallest Company of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

d) Share capital:

• Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares are recognized as a deduction from equity. Income tax relating to transaction costs of an equity transaction is accounted for in accordance with IAS 12.

e) Fair value measurement

'Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Company has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as 'active' if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Company determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price.

Subsequently, that difference is recognized in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

f) Property and equipment

Recognition and measurement

- Items of property and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.
- If significant parts of an item of property and equipment have different useful lives, then they are accounted for as separate items (major components) of property and equipment.
- Any gain or loss on disposal of an item of property and equipment is recognized in profit or loss.

Subsequent costs

- Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

Depreciation

- Depreciation is calculated to write off the cost of items of property and equipment less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss. Land is not depreciated.
- The estimated useful lives of property and equipment for current and comparative periods are as follows:

Property and equipment	Depreciation rates (%)
Furniture	15
Office improvements	15
Computers	25
Machinery	20

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

g) Intangible assets

Recognition and measurement

Intangible assets that are acquired by the Company and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.

Subsequent costs

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

Amortization

Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives and is generally recognized in profit or loss.

The estimated useful lives for current and comparative periods are as follows:

Intangible Assets	Amortization Rate %
Anti-Money Laundering	20%
Website	20%
A2A System	20%

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

h) Expenses realization

Expenses are recognized as a separate component for the cost of operating income in the statement of profit or loss and other comprehensive income other when they fall due based on accrual basis.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

i) Provisions

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

- **Warranties:** A provision for warranties is recognized when the underlying products or services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.
- **Restructuring:** A provision for restructuring is recognized when the Company has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced publicly. Future operating losses are not provided for.
- **Site restoration:** In accordance with the Company's published environmental policy and applicable legal requirements, a provision for site restoration in respect of contaminated land, and the related expense, is recognized when the land is contaminated.
- **Onerous contracts:** A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment loss on the assets associated with that contract.

j) Foreign currency transaction

Transactions in foreign currencies are translated into the respective functional currencies of Company at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognised in profit or loss and presented within finance costs.

However, foreign currency differences arising from the translation of the following items are recognized in OCI:

- An investment in equity securities designated as at FVOCI (except on impairment, in which case foreign currency differences that have been recognised in OCI are reclassified to profit or loss);
- A financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; and
- Qualifying cash flow hedges to the extent that the hedges are effective.

k) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

l) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

• As a lessee

At commencement or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices. However, for the leases of property the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

**AL-HULOUL AL-MALYEH LELEDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Company by the end of the lease term or the cost of the right-of-use asset reflects that the Company will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The Company determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise the following:

- Fixed payments, including in-substance fixed payments;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable under a residual value guarantee; and
- The exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option, and penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, if the Company changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Company presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

• Short-term leases and leases of low-value assets

The Company has elected not to recognize right-of-use assets and lease liabilities for leases of low-value assets and short-term leases. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

• **As a lessor**

At inception or on modification of a contract that contains a lease component, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Company acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Company makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, then the Company applies IFRS 15 to allocate the consideration in the contract.

The Company applies the derecognition and impairment requirements in IFRS 9 to the net investment in the lease. The Company further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term as part of 'other revenue'.

m) Finance income and finance costs

Interest income or expense is recognised using the effective interest method. Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- The gross carrying amount of the financial asset; or
- The amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

n) Income tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under IAS 37 "Provisions, Contingent Liabilities and Contingent Assets".

v. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

vi. Deferred tax

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognized for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- Taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognize a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for individual subsidiaries in the Company. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date, and reflects uncertainty related to income taxes, if any.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. For this purpose, the carrying amount of investment property measured at fair value is presumed to be recovered through sale, and the Company has not rebutted this presumption.

Deferred tax assets and liabilities are offset only if certain criteria are met.

4) STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards are effective for annual periods beginning after January 1, 2020 and earlier application is permitted; however, the Company has not early adopted the new or amended standards in preparing these separate financial statements:

The following amended standards and interpretations are not expected to have a significant impact on the Company's separate financial statements:

- Amendments to References to Conceptual Framework in IFRS Standards.
- COVID-19-Related Rent Concessions (Amendment to IFRS 16)
- Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018–2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)
- Classification of Liabilities as Current or Non-current (Amendments to IAS 1)
- IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28).

The Company anticipates that each of the above standards and amendments will be adopted in the separate financial statements by its date mentioned above without having any material impact on the Company's separate financial statements.

AL-HULOUL AL-MALYEH LELEDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

NOTES TO THE FINANCIAL STATEMENTS

5) PROPERTY AND EQUIPMENT

<i>Jordanian Dinar</i>	<u>Furniture and</u>	<u>Office</u>	<u>Computer</u>	<u>Machinery and</u>	<u>Total</u>
		<u>Improvement</u>			
<u>Cost</u>					
Balance as at January 1, 2020	13,014	6,129	9,905	2,052	31,100
Balance as at December 31, 2020	13,014	6,129	9,905	2,052	31,100
<u>Accumulated Depreciation</u>					
Balance as at January 1, 2020	6,109	3,068	5,936	1,343	16,456
Depreciation for the year	1,952	920	2,093	410	5,375
Balance as at December 31, 2020	8,061	3,988	8,029	1,753	21,831
Net book value as at December 31, 2020	4,953	2,141	1,876	299	9,269
<u>Cost</u>					
Balance as at January 1, 2019	13,014	6,129	9,485	2,052	30,680
Additions	-	-	420	-	420
Balance as at December 31, 2019	13,014	6,129	9,905	2,052	31,100
<u>Accumulated Depreciation</u>					
Balance as at January 1, 2019	4,157	2,149	3,477	932	10,715
Depreciation for the year	1,952	919	2,459	411	5,741
Balance as at December 31, 2019	6,109	3,068	5,936	1,343	16,456
Net book value as at December 31, 2019	6,905	3,061	3,969	709	14,644

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

6) INTANGIBLE ASSETS

Movement on intangible assets during the year was as follows:

<i>Jordanian Dinar</i>	<u>A2A System</u>	<u>Anti- Money Laundering</u>	<u>Website</u>	<u>Total</u>
2020				
<u>Cost</u>				
Balance as at January 1, 2020	-	124,888	2,360	127,248
Additions	186,000	7,100	-	193,100
Balance as at December 31, 2020	186,000	131,988	2,360	320,348
<u>Amortization</u>				
Balance as at January 1, 2020	-	23,837	1,853	25,690
Amortization	15,750	58,211	507	74,468
Impaired assets no longer used	-	36,937	-	36,937
Balance as at December 31, 2020	15,750	118,985	2,360	137,095
Net book value as at December 31, 2020	170,250	13,003	-	183,253
<i>Jordanian Dinar</i>				
<u>Cost</u>				
Balance as at January 1, 2019	-	55,507	2,360	57,867
Additions	-	69,381	-	69,381
Balance as at December 31, 2019	-	124,888	2,360	127,248
<u>Amortization</u>				
Balance as at January 1, 2019	-	-	1,263	1,263
Amortization	-	23,837	590	24,427
Balance as at December 31, 2019	-	23,837	1,853	25,690
Net book value as at December 31, 2019	-	101,051	507	101,558

7) TRADE AND OTHER RECEIVABLES

<i>Jordanian Dinar</i>	<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Refundable deposits	106,440	18,360
Accrued revenue	56,609	-
Prepayments	19,008	24,652
Other receivables*	43,215	15,464
	225,272	58,476
Expected credit loss	(26,919)	-
	198,353	58,476

Expected credit losses are used to book impairment losses unless the Company is satisfied that no recovery of the amount owing is possible; at that point the amounts are considered uncollectible they are written-off against provision directly.

The movement on expected credit loss allowance for the years 2020 and 2019 was as follow:

<i>Jordanian Dinar</i>	<u>As at December 31,</u>	
	<u>2020</u>	<u>2019</u>
Balance at the beginning of the year	-	-
Expected credit loss allowance	26,919	-
	26,919	-

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

8) CASH AND CASH EQUIVALENTS

(8-1) Restricted cash:

Jordanian Dinar

	As at December 31,	
	2020	2019
E-Money *	9,955,381	781,326
	<u>9,955,381</u>	<u>781,326</u>

(8-2) Cash on hand and at banks:

Jordanian Dinar

	As at December 31,	
	2020	2019
Bank deposit	1,500,000	-
Cash at banks	62,612	72,893
Cash on hand	247	-
	<u>1,562,859</u>	<u>72,893</u>
	<u>11,518,240</u>	<u>854,219</u>

* The restricted cash is contain customer account represents a bank account that the company opened and deposited money in it in advance for the purpose of enabling the Company to provide payment services by mobile phone, and the Company cannot withdraw cash from this account except with the prior approval of the Central Bank of Jordan.

9) TRADE AND OTHER PAYABLES

Jordanian Dinar

	As at December 31,	
	2020	2020
Electronic payables	9,523,927	294,619
Accrued expenses	231,950	4,645
	<u>9,755,877</u>	<u>299,264</u>

10) RELATED PARTIES BALANCES AND TRANSACTIONS

Related parties represent the Ultimate Parent Company, parent Company, sister companies; companies of which.

they are principal owners and key management personnel of the Company. The Company's management approves pricing policies and terms of these transactions.

(10-1) Due to related parties' transaction

In Jordanian Dinar	Nature of relationship	2020	2019
Microfund for Women (E-Money)	Partner	247,182	369,968
Umniah Mobile Company (E-Money)	Parent	184,271	101,838
Batelco Jordan Company	Sister	31,077	8,700
Network international Company	Partner	-	6,201
		<u>462,530</u>	<u>486,707</u>

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

(10-2) Related parties' transactions

The following is a summary of the related activities shown in the statement of profit or loss.

<i>In Jordanian Dinar</i>	For the Year Ended December 31,			
	2020		2019	
	Revenues	Expenses	Revenues	Expenses
Rent a hosting server (Note 15) *	-	35,000	-	60,000
Subscription fees (Note 15) **	-	20,046	-	16,285
Server rent expense (Anti-money laundering) (Note 16) ***	-	17,400	-	19,156
Interest revenue	3,772	-	12,234	-
	3,772	72,446	107,675	95,441

* This item represents rental a hosting server from Network International Company.

** This item represents subscription fees connectivity lines from Network International Company.

*** This item represents Server rent expense for Anti-money Laundering System from Umniah Mobile Company.

(10-3) KEY MANAGEMENT COMPENSATIONS

Compensation for key management personnel for the year ended December 31, 2020 amounted to JD 52,400 (JD None for the year ended December 31, 2019).

11) TAX

A. TAX EXPENSE

<i>Jordanian Dinar</i>	For the Year Ended December 31, 2020	
	2020	2019
Income tax expense for the year	-	-
Deferred income tax	110,023	-
	110,023	-

B. RECONCILIATION OF TAXABLE INCOME

The total tax charge for the year can be reconciled to the accounting profit as follows:

<i>Jordanian Dinar</i>	For the Year Ended December 31, 2020	
	2020	2019
Loss for the year before income tax	(552,223)	(445,874)
Add: Permanent Non- Allowable expenses	191,579	163,259
Taxable Income for the Year	(360,644)	(282,615)
Income Tax Expense at 24% (4% national contribution)	-	-

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

C. DEFERRED TAX ASSETS ARISE FROM THE FOLLOWING:

Temporary differences	For the Year Ended December 31, 2020			Ending Balance
	Opening Balance	Additions	Disposals	
Accumulated loss	-	458,429	-	458,429
	-	458,429	-	458,429

Deferred tax balances are as follows:

Jordanian Dinar	For the Year Ended December 31, 2020	
	2020	2019
Opening balance	-	-
Addition during the year	110,023	-
Deferred tax assets	110,023	-

Deferred tax assets were calculated using the enacted tax rate of 24%

D. INCOME TAX STATUS

- There is no income tax provision for the year ending December 31, 2020 due to the excess of expenses over taxable income.
- The company has submitted its income tax returns for the years 2018 and 2019 and has not been reviewed yet from Income and Sales Tax department.
- The Income and Sales Tax department reviewed the income tax statements for the years 2016 and 2017, and the decision was not to approved the assessment decision, and an objection to the estimate was submitted, And after rejecting the objection from the Income and Sales Tax department, a lawsuit case was registered in the Tax Court of First Instance to request the Income and Sales Tax department to recycle the declared losses for the two years mentioned.
- The company has reached a final settlement with the Income and Sales Tax department up to the year 2015.

12) STATUTORY RESERVE

The amount accumulated in this account is transferred from the annual net income before tax at 10% during previous years until the reserve reached 25% of the Company's paid-up capital according to the Company's Law. This reserve cannot be distributed to shareholders.

13) SHARE PREMIUM

The amount of share premium is part of the transferred amount from Ummiah Company amounted to 755,984 based on the General Assembly of the company decided during the extraordinary meeting held on September 19, 2018 to amortize an amount of 744,014 JOD from the company's accumulated losses, in addition to increase the capital 500,000 to be 2,000,000 JOD. All legal procedures related to these decisions were completed and the approval of the Companies Control Department was obtained on March 8, 2020.

14) REVENUE

Jordanian Dinar

	For the Year Ended December 31,	
	2020	2019
Commissions*	276,589	26,327
	276,589	26,327

*The commission is the company's source of revenue from the subscribers on variety type of service provided through the Uwallet services.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

15) COST OF PROVIDING SERVICES

<i>Jordanian Dinar</i>	For the Year Ended December 31,	
	2020	2019
Commission expenses and fees	92,364	-
Rent a hosting server (Note 10)	76,640	76,285
Yearly Subscriptions (Note 10)	10,017	26,982
	179,021	103,267

16) ADMINISTRATIVE EXPENSES

<i>Jordanian Dinar</i>	For the Year Ended December 31,	
	2020	2019
Payroll	181,300	141,362
Old system maintenance and support	89,825	-
Advertising	67,180	10,903
Governmental fees	64,071	9,769
Professional fees	22,818	16,362
Rent	21,505	23,460
Server rent expense (Anti-money laundering)	20,400	19,156
Social Security	19,452	18,911
Consulting expenses	15,457	83,475
Health insurance	8,514	9,317
Email subscription fees	7,568	1,036
Electricity	1,750	2,065
Stationery	1,271	551
Other	21,563	14,633
	542,674	351,000

17) CONTIENGENT LIABILITES

<i>Jordanian Dinar</i>	As of December 31,	
	2020	2019
Letters of guarantee	201,200	-
	201,200	-

18) FINANCIAL RISK MANAGEMENT

Overview

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk.
- Liquidity risk.
- Market risk.
- Capital management.

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company's management of capital.

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

Risk management framework

The management has the overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Board of Directors are assisted in its oversight role by management. Management undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

- Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from cash on hand and at banks, and, trade and other receivables.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the condensed interim financial information date was as follows:

<i>Jordanian Dinar</i>	Carrying amount as at December, 31	
	2020	2019
Restricted cash	9,955,381	781,326
Trade and other receivables	179,345	58,476
Cash at banks	1,562,859	854,219
	11,697,338	1,694,021

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The demographics of the Company's customer base, including the default risk of the industry and country in which customer operate, has less of an influence on credit risk.

- The Company implemented IFRS (9) which measures the probability of default for all trade receivables.
- For the measurement of expected credit losses, all trade receivables are grouped together based on the common credit risk characteristics and the aging of these receivables, the ratios of the expected losses are approximately reasonable in respect of trade receivables losses.
- The expected loss ratios have been prepared based on the payments / collections of the trade receivables in data of 5 years and historical similar credit losses incurred during such period. The historical losses have been revised to reflect the information from macroeconomic factors and researches that impacts the customers' ability to settle receivables.

- Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under normal, stressed and necessary conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that it has sufficient cash on demand to meet expected operational expenses, including the servicing of financial obligations; this excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN

NOTES TO THE FINANCIAL STATEMENTS

The followings are the contracted maturities of financial liabilities:

Jordanian Dinar

<u>As at December 31, 2020</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>less than a year</u>	<u>More than a year</u>
Trade and other payables	9,767,377	(9,767,377)	(9,767,377)	-
Due to related parties	462,530	(462,530)	(462,530)	-
	<u>10,229,907</u>	<u>(10,229,907)</u>	<u>(10,229,907)</u>	<u>-</u>

Jordanian Dinar

<u>As at December 31, 2019</u>	<u>Carrying Amount</u>	<u>Contractual Cash Flows</u>	<u>less than a year</u>	<u>More than a year</u>
Trade and other payables	299,264	(299,264)	(299,264)	-
Due to related parties	486,707	(486,707)	(486,707)	-
	<u>785,971</u>	<u>(785,971)</u>	<u>(785,971)</u>	<u>-</u>

- **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company's profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- **Fair Value levels**

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for financial assets.

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). This category includes instrument evaluated based on prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.

Level 3: inputs for the asset or liability that are not based on observable market data.

A. FINANCIAL ASSETS AND LIABILITIES THAT ARE NOT MEASURED AT FAIR VALUE:

<u>As at December 31, 2020</u>	<u>Carrying Amount</u>	<u>Fair value</u>		
		<u>Level (1)</u>	<u>Level (2)</u>	<u>Level (3)</u>
<i>Jordanian Dinar</i>				
Financial Assets:				
Restricted cash	9,955,381	-	-	-
Cash on hand and at banks	1,562,859	-	-	-
Trade and other receivables	198,353	-	-	-
Financial Liabilities				
Trade and other payables	(9,767,377)	-	-	-
Due to related parties	(462,530)	-	-	-

**AL-HULOUL AL-MALYEH LELDAFEA BELHATEF ANAQQAL
(A PRIVATE SHAREHOLDING COMPANY)
AMMAN – JORDAN**

NOTES TO THE FINANCIAL STATEMENTS

As at December 31, 2019 (Audited)	Carrying Amount	Fair value		
		Level (1)	Level (2)	Level (3)
<i>Jordanian Dinar</i>				
Financial Assets:				
Restricted cash	209,853	-	-	-
Cash on hand and at banks	72,893	-	-	-
Trade and other receivables	781,326	-	-	-
Financial Liabilities				
Trade and other payables	(299,264)	-	-	-
Due to related parties	(486,707)	-	-	-

Management believes that the carrying amount of these financial assets approximate their fair value due to their short-term maturities or of re-pricing their interest rates.

There were no transfers between level 1 and level 2 during the year 2020 and 2019.

19) COMPARATIVE FIGURES

Comparative figures represent the statement of financial position As at December 31, 2019, in addition to statement of profit or loss and other comprehensive income, statement of changes in shareholder's equity, statement of cash flows for the year ended December 31, 2019.