MONEY FOR FINANCE

Limited Liability Company
Amman – Jordan

Financial Statements
For The Year Ended 31 December 2021
Together with the Independent Auditor's Report

MANAGEMENT STATEMENT OF RESPONSIBILITY FOR FINANCIAL REPORTING

Management is responsible for the preparation and fair presentation of the financial statements for the period ended 31 December 2021 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. The accompanying audited financial statements are approved by the Board of Directors.

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.

The significant accounting policies used are described in Note 3 to the financial statements. Certain amounts in the financial statements are based on estimates and judgments. Management has determined such amounts on a reasonable basis to ensure that the financial statements are presented fairly, in all material respects.

Management is responsible for having established and maintaining disclosure controls and procedures and internal controls over financial reporting and have supervised an evaluation of the effectiveness of the Company's internal control over financial reporting, as at 31 December 2021 and have concluded that the Company's internal control over financial reporting, as at 31 December 2021, was effective to provide reasonable assurance regarding the reliability of the Company's financial reporting and the preparation of its financial statements for external purposes in accordance with International Financial Reporting Standards.

The Board of Directors is responsible for ensuring that management fulfils its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the financial statements.

The financial statements have been audited, on behalf of the shareholders, by Baker Tilly Jordan, the independent auditor, in accordance with International Standards on Auditing. The independent auditor has full and free access to the Board of Directors and may meet with or without the presence of management.

Name Pēteris Bergs	Name Juris Ziemeļis
Title Deputy Chairman	Title Chairman
Date 28.04.2022	Date 28.04.2022
Name Hamzeh Mahafzah	Name Matīss Ausmeņķis
Title General Manager	Title Member
Date 28.4.2022	Date 28.04.2022

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INDEPENDENT AUDITOR'S REPORT

MONEY FOR FINANCE
Limited Liability Company
Amman – Jordan

OPINION

We have audited the financial statements of Money for Finance – Jordan, a Limited Liability Company, which comprise the statement of financial position as at 31 December 2021, and the statement of comprehensive income, statement of changes in equity, and statement of cash flows for the period then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of 31 December 2021, and of its financial performance and its cash flows for the period 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 the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

A key audit matter is a matter that, in our professional judgment, was of most significance in our audit of the financial statements for the period from 2 November 2020 and ended on 31 December 2021. This matter was addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

Allowance (ECL) for credit facilities

This is considered a key audit matter as the Company exercises significant judgement to determine when and how much to record as impairment. Credit facilities form a major portion of the Company's assets. There is a risk that inappropriate impairment provisions are booked, whether from the use of inaccurate underlying data, or the use of unreasonable assumptions. Due to the significance of the judgments used in classifying credit facilities into various stages stipulated in IFRS 9 and determining related provision requirements, this audit area is considered a key audit risk
.
As of 31 December 2021, the Company's gross credit facilities amounted to JOD 4,489,990 and the related impairment provision amounted to JOD 1,165,618. The impairment provision policy is presented in the accounting policies in note 3.5 of the financial statements.

How the key audit matter was addressed in the audit

Our audit procedures included the following:

- We gained an understanding of the Company's key credit processes comprising granting and booking and tested the operating effectiveness of key controls over these processes.
- We read the Company's impairment provisioning policy and compared it with the requirements of IFRS 9 as well as relevant regulatory guidelines and pronouncements.
- We assessed the Company's expected credit loss model, focusing on its alignment of the expected credit loss model and its underlying methodology with the requirements of IFRS 9.
- We examined a sample of exposures, assessed on an individual basis, and performed procedures to evaluate the following:

  - Appropriateness of the Company's staging.
  - Appropriateness of determining Exposure at Default, including the consideration of repayments in the cash flows and the resultant arithmetical calculations.
  - Appropriateness of the PD, EAD and LGD used for different exposures at different stages.
  - Appropriateness of the internal rating and the objectivity, competency and independence of the experts involved in this exercise.
  - Soundness and mathematical integrity of the ECL Model.
  - For exposures moved between stages, we have checked the appropriateness of the Company's determination of significant increase in credit risk and the resultant basis for classification of exposures into various stages. We also checked the timely identification of exposures with a significant deterioration in credit quality.
  - For forward looking assumptions used by the Company's in its Expected Credit Loss ("ECL") calculations, we held discussions with management and corroborated the assumptions using publicly available information.

- We assessed the financial statements disclosures to ensure compliance with IFRS 9. Refer to the accounting policies, critical accounting estimates and judgments, disclosures of credit facilities and on ECL in notes 3.5 to the financial statements.

EMPHASIS OF MATTER

Accumulated losses exceeding the paid-up capital

The Company's accumulated losses have reached JOD 186,512 (one hundred eighty-six thousand five hundred twelve Jordanian Dinars) as of 31 December 2021, which exceeds 100% of the company's capital. Article 75b of the Companies Law No. 22 of 1997 states that if a limited liability company's loss exceeds 75% of its capital, it must be liquidated unless the Company's General Assembly decides in an extraordinary meeting to increase the capital or extinguish the accumulated losses in such a manner that agrees with the International Accounting and Auditing Standards and that the total remaining accumulated losses are not in excess of the 50% of the Company's capital.

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 are responsible for overseeing the Company's financial reporting process.

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 scepticism 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 communicated 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 has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend approving these financial statements.

BAKER TILLY

Rasheed M. Rafidi
License # 783
28 April 2021

MONEY FOR FINANCE

LIMITED LIABILITY COMPANY

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF FINANCIAL POSITION SINCE INCEPTION ON 2 NOVEMBER 2020 TO DECEMBER 31, 2021

	Note	2021
		(JOD)
ASSETS		
NON CURRENT ASSETS		
Property, Plant and Equipment - Net	4	206,261
Intangible Assets - Net		1,963
Right of Use Assets - Net	5	260,981
TOTAL NON CURRENT ASSETS		**469,205**
CURRENT ASSETS		
Prepaid Expenses	6	5,573
Other Receivables	7	103,880
Direct Credit Facilities	8	3,637,029
Cash and Cash Equivalent	9	547,478
TOTAL CURRENT ASSETS		**4,293,961**
TOTAL ASSETS		**4,763,166**
OWNERS EQUITY AND LIABILITIES		
OWNERS EQUITY		
Capital	10	5,000
Current Account	11	404,100
Net Loss For the Period		(186,512)
TOTAL OWNERS EQUITY		**222,588**
NON CURRENT LIABILITIES		
Long Term Loan	12	2,175,605
Lease Contract Liability	5	111,434
TOTAL NON CURRENT LIABILITIES		**2,287,039**
CURRENT LIABILITIES		
Accrued Liabilities	13	60,073
Short Term Loan	12	1,458,745
Lease Contract Liability	5	121,765
Other Payables	14	185,059
Interest & Commission Payable	15	9,605
Income Tax & National Contribution Provision	16	418,291
TOTAL CURRENT LIABILITIES		**2,253,539**
TOTAL OWNERS EQUITY AND LIABILITIES		**4,763,166**

The Accompanying Disclosures Constitute an Integral Part of These Financial Statements

MONEY FOR FINANCE

LIMITED LIABILITY COMPANY

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT COMPREHENSIVE INCOME FOR THE PERIOD SINCE INCEPTION ON 2 NOVEMBER 2020 TO DECEMBER 31,2021

	Note	2021
		(JOD)
REVENUES		
Revenues	17	3,013,455
Less:		
Operation Cost	18	(913,057)
GROSS PROFIT		**2,100,398**
Less:		
Provision For Credit Losses	8	(1,165,618)
General and Administrative Expenses	19	(282,109)
Interest Expense	20	(206,769)
Marketing Expenses	21	(151,590)
Depreciation - Right of Use Asset	5	(56,167)
Depreciation Expenses	4	(35,250)
Interest Expense - Right of Use Asset		(12,871)
Bad Debt Expenses		(290)
Add:		
Net Foreign Currency Gain		42,047
NET PROFIT FOR THE YEAR BEFORE TAX PROVISIONS		**231,779**
Less:		
Income Tax Provision	16	(358,535)
National contributions	16	(59,756)
NET LOSS AFTER TAX PROVISIONS		**(186,512)**

The Accompanying Disclosures Constitute an Integral Part of These Financial Statements

MONEY FOR FINANCE
LIMITED LIABILITY COMPANY
AMMAN - THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN OWNER'S EQUITY SINCE INCEPTION ON 2 NOVEMBER 2020 TO 31 DECEMBER 2021

	Capital	**Current Account**	**Retained Earnings**	**Total**
	(JOD)	(JOD)	(JOD)	(JOD)
Balance as of 2 November 2020	-	-	-	**-**
Capital	5,000	-	-	**5,000**
Current Account	-	404,100	-	**404,100**
Net Loss For the Year	-	-	(186,512)	**(186,512)**
Balance as of 31 December 2021	**5,000**	**404,100**	**(186,512)**	**222,588**

The Accompanying Disclosures Constitute an Integral Part of These Financial Statements

MONEY FOR FINANCE

LIMITED LIABILITY COMPANY

AMMAN - THE HASHEMITE KINGDOM OF JORDAN

STATEMENT OF CASH FLOWS FOR THE PERIOD SINCE INCEPTION ON 2 NOVEMBER 2020 TO DECEMBER 31,2021

	2021
	(JOD)
CASH FLOW FROM OPERATING ACTIVITIES	
Net Profit For the Period	(186,512)
NON CASH ITEMS	
Depreciation Expenses	35,250
Depreciation Expenses - Right of Use Assets	56,167
TOTAL	**(95,094)**
CASH FLOW PROVIDED FROM OPERATING ACTIVITES	
Prepaid Expenses	(5,573)
Other Debit Balances	(103,880)
Direct Credit Facilities	(3,637,029)
Long Term Loan	2,175,605
Accrued Liabilities	60,073
Short Term Loan	1,458,745
Lease Contract Liability	233,199
Other Credit Balances	185,059
Due To Related Party	9,605
Income Tax & National Contribution Provision	418,291
NET CASH FLOW PROVIDED BY OPERATING ACTIVITIES	**699,000**
CASH FLOW FROM INVESTING ACTIVITES	
Acquisition of Property, Plant and Equipment	(243,474)
Acquisition of Right of Use Assets	(317,148)
NET CASH FLOW (USED IN) INVESTING ACTIVITIES	**(560,622)**
CASH FLOW FROM FINANCING ACTIVITIES	
Capital	5,000
Current Account	404,100
NET CASH FLOW (USED IN) FINANCING ACTIVITIES	**409,100**
NET INCREASE IN CASH AND CASH EQUIVALENTS	**547,478**
CASH AND CASH EQUIVALENTS - BEGINNING OF PERIOD	**-**
CASH AND CASH EQUIVALENTS - END OF PERIOD	**547,478**

The Accompanying Disclosures Constitute an Integral Part of These Financial Statements

1. LEGAL STATUS AND OBJECTIVES

Money For Finance was established and registered with the Jordanian Ministry of Industry and Trade under the registration number 58384 on 2 November 2020 as a Limited liability Company in accordance with the regulations of the Companies Law number 22 of the year 1997.

The objectives of the company inside the Kingdom of Jordan:

- Internet Marketing.
- Investing the company's money in the manner it deems appropriate within the applicable laws.
- Owning trademarks and patents.
- Opening administrative offices to achieve the goals of the company.
- Mortgaging the company's movable and immovable funds to any party as a security for its debts and obligations, or as a security for the debts and obligations of third parties, to the extent that they amounted to.
- Opening, operating, and managing branches of the company inside and outside the Hashemite Kingdom of Jordan.
- Concluding contracts and agreements with others to serve the objectives of the company.
- Website management (except for stock exchange).
- Owning and leasing movable and immovable property, warehouses, offices, workshops, and laboratories, and other than in the implementation of the company's objectives.
- Financing projects other than microfinance.
- Borrowing the necessary funds to carry out its business and/or to implement its objectives and obtaining these funds or any other financial facilities from any party, whether was it inside or outside Jordan.
- Borrowing the funds necessary for the company's business to achieve its goals, programs, and projects in the manner it deems appropriate.
- Borrowing the necessary funds for it from banks to the extent of.
- Financing small and medium personal and consumer needs, except for microfinance.
- Financing and lending to companies and individuals, except for accepting deposits of all kinds and forms, except for practicing banking and microfinance.

2. NEW & AMENDED IFRS STANDARDS THAT ARE EFFECTIVE FOR THE CURRENT YEAR

Impact of the Initial Application of Covid-19-Related Rent Concessions Amendment to IFRS 16

In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of COVID-19 by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a COVID-19 related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification.

The practical expedient applies only to rent concessions occurring as a direct consequence of COVID-19 and only if all the following conditions are met:

- The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change.
- Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and

- There is no substantive change to other terms and conditions of the lease.

In the current financial year, the Company has not applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

NEW AND REVISED IFRS STANDARDS IN ISSUE BUT NOT YET EFFECTIVE

At the date 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. Management do not expect that the adoption of these Standards, where relevant, will have a material impact on the financial statements of the Company in future periods.

The following amendments to existing standards have been issued and are applicable to the Company for its annual periods beginning on 1 January 2022 and thereafter, with an earlier application permitted:

Amendments to IFRS 3, Business Combinations, refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists because of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. Finally, the amendments add an explicit statement that an acquirer does not recognize contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if an entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

Amendments to IAS 16, Property, Plant and Equipment, prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognizes such sales proceeds and related costs in profit or loss.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments.

The entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IAS 37 specify that the "cost of fulfilling" a contract comprises the "costs that relate directly to the contract" in assessing whether a contract is onerous. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments.

Comparatives are not restated. Instead, the entity shall recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IFRS 1, First-time Adoption of International Financial Reporting Standards, extend the relief, to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D 16(a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D 16(a).

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IFRS 9, Financial Instruments, clarifies that in applying the '10 per cent' test to assess whether to derecognize a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

The amendment is applied prospectively to modifications and exchanges that occur on or after the date the entity first applies the amendment.

The amendment is effective for annual periods beginning on or after 1 January 2022, with early application permitted.

Amendments to IFRS 16, Leases ("IFRS 16"), remove the illustration of the reimbursement of leasehold improvements included in the Illustrative Example 13 of IFRS 16 since it does not explain clearly enough the conclusion as to whether the reimbursement would meet the definition of a lease incentive in IFRS 16.

The following amendments to existing standards have been issued for annual periods beginning on 1 January 2023 and thereafter, with an earlier application permitted:

IFRS 17 Insurance Contracts

IFRS 17 establishes the principles for the recognition, measurement, presentation, and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts.

IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It considers market interest rates, and the impact of policyholders' options and guarantees

In June 2020, the IASB issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after 1 January 2023. At the same time, the IASB issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after 1 January 2023.

IFRS 17 must be applied retrospectively unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

To the purpose of the transition requirements, the date of initial application is the start if the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

Amendments to IAS 1, Presentation of Financial Statements ("IAS 1"), affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

Amendments to IAS 1 change the requirements in IAS 1 with regard to disclosure of accounting policies. Applying the amendments, an entity discloses its material accounting policies instead of its significant accounting policies. Further amendments to IAS 1 are made to explain how an entity can identify a material accounting policy.

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

Amendments to IAS 8, Accounting Policies, Changes in Accounting Estimates and Errors, replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates.' The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

Amendments to IAS 12, Income Taxes, specify how entities should account for deferred income taxes on transactions such as leases and decommissioning obligations. In specified circumstances, entities are exempt from recognizing deferred income taxes when they recognize assets or liabilities for the first time. The amendments clarify that the exemption does not apply to transactions such as leases and decommissioning obligations and those entities are required to recognize deferred income taxes on such transactions.

The Company is currently evaluating the impacts of adopting these amendments on its financial statements.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted in the preparation of the financial statements are set out below:

3.1 Basis of Preparation of the Financial Statements

The Company's financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") issued and effective for the year ended 31 December 2021 and are presented in Jordanian Dinars. All values in the tables included in these notes are rounded to the nearest Dinar. The accounting policies set out below were consistently applied to all periods presented.

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

The Company's financial statements have been prepared on the historical cost basis, except for certain financial instruments, which are measured at fair value. Historical cost generally represents the fair value of consideration given in exchange for assets upon initial recognition. 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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company considers the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

3.2 Use of Estimates

The preparation of financial statements in conformity with the International Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. Although these estimates are based on management best knowledge, the actual results may differ from those estimates.

3.3 Foreign Currency Translation

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the end of the reporting period. The exchange gains and losses, including foreign currency revaluation gains and losses are included in the statement of comprehensive income.

3.4 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and time, call and current balances with banks and similar institutions, which are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value and have a maturity of three months or less from the date of acquisition.

3.5 Financial Instruments

Recognition and derecognition

Financial assets and financial liabilities are recognized when the company becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and substantially all the risks and rewards are transferred. A financial liability is derecognized when it is extinguished, discharged, cancelled, or expires.

Classification and initial measurement of financial assets

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs, where applicable. Financial assets, other than those designated and effective as hedging instruments, are classified into one of the following categories:

- amortized cost
- fair value through profit or loss (FVTPL), or
- fair value through other comprehensive income (FVOCI)

The classification is determined by both:

- the company's business model for managing the financial asset, and
- the contractual cash flow characteristics of the financial asset.

All revenue and expenses relating to financial assets that are recognized in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

Subsequent measurement of financial assets

Financial assets at amortized cost

Financial assets are measured at amortized cost if the assets meet the following conditions, and are not designated as FVTPL:

- they are held within a business model whose objective is to hold the financial assets and collect its contractual cash flows, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

After initial recognition, these are measured at amortized cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Financial assets at fair value through profit or loss (FVTPL)

Financial assets held within a different business model other than 'hold to collect' or 'hold to collect and sell' are categorized at FVTPL. Further, irrespective of the business model used, financial assets whose contractual cash flows are not solely payments of principal and interest are accounted for at FVTPL. All derivative financial instruments fall into this category, except for those designated and effective as hedging instruments, for which the hedge accounting requirements apply (see below). The category also contains an equity investment. The fair value is determined in line with the requirements of IFRS 13 'Fair Value Measurement'.

Assets in this category are measured at fair value with gains or losses recognized in profit or loss. The fair values of financial assets in this category are determined by reference to active market transactions or using a valuation technique where no active market exists.

Financial assets at fair value through other comprehensive income (FVOCI)

The Group accounts for financial assets at FVOCI if the assets meet the following conditions:

- they are held under a business model whose objective it is "hold to collect" the associated cash flows and sell, and
- the contractual terms of the financial assets give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Any gains or losses recognized in OCI will be recycled upon derecognition of the asset.

Impairment of financial assets

IFRS 9's impairment requirements use forward-looking information to recognize expected credit losses the 'expected credit loss (ECL) model'. Instruments within the scope of the requirements included loans and other debt-type financial assets measured at amortized cost and FVOCI, trade receivables, contract assets recognized and measured under IFRS 15 and loan commitments and some financial guarantee contracts (for the issuer) that are not measured at fair value through profit or loss.

The Company considers a broader range of information when assessing credit risk and measuring expected credit losses, including past events, current conditions, reasonable and supportable forecasts that affect the expected collectability of the future cash flows of the instrument. In applying this forward-looking approach, a distinction is made between:

- financial instruments that have not deteriorated significantly in credit quality since initial recognition or that have low credit risk ('Stage 1') and
- financial instruments that have deteriorated significantly in credit quality since initial recognition and whose credit risk is not low ('Stage 2').

'Stage 3' would cover financial assets that have objective evidence of impairment at the reporting date.

'12-month expected credit losses' are recognized for the first category (ie Stage 1) while 'lifetime expected credit losses' are recognized for the second category (ie Stage 2).

Measurement of the expected credit losses is determined by a probability-weighted estimate of credit losses over the expected life of the financial instrument.

Classification and measurement of financial liabilities

Financial liabilities are initially measured at fair value, and, where applicable, adjusted for transaction costs unless the Company designated a financial liability at FVTPL.

Subsequently, financial liabilities are measured at amortized cost using the effective interest method except for derivatives and financial liabilities designated at FVTPL, which are carried subsequently at fair value with gains or losses recognized in profit or loss, other than derivative financial instruments that are designated and effective as hedging instruments.

All interest-related charges and, if applicable, changes in an instrument's fair value that are reported in profit or loss are included within finance costs or finance income.

3.6 Leases

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

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Company recognizes right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease obligations recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Company is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognized right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life or the lease term. Right-of-use assets are subject to impairment.

Lease liabilities

At the commencement date of the lease, the Company recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

The variable lease payments that do not depend on an index or a rate are recognized as expense in the period on which the event or condition that triggers the payment occurs.

Short term and low value assets leases

The Company defines short-term leases that have a term of less than 12 months or that all lease payments have low value. For these contracts the Company makes recognizes the lease payments as an operating expense on a straight-line basis over the period of the lease unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are utilized.

3.7 Property, Plant and Equipment

Property plant, and equipment are initially recorded at cost of purchase. Major items and betterments are capitalized; minor items and repairs are expensed as incurred. Depreciation is computed under the straight-line method over the estimated useful lives of the assets. The depreciation rate is:

Furniture	20%
Equipment	20%
Computers	35%
Fixture and installations	20 - 50%

On disposal of the property, plant and equipment, the cost and accumulated depreciation of the disposed assets at the date of disposal are reversed in the accounting records, and the resulting gain or loss is charged to the year's comprehensive income statement.

If the disposal value is lower than the asset's net book value, an adjustment is made to lower the net book value to the actual disposal value, and the adjustment result is charged to the year's comprehensive income statement.

3.8 Taxes

Income taxes recognized in net income comprise the sum of deferred income tax and current income tax not recognized in other comprehensive income or directly in equity.

Current income tax assets and / or liabilities comprise amounts receivable from or payable to tax authorities relating to the current or prior reporting periods, which are uncollected or unpaid at the reporting date. Current tax is payable on taxable income, which differs from net income in the financial statements. Calculation of current tax is based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income taxes are calculated using the liability method on temporary differences between the carrying amounts of assets and liabilities and their tax bases. Deferred income tax on temporary differences associated with shares in subsidiaries, joint arrangements and associates is not provided for if reversal of these temporary differences can be controlled by the Company and it is probable that reversal will not occur in the foreseeable future.

Deferred income tax assets and liabilities are calculated, without discounting, at tax rates that are expected to apply to their respective period of realization, provided they are enacted or substantively enacted by the end of the reporting period.

Deferred income tax assets are recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable income will be available against which they can be utilized. For management's assessment of the probability of future taxable income to utilize against deferred income tax assets.

Deferred income tax assets and liabilities are offset only when the Company has a right and intention to offset current tax assets and liabilities from the same taxation authority.

Changes in deferred income tax assets or liabilities are recognized as a component of income taxes in net income, except where they relate to items that are recognized in other comprehensive income or directly in equity, in which case the related deferred income tax is recognized in other comprehensive income or equity, respectively

Current and deferred income tax assets and liabilities are offset when the income taxes are levied by the same taxation authority and when there is a legally enforceable right to offset them.

3.9 Provisions, Contingent Assets & Contingent Liabilities

Provisions are recognized when the company has a present legal or constructive obligation because of a past event, and it is probable that an outflow of economic resources will be required from the company and amounts can be estimated reliably. The timing or amount of the outflow may still be uncertain.
Provisions are measured at the estimated expenditure required to settle the present obligation, based on the most reliable evidence available at the reporting date, including the risks and uncertainties associated with the present obligation. Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. Provisions are discounted to their present values, where the time value of money is material.

3.10 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is not recognised until the significant risks and rewards of ownership of the services have passed to the buyer and the amount of revenue can be measured reliably.