

AL-DAMAN FOR INVESTMENTS COMPANY

PUBLIC SHAREHOLDING COMPANY

UNAUDITED INTERIM CONDENSED FINANCIAL STATEMENTS

30 SEPTEMBER 2020



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**Report on Review of Interim Condensed Financial Statements
To the Board of Directors of
Al-Daman for Investments Company- Public Shareholding Company
Amman - Jordan**

Introduction

We have reviewed the accompanying interim condensed financial statements of Al-Daman for Investments Company - Public Shareholding Company (the “Company”) as at 30 September 2020, comprising of the interim condensed statement of financial position as at 30 September 2020 and the related interim condensed statements of income, comprehensive income, changes in equity and cash flows for the nine months period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 (“Interim Financial Reporting”). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
26 October 2020

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF FINANCIAL POSITION
AT 30 SEPTEMBER 2020

	Notes	30 September 2020 JD (Unaudited)	31 December 2019 JD (Audited)
<u>ASSETS</u>			
NON-CURRENT ASSETS -			
Property and equipment		28,482	30,222
Investments properties		2,110,346	2,153,923
Right of use asset	6	1,344,862	1,428,984
Projects in progress		31,316	32,144
Investments in an associate	4	5,134,262	5,393,961
Financial assets at fair value through other comprehensive income		187,175	223,414
		8,836,443	9,262,648
CURRENT ASSETS -			
Checks under collection, net		17,222	54,840
Accounts receivable, net		142,454	74,721
Other current assets		136,936	168,065
Cash and bank balances	5	2,817,834	2,739,230
		3,114,446	3,036,856
TOTAL ASSETS		11,950,889	12,299,504
<u>EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' EQUITY -			
Share capital	7	10,000,000	10,000,000
Statutory reserve	7	376,448	376,448
Voluntary reserve		64,164	64,164
Fair value reserve		(82,061)	(45,822)
Company's share of fair value reserve of an associate		(193,318)	(165,708)
Retained earnings		140,128	414,835
NET EQUITY		10,305,361	10,643,917
LIABILITIES-			
NON - CURRENT LIABILITIES -			
Lease liabilities	6	1,396,667	1,428,271
CURRENT LIABILITIES -			
Other current liabilities		186,490	158,240
Lease liabilities	6	62,371	69,076
		248,861	227,316
TOTAL LIABILITIES		1,645,528	1,655,587
TOTAL EQUITY AND LIABILITIES		11,950,889	12,299,504

The attached notes from 1 to 13 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020 (UNAUDITED)

	Notes	For the three months ended 30 September		For the nine months ended 30 September	
		2020	2019	2020	2019
		JD	JD	JD	JD
Operating revenues		127,263	123,338	348,157	362,489
Operating expenses		(66,373)	(67,925)	(208,612)	(200,699)
Operating profit		60,890	55,413	139,545	161,790
Interest income		37,324	38,656	111,089	111,115
Dividends income		4,745	-	4,745	12,805
Administrative expenses - Amman		(12,381)	(12,552)	(49,113)	(48,950)
Administrative expenses – Aqaba		(23,838)	(22,853)	(70,196)	(67,460)
Finance cost – lease liabilities		(35,901)	(36,293)	(107,706)	(108,882)
Provision for expected credit losses		(20,577)	8,843	(86,171)	(14,070)
Share of profit of an associate	4	(97,726)	21,675	(232,089)	91,336
Other income		15,189	-	15,189	-
(Loss) Profit for the period		(72,275)	52,889	(274,707)	137,684
		<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share from the (Loss) profit of the period	9	<u>(0/007)</u>	<u>0/005</u>	<u>(0/027)</u>	<u>0/014</u>

The attached notes from 1 to 13 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS AND NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020 (UNAUDITED)

	For the three months		For the nine months	
	ended 30 September		ended 30	
	2020	2019	2020	2019
	JD	JD	JD	JD
(LOSS) PROFIT FOR THE PERIOD	(72,275)	52,889	(274,707)	137,684
OTHER COMPREHENSIVE INCOME NOT TO BE RECLASSIFIED TO PROFIT OR LOSS IN SUBSEQUENT PERIODS				
Changes in fair value	(5,810)	(11,623)	(36,239)	111
Company's share of net change in fair value reserve of an associate	8,192	1,766	(27,610)	2,738
	<u>2,382</u>	<u>(9,857)</u>	<u>(63,849)</u>	<u>2,849</u>
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	<u>(69,893)</u>	<u>43,032</u>	<u>(338,556)</u>	<u>140,533</u>

The attached notes from 1 to 13 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE NINE MONTHS PERIOD ENDED 30 SEPTEMBER 2020 (UNAUDITED)

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Company share of fair value reserve of an associate	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
2020 -							
Balance as at 1 January 2020	10,000,000	376,448	64,164	(45,822)	(165,708)	414,835	10,643,917
Loss for the period	-	-	-	-	-	(274,707)	(274,707)
Changes in fair value reserve	-	-	-	(36,239)	-	-	(36,239)
Company's share of net change in fair value reserve of an associate	-	-	-	-	(27,610)	-	(27,610)
Total Comprehensive Income for the period	-	-	-	(36,239)	(27,610)	(274,707)	(338,556)
Balance as at 30 September 2020	<u>10,000,000</u>	<u>376,448</u>	<u>64,164</u>	<u>(82,061)</u>	<u>(193,318)</u>	<u>140,128</u>	<u>10,305,361</u>
2019 -							
Balance as at 1 January 2019	10,000,000	362,735	64,164	(44,511)	(171,511)	491,417	10,702,294
Profit for the period	-	-	-	-	-	137,684	137,684
Changes in fair value reserve	-	-	-	111	-	-	111
Company's share of net change in fair value reserve of an associate	-	-	-	-	2,738	-	2,738
Total Comprehensive Income for the period	-	-	-	111	2,738	137,684	140,533
Dividends paid	-	-	-	-	-	(200,000)	(200,000)
Balance as at 30 September 2019	<u>10,000,000</u>	<u>362,735</u>	<u>64,164</u>	<u>(44,400)</u>	<u>(168,773)</u>	<u>429,101</u>	<u>10,642,827</u>

The attached notes from 1 to 13 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM CONDENSED STATEMENT OF CASH FLOWS
FOR THE NINE MONTHS PERIOD ENDED 30 September 2020 (Unaudited)

	Notes	For the nine months ended 30 September	
		2020	2019
		JD	JD
<u>OPERATING ACTIVITIES</u>			
(Loss) Profit for the period		(274,707)	137,684
Adjustments for:			
Depreciation		54,545	54,390
Depreciation of right of use asset	6	22,850	23,453
Provision for expected credit losses		86,171	14,070
Share of profit of an associate	4	232,089	(91,336)
Interest income		(111,089)	(111,115)
Dividends income		(4,745)	(12,805)
Finance cost – lease liabilities	6	107,706	108,882
Working capital changes:			
Accounts receivable		(153,904)	168,603
Other current assets		(15,618)	20,693
Checks and promissory notes under collection		37,618	(89,980)
Other current liabilities		28,250	20,859
Net cash flows from operating activities		9,166	243,398
<u>INVESTING ACTIVITIES</u>			
Deposits at banks with maturity of more than 3 months	5	548,812	(1,877,249)
Purchases of property and equipment and investments properties		(9,288)	(20,312)
Projects in progress		828	-
Dividends from an associate		-	208,205
Interest income received		157,836	141,454
Dividends received		4,745	12,805
Net cash flows from (used in) investing activities		702,993	(1,535,097)
<u>FINANCING ACTIVITIES</u>			
Dividends paid		-	(200,000)
Lease liability payments	6	(84,743)	(85,803)
Net cash flows used in financing activities		(84,743)	(285,803)
Net increase (decrease) in cash and cash equivalents		627,416	(1,577,502)
Cash and cash equivalents as at 1 January		93,064	1,763,399
CASH AND CASH EQUIVALENTS AS AT 30 SEPTEMBER	5	720,480	185,897

The attached notes from 1 to 13 form part of these interim condensed financial statements

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

(1) GENERAL

Al-Daman for Investments Company ("Company") was established and registered on 17th April 1993, as a Public Shareholding Company. The paid in capital is JD 10,000,000 divided into 10,000,000 share at par value of (JD 1) each.

The Company's objectives are to invest in projects, other companies, securities, and investing the Company's cash in real estate industry.

The interim condensed financial statements were authorized for issuance by the board of directors in their meeting held on 26 October 2020.

The Company's interim condensed financial statements are consolidated in the consolidated financial statement of (the Social Security Corporation) which owns 61.3% of the Company's share capital.

(2-1) BASIS OF PREPARATION FINANCIAL STATEMENTS

The interim condensed financial statements prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim condensed financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through other comprehensive income, which have been measured at fair value as of the date of the financial statements.

The interim condensed financial statements do not contain all information and disclosures required for the financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the annual financial statements as of 31 December 2019. In addition, the result of the nine months period ended 30 September 2020 are not necessarily indicative of the result that may be expected for the financial year ending 31 December 2020.

(2-2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies used in the preparation of the interim condensed financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 except for the adoption of new standards effective as of 1 January 2020 shown below:

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Company will not be affected by these amendments on the date of transition.

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR"). The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB's project.

These amendments do not have any impact on the Company's interim condensed financial statements.

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

(3) USE OF ESTIMATES

The preparation of the interim condensed financial statements and appliance of accounting policies requires the company's management to use estimation and professional judgement that affects the amounts of assets and liabilities and the disclosure of contingent liabilities. These estimates and judgements also affect revenues, expenses, and provisions. They especially require from the management to make important estimates and provisions that affect future cash flow and their timing that are a result of the situation and circumstances of those estimates in the future. Those estimates are based on multiple theories and factors that have multiple degrees of estimation and uncertainty. Therefore the actual results might differ from the estimates as a result in the change in future conditions and circumstances for those provisions.

(4) INVESTMENT IN AN ASSOCIATE

This item represents the Company's share in Al-Sharq for projects investments PLC. – Movenpick Amman of approximately 26.03% (31 December 2019: 26.03%), the Company owns 4,164,153 shares as of 30 September 2020 and 31 December 2019 from the capital of Al-Sharq for investment projects PLC with a fair value of JD 10,493,665 as of 30 September 2020 (31 December 2019: JD 10,372,099).

Movement on investment in an associate were as follow:

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	5,393,961	5,511,942
Share of profit of an associate	(232,089)	84,421
Share of the change in fair value reserve of financial assets of an associate	(27,610)	5,803
Dividends received	-	(208,205)
Balance at the end of the period / year	<u>5,134,262</u>	<u>5,393,961</u>

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

The following schedules summarizes the financial information for the Company's investment in Alsharq Company for projects investments:

	30 September 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Current assets	1,647,820	1,735,837
Non-Current assets	18,955,035	19,968,469
Current Liabilities	(809,662)	(1,116,432)
Non-current liabilities	(440,200)	(237,035)
Shareholders Equity	19,352,993	20,350,839
Adjustments	374,474	374,474
Shareholders' Equity	19,727,467	20,725,313
Percentage of ownership	26,03%	26,03%
Net investment	5,134,262	5,393,961

	30 September 2020	30 September 2019
	JD (Unaudited)	JD (Unaudited)
Operating revenues	1,840,641	4,108,657
Operating expenses	(795,946)	(1,437,629)
Administrative, maintenance, marketing and depreciation expenses	(1,947,600)	(2,322,701)
Other revenues	11,147	85,973
(Loss) profit for the period before tax	(891,758)	434,300
Income tax expense	-	(79,390)
National contribution to pay public debt	-	(3,969)
(Loss) profit for the period	(891,758)	350,941
Company's share of (loss) profit for the period	(232,089)	91,336

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NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

(5) CASH AND BANK BALANCES

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	650	-
Cash at banks	34,397	93,064
Deposits maturing within a period of less than 3 months*	685,433	-
	<u>720,480</u>	<u>93,064</u>
Deposits maturing within a period of more than 3 months*	2,097,354	2,646,166
	<u>2,817,834</u>	<u>2,739,230</u>

* During 2020, deposits at banks earned interest at a rate between 4.25% and 5.5% (31 December 2019: 5.25% and 6.25%).

(6) LEASE LIABILITIES

Set out below, are the carrying amounts of the Company's right-of-use assets and lease liabilities and the movements during the period ended 30 September 2020 (Unaudited):

	Right of use assets - Lands	Lease Liabilities*
	JD	JD
At 1 January 2020	1,428,984	1,497,347
Adjustments	(61,272)	(61,272)
Depreciation	(22,850)	-
Finance costs	-	107,706
Payments	-	(84,743)
At 30 September 2020	<u>1,344,862</u>	<u>1,459,038</u>

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
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30 SEPTEMBER 2020 (Unaudited)

* Lease liabilities details as at 30 September 2020 are as follows:

30 September 2020			31 December 2019		
(Unaudited)			(Audited)		
<u>Short term</u>	<u>Long term</u>	<u>Total</u>	<u>Short term</u>	<u>Long term</u>	<u>Total</u>
JD	JD	JD	JD	JD	JD
<u>62,371</u>	<u>1,396,667</u>	<u>1,459,038</u>	<u>69,076</u>	<u>1,428,271</u>	<u>1,497,347</u>

(7) SHAREHOLDERS EQUITY

Share capital

The paid in capital is JD 10,000,000 divided into 10,000,000 share at par value of (JD 1) each. Below is a summarized list of the partners and their percentage of the paid in capital:

	<u>%</u>
Social security corporation	61.3
Arab Bank	10
Housing bank for trade and finance	10
Cairo Amman bank	10
Etihad Bank	5
Other Partners	3.7

Legal reserves

The Company did not deduct legal reserves in accordance with the effective laws and instructions as these financial statements are interim financial statements.

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

(8) INCOME TAX

The reconciliation of accounting profit and tax profit is as the following:

	30 September 2020	31 December 2019
	JD (Unaudited)	JD (Audited)
Accounting (Loss) Profit	(274,707)	137,131
Add: Non-taxable expenses	375,223	130,294
Less: Non-taxable revenue	(3,559)	(97,226)
Adjusted profit	96,957	170,199
Less: Prior year losses	(96,957)	(170,199)
Taxable loss	-	-
Income Tax	-	-
Legal income tax rate	5 - 20%	5 - 20%

No provision for income tax was calculated for the periods ended 30 September 2020 and 2019 due to the taxable accumulated losses from prior years in accordance with the Income Tax Law No. (38) of 2018.

The Company reached a final settlement with the Income and Sales Tax Department for its operations in Amman for the years up to 2018. The Company filed its tax returns for the year 2019 which have not been reviewed by the Income and Sales Tax Department until the date of these interim condensed financial statements.

The Company reached a settlement with the income and sales tax department for its operations in Aqaba for the years up to 2016.

The Company filed its tax returns for its operations in Aqaba for the years 2017, 2018, and 2019 which have not been reviewed by the income and sales tax department until the date of these interim condensed financial statements.

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

(9) BASIC AND DILUTED EARNINGS PER SHARE

	For the three months ended 30 September		For the nine months ended 30 September	
	2020 (Unaudited)	2019 (Unaudited)	2020 (Unaudited)	2019 (Unaudited)
(Loss) profit for the year (JD)	(72,275)	52,889	(274,707)	137,684
Weighted average number of shares (Share)	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>
	<u>JD/ Fils</u>	<u>JD/ Fils</u>	<u>JD/ Fils</u>	<u>JD/ Fils</u>
Basic (loss) earnings per share (JD)	<u>(0/007)</u>	<u>0/005</u>	<u>(0/027)</u>	<u>0/014</u>

The diluted (loss) earnings per share equals the basic earnings per share.

(10) SEGMENT INFORMATION

The Business segment represents a group of assets and operations that work together to provide products or services that are subjected to risk and returns that differ from that related to other business segments.

The geographical segment is linked to providing products or services in a specific economical environment subjected to risks and returns that differ from those related to business in economical environment.

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
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30 SEPTEMBER 2020 (Unaudited)

The Company's activities consists of one economical segment which represents revenues and expenses on the Aqaba project in addition to Amman office expenses, and the Board of Directors. There are no other segments, also the company is not involved in any other trade activity, and the following is a summary of operations:

	Amman	Private economic zone / Aqaba	Total
	JD	JD	JD
30 September 2020 (unaudited):			
Operating revenues	-	348,157	348,157
Operating expenses	-	(208,612)	(208,612)
Share of profit of an associate	(232,089)	-	(232,089)
Interest income	-	111,089	111,089
Administrative expenses	(49,113)	(70,196)	(119,309)
Finance cost lease contract	(818)	(106,888)	(107,706)
Provision for expected credit losses	-	(86,171)	(86,171)
Dividends income	4,745	-	4,745
Other income	101	15,088	15,189
(LOSS) PROFIT FOR THE PERIOD	(277,174)	2,467	(274,707)
		2019	
	Amman	Private economic zone / Aqaba	Total
	JD	JD	JD
30 September 2019 (unaudited):			
Operating revenues	-	362,489	362,489
Operating expenses	-	(200,699)	(200,699)
Share of profit of an associate	91,336	-	91,336
Interest income	-	111,115	111,115
Administrative expenses	(48,950)	(67,460)	(116,410)
Finance cost	(1,562)	(107,320)	(108,882)
Dividends income	12,805	-	12,805
Provision for expected credit losses	-	(14,070)	(14,070)
PROFIT FOR THE PERIOD	53,629	84,055	137,684

AL-DAMAN FOR INVESTMENTS COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
30 SEPTEMBER 2020 (Unaudited)

(11) RELATED PARTY TRANSACTIONS

Related parties represent major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties.

The following is the balances and transactions with related parties in the interim statement of financial position and interim statement of income:

	30 September 2020	31 December 2019
	JD	JD
	(Unaudited)	(Audited)
Interim Statement of Financial Position items:		
<u>Bank Deposits</u>		
Bank Al-Etihad *	-	2,646,166
	30 September 2020	30 September 2019
	JD	JD
	(Unaudited)	(Audited)
Interim Statement of Income items:		
Bank interest revenue**	41,854	111,115
Social Security contribution – company’s share	9,634	11,315
Salaries and wages of executives	21,294	17,654
Board of directors transportation allowance	40,500	40,500
Travel and transportation expenses	2,595	3,766
Board of directors remuneration	10,500	7,800

* Member in the Board of Directors.

** Bank interest revenue represents revenues on bank deposits at banks who are member Board of Directors.

(12) FAIR VALUE

FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, financial assets at fair value through other comprehensive income, and some other current assets. Financial liabilities consist of lease liability and some other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

FAIR VALUE MEASUREMENT

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques that use inputs that have a significant effect on the recorded fair value that are not based on observable market data.

The Company owns financial assets at fair value through other comprehensive income as at the date of these interim condensed financial statements and used the level 1 measurement using market prices in active markets measured at a value of JD 187,176 as at 30 September 2020 (2019: JD 223,414 as at 31 December 2019).

The Company discloses the fair value of its investment properties based on valuations from accredited independent specialists. The Company used level 3 to measure investments properties fair value which amounted to JD 2,370,538.

(13) RISK MANAGEMENT

The World Health Organization made an assessment during March 2020 that the outbreak of the coronavirus (COVID-19) can be characterized as a pandemic. This coronavirus outbreak has impacted the global economy and global markets. This had a significant impact on the tourism sector in which the associate company operates as a result of the restriction on travel procedures in addition to the quarantine of travelers, the cancellation of conferences and the decrease in travellers' reservations in order to combat the spread of the Corona virus.

The size and duration of developments of these events, as well as their impact on the financial position of the Company, its financial performance and its cash flows are still uncertain as future developments cannot be accurately predicted at this stage and a reliable estimate cannot be made of their impact as of the date of these financial statements. Management is in the process of completing an assessment of the impact of these events on the Company's activities to take the necessary actions in accordance with the information available up to the date of these interim condensed financial statements. This evaluation includes the analysis of the risks to which the Company is exposed to as follows:

Credit risk

Credit risk is the risk that debtors and other parties will fail to meet their obligations towards the Company. The Company has recorded an expected credit losses provision with an amount of JD 86,171 for the period ended 30 September 2020. The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and constantly monitoring outstanding receivables and believes that the provision for expected credit losses against those outstanding receivables is sufficient.

Interest rate risk

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities such as bank deposits. The management believes that the effect of changes in interest rates as a result of the current events do not have any material impact on the Company's interim condensed financial statements.

Equity price risk

Equity price risk arises from changes in the fair value of equity investments. Equity investments in the interim condensed financial statements are mainly listed in Amman Stock Exchange at a value of JD 187,175 as at 30 September 2020. The management believes that the effect of the risks of changes in share prices as a result of the current events is not material to the interim condensed financial statements.

Liquidity risk

The Company believes that it is not exposed to liquidity risk as a result of current events, as it has not affected the objectives, policies and procedures related to capital structure and can fulfil its financial obligations when they fall due.

Currency risk

Most of the Company's transactions are in Jordanian Dinar. The Jordanian Dinar exchange rate is fixed against U.S. Dollar (USD 1.41 for each one JD). Accordingly, the Company is not exposed to significant currency risk as a result of changes in currency rates due to the current events on the Company's interim condensed financial statements.