



Accountants &
business advisers

Newsletter

Building value for growing businesses

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Union Integrated Tourism Company, a member of Union Group, have had the privilege of working together with your esteemed firm in UITC Hotel & Resort – Dead Sea Project – accordingly; UITC would like to express its sincere appreciation and thanks to PKF ProGroup Consultants, Amman for their efforts in conducting such a professional Feasibility Study regarding the impending Hotel Project to be established on the Eastern beach of the Dead Sea.

We look forward to cooperating with PKF ProGroup in rendering more professional services and sound advice.

*Bashar Kakish
General Manager
Union Integrated Tourism*

Thanks for all PKF team efforts headed by Mr. Khat-tab for the understanding, commitment and quick response. And sure I will not miss mentioning the great efforts of Dr. Shihabi who's showed big commitment and professionalism during the project.

*Fouad Tallaq
General Manager
Jordan Light Vehicles
Manufacture "JLVM"*



PKF PROGROUP SIGNS A CONTRACT WITH THE "AQABA PORTS CORPORATION"

PKF ProGroup *has won a Governmental Tender among 15 of the leading Consulting Firms in Jordan*, for the purpose of rendering Management & Legal Consultancy Services for The Aqaba Ports Corporation aiming at developing the Human Resources Systems and Financial Systems that support the transformation of the Corporation into a Private Shareholding Company wholly owned by the Government of Jordan in order to raise the capacity and develop the port, continue to develop the working manpower and the port facilities through modernizing equipment and machinery, infra and supra structure to keep Aqaba port distinguished locally, regionally and internationally. PKF ProGroup shall provide the required technical assistance to strengthen institutional capacity of the new Company, support its restructuring process, and to provide support in the **privatization** of various elements of the Corporation.

Aqaba port is Jordan's sole, marine outlet which plays a major role in the national economy, (78%) of Jordan's Exports and (65%) of Jordan's Imports are handled through Aqaba port. Each ton handled gives (27) US Dollars to Jordan's economy divided between the customs, shipping agents, clearance and transport companies in addition to the port.



PKF PROGROUP IMPLEMENTS A COMMUNITY EMPOWERING PROGRAM IN COOPERATION WITH JORDAN RIVER FOUNDATION

As PKF ProGroup always seeks to render community related services and be part of the *Social Responsibility*; PKF ProGroup is currently in the process of implementing the program of supporting and empowering the Agriculture Associations in the area of Wadi Araba, that runs between the Dead Sea and the Gulf of Aqaba, in cooperation with Jordan River Foundation and Business development Centre (BDC) funded by USAID.

PKF ProGroup services will include assessment for the currently existing associations and projects from all aspects; proceeded with developing comprehensive Feasibility Studies for other agricultural projects that would serve the agricultural sector and that comply with the nature of the Wadi Araba area. Our services will also include conducting a survey for assessing the level of unemployment in Wadi Araba and suggest the means and recommendations for eliminating the employment percentage in this area. Such projects, recommendations and survey results will empower the community of Wadi Araba, and will provide revenue sources for its families and employment opportunities for the unemployed.



الأخ العزيز محمد الخطاب المحترم / الأخ العزيز أسامة الخالدي المحترم

تحية طيبة وبعد،



بالإشارة إلى قيامنا بتنفيذ المسح الميداني لمنطقة وادي عربة خلال الأسابيع الماضية أود أن أتقدم منكم بجزيل الشكر و التقدير لشخصكم الكريم و لباقي أعضاء فريق المجموعة المهنية كل باسمه على الجهود الجبارة التي بذلتموها و خلال فترة قياسية و ضمن منهجية عمل منظمة و على جميع ما بذلتموه من تعاون و تفهم لواقع المنطقة و خصوصيتها و تعاملكم المهني العالي و تحملك الظروف الجوية الصعبة خلال فترة التنفيذ.

آملين لكم المزيد من التقدم و النجاح و استمرارية شراكتنا التي نفتخر دائما بها، كل التحية و التقدير.

محمد الخطيب

مدير المشاريع



PKF PROGROUP IN CONSORTIUM WITH LUFTHANSA CONSULTING SUPPORTS THE PRIVATIZATION OF THE CIVIL AVIATION REGULATORY COMMISSION

The Hashemite Kingdom of Jordan has entered into an agreement with Lufthansa Consulting GmbH to provide the Civil Aviation Regulatory Commission (CARC) with technical assistance to strengthen its institutional capacity, support its restructuring process, give assistance to regulate effectively the civil aviation sector in Jordan and to provide support in the privatization of various elements of the CARC, such as the **Jordan Airports Company**, JAC and the Air Traffic Management and Air Navigation Services Company, JATMAN. Lufthansa Consulting has assigned PKF ProGroup to undertake the mission of rendering full Management Consultancy Services aiming at developing a fully integrated Human Resources System, Financial System and a Corporate Governance System that support the transformation of the Commission into a Private Shareholding Company wholly owned by the Government.

The Jordan Airports Company was registered as a private shareholding company, wholly owned by the Government of Jordan on the 28th of December 2008. The identification by the Contracting Authority and the Ministry of Transport of additional, high priority requirements for complementary support from Lufthansa Consulting for the CARC in relation to the separation (from CARC) and the establishment of JAC as a key and timely assistance for pursuing the successful restructuring of the Civil Aviation sector in Jordan, resulted in providing for a mission of a local expert to render technical support to the JAC during the crucial phase of establishment and startup.



How Important Are Cash Policies and Procedures to Your Business?

Sloppy approaches to *Cash Management* can lead to temptation. Employees handling a significant amount of cash carry the greatest opportunity for fraud or abuse. Cash handling procedures are used to minimize cash handling risks. Multiple cash counts by different people make the basis of sound cash controls.

For example, the same person who handles the money should not be the one accounting for it. Cash funds should be counted often and by at least two people. Different people should handle cash, checks and deposits from those who record them in the books.

Cash handling procedures are one area auditors examine. Poor cash management policies and lack of control over cash handling will certainly make a poor impression, and possibly even impact an auditor's perception of your accounting practices. Good controls using cash policies and procedures that are clearly communicated and regularly audited internally indicate to external auditors that cash controls are working.

Cash Policy and Cash Procedures Set Organizational Tone

Not only do proper cash policies and useful cash procedures send a clear signal to auditors, it also creates the required operating environment for employees. Due diligence and transparency involving regular management activity (including creating and updating cash policy and procedures) sets a tone that professionalism is the standard. Mistakes that are quickly caught and corrected convey a clear message about the importance of proper cash management.

Understanding key elements of your business, setting the proper environment for employees, creating a positive impression for auditors; these are just some examples of how proper cash policies and procedures can help your business. If you don't feel you have the proper *Cash Management* controls in place, it is never too late to start. Begin by understanding your cash processes and identify what is important and what risks you face. Address them by creating cash procedures that incorporate data collection and review as well as the typical controls such as second person reconciliation.

WHAT IS A CORPORATE GOVERNANCE MANUAL??

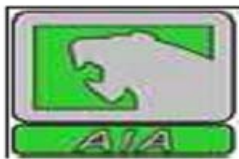
“Corporate Governance is the system by which companies are directed and controlled. Boards of directors are responsible for the governance of their companies. The shareholders' role in governance is to appoint the directors and the auditors and to satisfy themselves that an appropriate governance structure is in place. The responsibilities of the directors include setting the company's strategic aims, providing the leadership to put them into effect, supervising the management of the business and reporting to shareholders on their stewardship. The Board's actions are subject to laws, regulations and the shareholders in general meeting.”

The purpose of developing a **CORPORATE GOVERNANCE MANUAL** is to provide executives, directors, and shareholders of the Company with a comprehensive summary of the corporate governance framework and practices prevalent today, and a practical toolkit designed to help implement good governance in practice. It provides the Company Management with:

- Major components and practices that would ensure the basis for an effective corporate governance framework; i.e. Board of Directors, senior management, committees, risk management units, internal/external audit function, the rights of shareholders; the equitable treatment of shareholders; the role of stakeholders in corporate governance; disclosure and transparency; the responsibilities of the board, board meetings, remuneration and qualification/disqualification of appointment and other major control mechanisms for ensuring good corporate governance;
- An overview of the legislative and regulatory requirements related to corporate governance,
- Internationally recognized corporate governance principles;
- Practices for timely and accurate disclosure is made on all material matters regarding the Company, including the financial situation, performance, ownership, and governance of the company.

PKF ProGroup can assist you in developing full CORPORATE GOVERNANCE MANUAL as is a means to promote transparency , accountability, Fiduciary Responsibility; and Ethical Atmosphere

Corporate Governance Framework™



شركة الصناعات العربية (المختصرة و.م.ع)

Advanced Industries Of Arabia Co. L.L.C

التاريخ : 2009/2/25

الرقم : ح 2009/2/2 م.أ

السادة شركة خطاب وشركاه محاسبون قانونيون و مستشارون (PKF International)

ص.ب 928575 رمز بريدي 11190 عمان

فاكس رقم 5621473

تحية وبعد ،،،

الموضوع : كتاب شركة

نظرا" للجهود المتميزة ولما قام به موظفين شركتكم الموقرة لعمليات التدقيق لحسابات شركتنا ، وقد أتموا وأنجزوا مهمتهم بكل دقة وكفو وبذلوا وقت من أوقاتهم الشخصية لغايات أتمام وإنهاء المهمة في وقت قصير وفي الوقت المناسب.



PKF PROGROUP CONDUCTS A FULL MARKET STUDY IN AFYON– TURKEY

PKF ProGroup has recently signed an agreement with “**United Integrated Tourism Company (UITC)**” for the purpose of conducting a fully comprehensive Market Study in the areas of AFYON—Turkey. The required Market Study designed to assess, analyze and diagnose the **Tourism Sector in the Turkish Market in AFYON Area**, in order to assist UITC Management in determining the attractiveness of Afyon Market and understand its evolving investment opportunities, thus minimize business risks and threats. The Afyon Market Analysis to be conducted shall seek to identify and quantify the key features of the market by using a range of Market Research techniques.

The Study will also include estimation of the potential Market Share; development of the appropriate market-driven strategies required to maintain competitive advantages over competitors; and fleshing-out the scenario (s) that appear to have potential for further exploration.



PROGROUP EXPANDS IN THE QATARI MARKET

ProGroup Offices in QATAR has recently signed an agreement with his Excellency Shaikh Nasir Bin Abdullah Al Ahmed Al Thani, Chairman of “**Nasser Bin Abdallah and Sons Group (NAS)**” for the purpose of developing A FIVE-YEAR BUSINESS PLAN aiming at selling **PAGANI CARS, WEISMANN CARS AND GUMPert APOLLO CARS in the Qatari Market and the GCC Market.**

With modest financial capabilities and a rich vision, His Excellency the late Shaikh Nasir Bin Abdullah Al Ahmed Al Thani began his journey in 1962. In the hands of the entrepreneurial son of Qatar's ruling Al Thani family, US \$ 10,000 starting capital were sufficient resources to launch a story of hard work, growth, success, and novelty that is today the Nasser Bin Abdallah and Sons Group (NAS). With a keen sense of investment opportunity, and an objective understanding of business risk, son and heir of the group's founder H.E Shaikh Abdullah Bin Nasser carried the tradition of entrepreneurship and hard work, and developed a culture of excellence that has directed the growth of NAS Group over four and a half decades. In 2008, NAS group realized a turnover of \$ 80 million.





PKF ProGroup and DELPHI JORDAN as Affiliates



Delphi Jordan is a unique hub for consulting and training services in the Middle East. Delphi offers high quality educational, consulting and business research services for companies and individuals looking to excel in their careers. Some of Delphi Jordan team members' qualifications are: Ph.D., CMA, CSCP, PMP and a master black belt in 6-sigma.

Delphi was revered throughout the Greek world as the site of the omphalos stone, the centre of the earth and the universe. Delphi was the site of the Delphic oracle, most important oracle in the classical Greek world. The vision of Delphi Jordan is to become the source of business excellence in the Middle East.

PKF ProGroup in affiliation with DELPHI Jordan renders the following services:-

By Subject:-

Supply Chain Management and Operations Management

Production planning and control

Inventory Control

Demand Planning and Forecasting

Warehousing

Logistics Modeling and optimization

Helping firms to get into the CTPAT

Continuous Process Improvement

6-sigma: using simulation and advanced statistical techniques

LEAN engagements

Kaizen implementation

Quality and Compliances' certification

ISO 14000

OHSAS 18000

Quantitative marketing studies

Data mining models

By Scientific Venue:-

Simulation (modeling, optimization ...etc.)

Statistics

Operations Research

Data Mining



Financing Your Business by Private Placement

The one constant in the life of your small business will be the need for a cash infusion to jump start sales, expand into new markets, or continue to sustain growth. While there are a multitude of financing sources of funding available to small business owners, each source has its limitations and requirements. For instance, commercial bank loans are often intended for businesses that have been around and have shown a steady stream of profitability. Private placements are an attractive alternative for growing companies.

What is Required for Private Placements?

- A sound business plan
- A *private placement memorandum* (PPM) disclosing the full facts of the investment and business
- A law firm or lawyer experienced in private placement.

PKF ProGroup develops complete **Private Placement Memorandum** and follow several important rules, standards and fundamental principles to adhere to when creating a Private Placement Memorandum. A Private Placement Memorandum (PPM) is the document that discloses everything the investor needs to know to make an informed investment decision. The primary purpose of a PPM is to give the entrepreneur the opportunity to present all potential risks to the investor. The PPM protects the entrepreneur in the event that the investment goes down. PKF ProGroup also acts as the **Investment Agent** and works with its client to develop the best possible approach at handling and managing the Overall Investment Process and acts as intermediary with potential investors.

DEFLATIONARY FORCES ACCELERATE



Layoffs and reductions in hours worked have been accelerating in recent months and cover firms in virtually every sector of the U.S. economy. The same has been true in Canada, but to a much lesser degree as our jobless rate is below the U.S. This, in itself, is contractionary, but now it has taken on an even more troubling aspect. **For the first time since the Depression, workers have been willing to take pay cuts in the hopes of keeping their jobs.**

Real wages are falling in the U.S. as the jobless rate rises and increasing numbers of people are underemployed or have just given up seeking work. The quit rate has fallen to its lowest level since the series began—a mere 1.4% of the workforce voluntarily quit a job last month.

Wage freeze announcements are mounting as firms look for alternatives to layoffs in this troubled period.

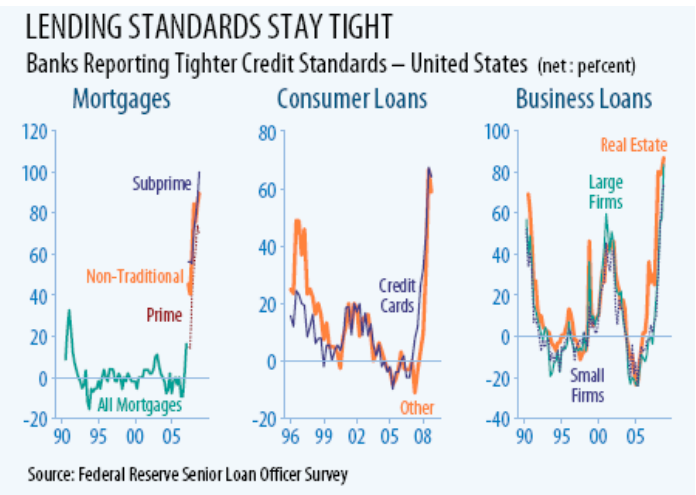
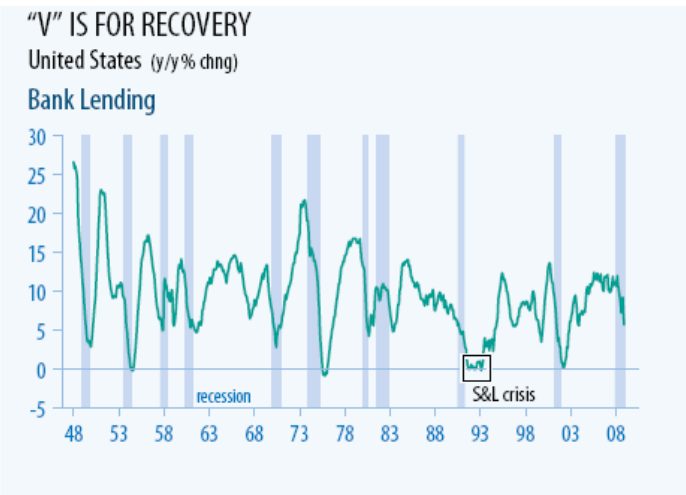
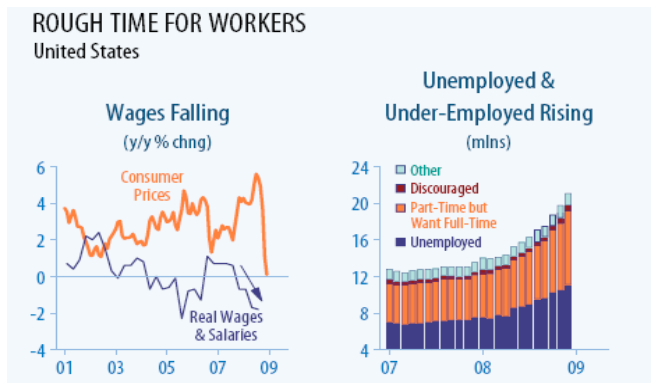
President Barack Obama ordered a pay freeze for White House employees earning over \$100,000 a year. The move on his first full day in office sent a message to a nervous country: We're in this together.

"During this period of economic emergency," Obama said, "families are tightening their belts, and so should Washington." While this might be comforting to some, it is exactly the opposite of what the fiscal stimulus package is intended to do—boost household disposable income. It gives employers free rein to do the same and opens the door to further spending reduction. Squeezed employers are turning to pay freezes, pay reductions and other cost-cutting options, such as ending their matchin-contributions to 401(k) accounts and cutting back benefits.

The most shocking development is that unions have become willing to agree to outright pay cuts, which shows just how weak the labour market is. Members of the International Brotherhood of Teamsters voted to accept a 10% cut in pay to help save U.S. shipping firm YRC Worldwide. "We are facing the worst economy in our lifetime, so we needed to act now to protect our members and their families," said Teamster general president James Hoffa in a statement. The UAW has and will continue to make concessions to save the automakers and airline unions have done the same. Now rank and file workers, along with management, are facing substantial cuts in hourly wages and salaries as well as reduced hours.

Michael Gregory, CFA, Senior Economist says:-

It's all about credit. Although amplified or muffled by monetary and fiscal policy actions, U.S. recessions are essentially caused and cured via the credit creation process. In the early stages, credit growth slows reflecting rising interest rates (higher cost of credit), more cautious spending by consumers and businesses (lower demand for credit) and the tightening of bank lending standards (less availability of credit). The degree of credit deceleration helps determine the depth and duration of a recession. Subsequently, credit growth picks up owing to lower interest rates, the unleashing of pent-up demand and the easing of lending standards. The typically rapid transition from decelerating to accelerating credit growth results in a v-shaped credit cycle, a critical characteristic that effectively fuels economic recovery.



PKF PROGROUP IS RECRUITING ADDITIONAL EMPLOYEES.....



PKF ProGroup is now in the process of undertaking *intensive Recruitments* in the Consulting and Auditing area in order to support the additional projects handled by the firm and the expansion occurred recently in the Region.

Under the current circumstances of the Financial Crisis and its impact leading to layoffs in organizations across the region; PKF ProGroup -on the contrary- is positively facing such crisis and stands solidly unaffected due to the proper planning and vision of its Management and Team.....

GOOD LUCK PKF PROGROUP FOR MORE PROSPERITY AND SUCCESS

SPECIAL THANKS TO IMC JORDAN



PKF ProGroup Management and Team would like to seize this opportunity to express special thanks and gratitude to IMC Management and Team for the valuable Tips and potential business opportunities and cooperation sent almost daily; the prompt assistance provided between its members; in addition to the enriched Training Courses delivered by IMC in different areas.

In this regard and through IMC; we have been able to expand in the Saudi market and we are currently in the process of signing an Affiliation Agreement with PrimaCUX Administrative Consultations; a Company duly organized and existing under the laws of the Kingdom of Saudi Arabia, with its head office at P.O. Box 69057 Riyadh 11547, Saudi Arabia.

PKF ProGroup and PrimaCUX shall cooperate in rendering Management Consultancy Services in the Saudi Market

Thanking you always **IMC**.....

ADDING VALUE TO PKF PROGROUP CONSULTANTS— TRAINING ON “BUSINESS VALUATIONS”


As we always seek to enhance our Consultants skills and knowledge and as part of our annual Training Plan, our colleague Ms. Farah Awad has attended a comprehensive course held by Pulsar financial Training center **PKC** titled "**ADVANCED FINANCIAL VALUATION MODELING**" by trainer called Mr. Alastair Day a reputed training consultant in Europe, Asia, Middle East, Africa and America.



The main objective of the course held at Le Royal Hotel, Amman (Jordan) was to enhance our consultants' knowledge and capabilities in undertaking the Business Valuation Analysis and Modeling in addition to generating advanced skills to build professional financial and business valuation models.

PKF ProGroup Business Valuation Reports are prepared in accordance with the *Uniform Standards of Professional Appraisal Practice (USPAP)* and the *Business Valuation Standard II*, full written Business Valuation Report of the American Society of Appraisers.





PKF ProGroup, member firm of PKF International, is a regional, multidisciplinary consulting firm with industry specific services. PKF ProGroup offers outstanding opportunities, by providing international standard based services, to dramatically position its clients as pioneers in a rapidly growing business environment. PKF ProGroup plays a major role in business advisory within diverse industries, including auditing, quality assurance and consulting services.

Areas of Experience include finance, taxation, marketing, quality assurance, human resource development, investment, legal, insurance, technology, information management and strategic planning. PKF ProGroup also initiates an added value component where integration, consistency and reliability are effectively enforced. PKF ProGroup high quality services help its clients identify their business needs, improve, excel, cope with business fluctuations and accomplish their anticipated goals.

PKF ProGroup team approach enables operating as integrated cells exposed from diverse industries. Words like creativity, innovation and flexibility generate great success within the firm's services and culture, where PKF ProGroup promise of quality, accuracy, speed, and value remain applicable in all deliverables. Relying on PKF ProGroup beliefs makes its caliber professional and experiencing PKF ProGroup services makes clients distinguishable.

PKF ProGroup services are designed to look after the best interest of our clients and protect their wealth. Our advisors thoroughly investigate the organization's business cycle to innovate the most rewarding solutions.

Since PKF ProGroup establishment in 1990 as a member Firm of PKF International Ltd., we have managed to assist all our clients solve their most demanding issues and overcome their major challenges. Our business experience is real, and so are the results we bring to our clients. We have helped them unlock values in areas such as Accounting, Corporate Finance, Human Resources Management, Impact Assessment Studies, Marketing, Financial Management, and Technology. Our experience, expertise, methodology, commitment and partnership approach grant our clients an improved business performance. We provide real solutions to real challenges resulting in customized advice and solutions provided to the various clients within their business specialties.