

الرقم : 2017/ QH / 78

التاريخ: 2017/05/15

السادة/ بورصة عمان (سوق عمان المالي) المحترمين
دائرة الإفصاح

تحية طيبة وبعد،

الموضوع: الإفصاح عن القوائم المالية
المنتهية في 2017/03/31

نرفق لكم القوائم المالية للشركة للفترة المنتهية في 31 آذار 2017 باللغة الانجليزية

وتفضلوا بقبول فائق الإحترام،،،

رئيس مجلس الإدارة
وائل صالح شقيرات

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ ايار ٢٠١٧
الرقم المتسلسل: ١١٢٤
رقم الملف: ٤٤٤
الجهة المختصة: المدير العام

القرييت
Food & Vegetable Oil Industries
UCVO
المصنعات الغذائية والزيت النباتية



**AL-QARYA FOOD AND VEGETABLE
OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS
AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2017**

**AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM FINANCIAL STATEMENTS AND REVIEW REPORT
FOR THE PERIOD ENDED MARCH 31, 2017**

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REPORT ON REVIEWING THE INTERIM FINANCIAL STATEMENTS

To the President and Members of the Board of Directors

Al-Qarya Food and Vegetable Oil Industries Company

Introduction

We have reviewed the accompanying Interim Statement of Financial Position of Al-Qarya Food and Vegetable Oil Industries Company as of March 31, 2017, and the related statements of Interim Comprehensive income, Owners' equity and cash flows for the period then ended, The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain reasonable assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures of financial data .The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards, Accordingly, obtaining assurances and confirmations about other significant aspects checked through an audit procedure was not achievable, Hence, We do not express an opinion regarding the matter.

Qualified Opinion Basis

1-The Company did not provide us with banks confirmations and reconciliations for the loans and facilities and banks balances and did not record accrued payable interests on loan and facilities as of March 31,2017.

2- Deferred tax retrieval by the amount of JOD 422,843 is not applicable taking in consideration the current situation of the Company and discontinue of its operation activities.

Conclusion

Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to believe that the accompanying interim financial statements do not express a true and fair view in accordance with International Accounting Standard No. 34.

Significant Uncertainty of Going Concern

Without modification in our opinion we want to emphasise your attention to Note No. (4), Where the Company has incurred net loss amounted to JOD 54,965 during the period ended March 31, 2017, working capital deficit amounted to JOD 1,598,854. These events or circumstances with other such issues indicate that there is a going concern uncertainty that could raise a significant doubt about the Company ability to continue as a going concern entity. Where accumulated losses counted 78% of the Company capital and according to the Company general assembly unanimous decision in its unordinary meeting dated March 22, 2016 to decrease the Company capital by JOD 6,500,000, through amortizing JOD 6,500,000 of the accumulated losses in the Company capital account. Also it has been agreed on increasing the Company capital by JOD 3,000,000 through offering 3,000,000 shares priced at one JOD through private offering to the Company shareholders each based on his shares or through joining a strategic partner by acquiring the increase shares, decreasing and increasing the Company capital procedures have been completed on October 13, 2016 where the authorized capital became JOD 6,000,000 and the paid capital JOD 3,000,000.

Ghosheh & Co

~~Abdul Kareem Qunais~~
License No. (496)

Amman- Jordan
April 27, 2017

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF FINANCIAL POSITION (UNAUDITED)
AS OF MARCH 31, 2017 AND DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
ASSETS			
Non-current assets			
Property and equipment		1,798,281	1,833,844
Total non-current assets		1,798,281	1,833,844
Current assets			
Prepaid expenses and other receivables		85,078	82,866
Deferred tax		422,843	422,843
Cash and cash equivalents		43,077	45,013
Total current assets		550,998	550,722
TOTAL ASSETS		2,349,279	2,384,566
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	1	3,000,000	3,000,000
Issuance discount		(1,571,532)	(1,571,532)
Statutory reserve		404,223	404,223
Accumulated losses	4	(2,352,009)	(2,297,044)
Total shareholders' equity		(519,318)	(464,353)
Non-current liabilities			
Long term loans		718,745	772,647
Total non-current liabilities		718,745	772,647
Current liabilities			
Accrued expenses and other liabilities		167,092	165,353
Accounts payable		1,244,507	1,219,971
Notes payable and deferred cheques		353,328	353,328
Current portion of loan		384,925	337,620
Total current liabilities		2,149,852	2,076,272
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		2,349,279	2,384,566

The accompanying notes are an integral part of these interim financial statements

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
Factory depreciation	(35,563)	(35,927)
Other operating expenses	(2,775)	(45,914)
Gross loss	(38,338)	(81,841)
Selling and marketing expenses	-	(1,008)
General and administrative expenses	(22,937)	(31,464)
Financial charges	(1,803)	(19,866)
Other revenues and expenses	8,113	1,011
NET LOSS	(54,965)	(133,168)
Other comprehensive income :	-	-
Total comprehensive income for the period	(54,965)	(133,168)
Earnings per share:		
Earnings per share JOD/Share	(0,018)	(0,014)
Weighted average of outstanding shares	3,000,000	9,500,000

The accompanying notes are an integral part of these interim financial statements

AL-QARVA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF SHAREHOLDERS' EQUITY (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Issuance discount	Statutory reserve	Accumulated losses	Total
Balance at January 1, 2017	3,000,000	(1,571,532)	404,223	(2,297,044)	(464,353)
Comprehensive income for the period	-	-	-	(54,965)	(54,965)
Balance at March 31, 2017	3,000,000	(1,571,532)	404,223	(2,352,009)	(519,318)
Balance at January 1, 2016	9,500,000	(1,571,532)	404,223	(8,121,485)	211,206
Comprehensive income for the period	-	-	-	(133,168)	(133,168)
Balance at March 31, 2016	9,500,000	(1,571,532)	404,223	(8,254,653)	78,038

The accompanying notes are an integral part of these interim financial statements

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

INTERIM STATEMENT OF CASH FLOWS (UNAUDITED)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
OPERATING ACTIVITIES		
Net loss	(54,965)	(133,168)
Adjustments for net loss:		
Depreciation	35,563	35,927
Financial charges	1,803	19,866
Changes in operating assets and liabilities:		
Accounts receivable and checks under collection	-	224,371
Inventory	-	53,596
Prepaid expenses and other receivables	(2,212)	(24,667)
Accounts payable	24,536	219,307
Accrued expenses and other liabilities	1,739	(5,542)
Notes payable and deferred cheques	-	(169,449)
Cash available from operating activities	6,464	220,241
Paid financial charges	(1,803)	(19,866)
Net cash available from operating activities	4,661	200,375
INVESTING ACTIVITIES		
Change in property and equipment	-	(58,019)
Net cash used in investing activities	-	(58,019)
FINANCING ACTIVITIES		
Banks overdrafts	-	(128,070)
Loans	(6,597)	(12,726)
Net cash used in financing activities	(6,597)	(140,796)
Net change in cash and cash equivalent	(1,936)	1,560
Cash and cash equivalents, January 1	45,013	23,306
Cash and cash equivalents, March 31	43,077	24,866

The accompanying notes are an integral part of these interim financial statements

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

1. ESTABLISHMENT AND ACTIVITIES

Al-Qarya Food and Vegetable Oil Industries Company (formerly Union Chemical and Vegetable Oil Industries Company) is a Jordanian Public Shareholding Company ("the Company") registered on January 4, 1993 under Commercial registration number (223), and received its right to operate on June 12, 1993.

The paid Capital is JOD 9,500,000 divided into 9,500,000 shares of one JOD each.

The Company general assembly has taken unanimous decision in its unordinary meeting dated March 22, 2016 to decrease the Company capital by JOD 6,500,000, through amortizing JOD 6,500,000 of the accumulated losses in the Company capital account. Also it has been agreed on increasing the Company capital by JOD 3,000,000 through offering 3,000,000 shares priced at one JOD through private offering to the Company shareholders each based on his shares or through joining a strategic partner by acquiring the increase shares, decreasing and increasing the Company capital procedures have been completed on October 13, 2016 where the authorized capital became JOD 6,000,000 and the paid capital JOD 3,000,000.

The main activity of the Company is implementing, establishing and owning a factory or factories to produce and extract vegetable oil, in addition to manufacturing and packaging foods where during 2007 the company operated a factory and can press which its ownership returned to the Company, during 2010 the company operated a factory to produce and can food supplies which its ownership returned to the Company.

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs ISSUED BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1, 2018
(IFRS) No.15 – Contract Revenues	January 1, 2018
(IFRS) No.16 – Leases	January 1, 2019

Board of directors of the company expects that the application of these standards and interpretations will not have a substantial impact on the Company's financial statements.

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The interim financial statement presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statements do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2016, in addition to that the result for the three months ended in March 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

Significant accounting policies

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

Expenses

General and administrative expenses include direct and indirect costs not specifically part of production costs as required under generally accepted accounting principles. Allocations between general and administrative expenses and cost of sales, are made on a consistent basis, when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits and highly liquid investments with original maturities of three months or less.

Inventory

Inventory are stated at lower of cost or net realizable value. Cost determined for finished goods and work in process based on production orders and includes costs of raw materials used, labor and an appropriate proportion of indirect overheads. Raw materials and other materials are stated at cost and determined on weighted average cost basis.

Accounts receivable

Accounts receivable are recorded at the original amount less a provision for any uncollectible amount. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

Accounts payable and accrual

Accounts payable are stated at the obligation amounts for received services and goods, whether billed by the suppliers or not.

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

The use of estimation

The preparation of financial statements and the application of accounting policies required of the Company's management to make estimates that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities, these estimates also affect the revenues, expenses and provisions.

As well as changes in fair value that appears in the owners' equity

In particular, required of the company's management to issue important judgments to estimate the amounts of future cash flows and its times. Mentioned that the estimates are shown necessarily on the assumptions and multiple factors have a varying degree of appreciation and uncertainty and that actual result may differ from estimates. As a result of changes resulting about the conditions and circumstances of these estimates in the future.

Offsetting

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

The Decline in value of the financial assets

In date of each balance sheet, values of the financial assets have been reviewed, to determine if there indication to decline in its value.

As for the financial assets such as trade accounts receivable and assets was evaluated as individual low-value, were evaluated for the decline in the value on a collective basis. The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments. And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

The Reduce in the listed value of the financial assets is the amount of loss decline of value directly. And this is for all the financial assets except the trade accounts receivable as the listed value had been reduced by provisions accounts. when is one of the accounts receivables are non-collected then write off the amount of this debt and the equal amount from account of provisions.

The changes in the listed value for the provisions account recognized in profit and loss account.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the profit and loss statement. However any increase in the fair value become after decline loss has recognized directly in shareholder's equity statement.

Cancellation of Recognition

The company cancel the recognition of financial assets only when the contractual rights about receipt of cash flows from the financial assets had ended, and substantially all the risks and benefits of the ownership to another firm. In the case of the company doesn't transfer or retain substantially risks or benefits of the ownership and continue in control of the transferred assets, the company in this case recognize it's share retained in the transferred assets and the related liabilities in the limits of the amounts expected to be paid. In the other case, when the company retained substantially all risks and benefits of ownership of the transferred assets, the company will continue to recognize of the financial assets.

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Property and equipments

Property and equipments are stated at cost less accumulated depreciation. Expenditures on maintenance and repairs are expensed. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method, except plant and machinery where it is depreciation in accordance with the production capacity used to the gross capacity available to the factory in addition to the obsolescence percentage 2 % annually. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual depreciation rate</u>
Buildings and constructions	4%
Areas and roads	5%
Plant and machinery	10 %
Furniture and fixture	9%
Computers, communications and electrical equipment	12-15%
Vehicles	15 %
Tanks	10%
Linking electricity air and water line	10%
Tools and office equipments	10-15%
Water treatment station	10 %

The decline in value of the non-current assets

The decline in value of the non-current assets, In the date of each balance sheet the company review the listed values for it's assets to specify if there is an indication to be decline losses of the value. if there indication to that, the recovery value of the asset will be appreciated to determine the loss of decline in the value if it be. In case, In ability to appreciate the recovery value of specific asset. The company estimate the recovery value for unit producing of cash that related in the same asset. when there is ability to determine bases of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset. when there is ability to determine basic of distribution that is fixed and resonable, the joint assets distribute to specific units producing of cash or it distribute to specific units producing of cash or it distribute to smallest group from units producing cash that it able to determine basic of distribution fixed and resonable for it.

The Recovery value is the fair value of asset minus the cost of sale or used value whichever is higher.

In case, the recovery value (or the unit producing of cash) distribute lower than the listed value, reduce the listed value for asset (or unit producing of cash) to the recovery value. Losses of the decline recognize directly in the income statement except the asset that is re-evaluation then record losses of the decline as reduction from re-evaluation provision.

The Provisions

The provision had been formed, when the company has a present obligation (legal or expected) from past events which its cost of repayment consider excepted and it has ability to estimate it reliably.

The provision had been measured according the best expectations of the required alternative to meet the obligation as of the balance sheet date after considering the risks and not assured matters about the obligation. When the provision had been measured with the estimated cash flows to pay the present obligation, then the accounts receivable had been recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

AL-QARYA FOOD AND VEGETABLE OIL INDUSTRIES COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE INTERIM FINANCIAL STATEMENTS (continued)
FOR THE PERIOD ENDED MARCH 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

Income Tax

The company is subject to Income Tax Law for the year and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it is immaterial.

Foreign currency transactions

Foreign currency transactions are translated into Jordanian Dinars at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet are translated at the exchange rates prevailing at that date. Gains and losses from settlement and translation of foreign currency transactions are included in the income statement.

4. ACCUMULATED LOSSES

The accumulated losses has surpassed 75% of the Company capital, and based on article No. 266 of Corporations law No. 22 year 1997 and its amendments that related to statutory liquidation of the Company, the board of directors has decided through inviting the general assembly to meet in order to restructuring through decreasing the Company capital by JOD 6,500,000 of the accumulated losses balance in the Company capital account and increasing the Company capital by JOD 3,000,000 so the Company capital became JOD 6,000,000 through offering 3,000,000 shares priced at one JOD through private offering to the Company shareholders each based on his shares or through joining a strategic partner by acquiring the increase shares, the procedures are still in progress and the going concern of the company depend on executing the general assembly decision.

5. MANAGEMENT OF FINANCIAL RISKS

The Company's activities might be expose mainly to the followed financial risks:

Management of the interest price risks

The risks related to the interest rate mainly resulting from the money borrowings in changeable (float) interest rates. The company expose to the interest rates risks because there is borrowed money for the company until date of the financial statements , if the interest prices decrease in the market .

Credit risk management

The credit risks represent in one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks have good reputations and have been controlled from control parties.

6. APPROVAL OF INTERIM FINANCIAL STATEMENTS

The interim financial statements were approved by the Board of Directors and authorized for issuance on April 27, 2017.