Al Qarya القرية
Food & Vegetable Oil Industries UCVO للصناعات الغذائية والزيوت النباتية

الرقم : 2018/QI/12
التاريخ: 2018/3/29

السـادة/ بورصة عمان المحترمين

تحية طيبة وبعد،

الموضوع: القوائم المالية المنتهية في 2017/12/31

نرفق لكم طيه نسخة باللغة الانجليزية من القوائم المالية للسنة المنتهية في 31 كانون الأول 2017 وتقرير المحاسب القانوني المستقل للشركة السادة غوشه وشركاه بخصوص هذه القوائم.

وتفضلوا بقبول فائق الإحترام،،،

مستشار الشركة
م. باسل الريماوي

القرية
شركة القرية للصناعات الغذائية والزيوت النباتية م.ع.م
AL-Qaria Food & Vegetable Oil Industries Co. p.l.c

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢٩ آذار ٢٠١٨
الرقم المتسلسل: ١٦٨٧
رقم الملف:
الجهة المختصة:

ص.ب ٦٨ الجيزة ١٦٠١٠ الأردن هاتف: ٤٤٦٠٥٦٧ (٩٦٢٦) فاكس: ٤٤٦٠٥٤١ (٩٦٢٦)
P.O.Box 68 Al-Jiza 16010 Jordan Tel:(962) 6 4460567 Fax:(962)6 4460541 E-mail : info@qarya.jo

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

FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT YEAR ENDED DECEMBER 31, 2017

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

FINANCIAL STATEMENTS AND CERTIFIED PUBLIC ACCOUNTANT'S REPORT YEAR ENDED DECEMBER 31, 2017

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CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the Shareholders
Al-Qarya Food and Vegetable Oil Industries Company

Report on Auditing the Financial Statements

Disclaimer Opinion
We have audited the accompanying financial statements of Al-Qarya Food and Vegetable Oil Industries Company (a Jordanian Public Shareholding Company), which comprise the financial position as of December 31, 2017 and the related statements of comprehensive income, Shareholders' equity and cash flows for the year then ended , and a summary of significant accounting policies and other explanatory notes.

Due to the following reasons, we do not express an opinion regarding the financial statements of Al-Qarya Food and Vegetable Oil Industries Company as of December 31, 2017

Disclaimer Opinion Basis
1-We were not able to audit or review the company's accounting records due to the ongoing restrictions by the banks on the factory and the company offices.

2-The Company did not provide us with banks confirmations and reconciliations for the loans and facilities and banks balances as of December 31, 2017.

3- We did not obtain a confirmation from the Company's lawyer about the legal position and if there is any lawsuits claims by or against the Company.

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

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code .

We believe that the audit evidence we have obtained is insufficient and appropriate to provide basis for our audit opinion.

Significant Uncertainty of Going Concern
without drawing your attention to the financial statements, the Company has incurred net loss amounted to JOD 271,572 during the year ended December 31, 2017 , working capital deficit amounted to JOD 1,806,278. 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. Accumulated losses counted 87% of the Company capital and according to the Company general assembly unanimous decision in its unordinary meeting dated March 22, 2017 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's 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 strategic partner by aquiring the increase shares, decreasing and increasing the Company capital procedures have been completed on October 13, 2017 where the authorized capital became JOD 6,000,000 and the paid capital JOD 3,000,000.
notes about property and equipment.

Management and individuals responsible of governance responsibility of the financial statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control management determined to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, the 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 the management either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Individuals responsible of governance are responsible of supervising the preparation of the financial statements.

Certified Public Accountant responsibility
Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatements, and to issue and auditor's 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 International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and or considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

As part of an audit in accordance with The International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
•Identify and assess the risks of material misstatement of the consolidated 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 the Management .

• Conclude on the appropriateness of the 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 auditor's report to the related disclosures in the consolidated 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 Auditor's 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 consolidated Financial Statements, including the disclosures, and whether the consolidated Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation .

We communicated with the audit committee 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.

Legal requirements
The Company maintains proper books of accounting records that are in agreement with the accompanying financial statements and with the financial information included in the Board of Directors report, and we recommend the General Assembly to approve the financial statements.

Ghosheh & Co.

Abdel Kareem Qunais
License No. (496)

Amman- Jordan
March 20, 2018

Ghosheh & Co. (CPA's)
A member of Nexia International
غوشه و شركاه (محاسبون قانونيون)

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

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
ASSETS			
Non-current assets			
Property and equipment	4	**1,692,120**	1,833,844
Total non-current assets		**1,692,120**	1,833,844
Current assets			
Prepaid expenses and other receivables	5	**71,538**	82,865
Inventory	6	**1**	1
Accounts receivable and checks under collection	7	**29,969**	-
Defered tax	8	**422,843**	422,843
Cash and cash equivalents	9	**34,748**	45,013
Total current assets		**559,099**	550,722
TOTAL ASSETS		**2,251,219**	2,384,566
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity			
Share capital	1	**3,000,000**	3,000,000
Premium discount	10	**(1,571,532)**	(1,571,532)
Statutory reserve	10	**404,223**	404,223
Accumulated losses	11	**(2,568,616)**	(2,297,044)
Total shareholders' equity		**(735,925)**	(464,353)
Non-current liabilities			
Long term loans	13	**651,736**	772,647
Total non-current liabilities		**651,736**	772,647
Current liabilities			
Accrued expenses and other liabilities	12	**232,554**	165,353
Accounts payable		**1,295,267**	1,219,971
Notes payable and deferred cheques		**312,854**	353,328
Current porotion of long term - loans	13	**494,733**	337,620
Total current liabilities		**2,335,408**	2,076,272
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		**2,251,219**	2,384,566

The accompanying notes are an integral part of these financial statements

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

STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	**2017**	2016
Sales	14	-	44,853
Cost of sales	15	-	(136,458)
Gross loss		-	(91,605)
Selling and marketing execpenses	17	-	(1,794)
Manufacturing Depreciation		**(140,758)**	(142,350)
General and administrative expenses	18	**(100,690)**	(172,315)
Financial charges		**(53,353)**	(132.901)
Provision for damaged and obsolete goods		-	(88,808)
Impairment of accounts receivable		-	(148,271)
Other revenues and expenses		**23,229**	102,485
NET LOSS		**(271,572)**	(675,559)
Other comprehensive income :		-	-
Total comprehensive income for the year		**(271,572)**	(675,559)
losses per share:			
losses per share JOD/Share		**(0,09)**	(0,092)
Weighted average of outstanding shares		**3,000,000**	7,372,603

The accompanying notes are an integral part of these financial statements

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

STATEMENT OF SHAREHOLDERS' EQUITY
YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Premium discount	Statutory reserve	Accumulated losses	Total
Balance at January 1, 2016		9,500,000	(1,571,532)	404,223	(8,121,485)	211,206
Decrease of capita		(6,500,000)	-	-	6,500,000	-
Comprehensive income for the year		-	-	-	(675,559)	(675,559)
Balance at December 31, 2016		**3,000,000**	**(1,571,532)**	**404,223**	**(2,297,044)**	**(464,353)**
Comprehensive income for the year		-	-	-	**(271,572)**	**(271,572)**
Balance at December 31, 2017		**3,000,000**	**(1,571,532)**	**404,223**	**(2,568,616)**	**(735,925)**

The accompanying notes are an integral part of these financial statements

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

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	2017	2016
OPERATING ACTIVITIES		
Net loss	**(271,572)**	(675,559)
Adjustments for net loss:		
Depreciation	**141,724**	143,316
Financial charges	**53,353**	132,901
Changes in operating assets and liabilities:		
Accounts receivable and checks under collection	**(29,969)**	435,283
Inventory	**-**	208,004
Prepaid expenses and other receivables	**11,327**	845
Notes payable and deferred cheques	**(40,474)**	(18,591)
Accounts payable	**75,296**	239,933
Accrued expenses and other liabilities	**67,201**	(23,088)
Cash available from operating activities	**6,886**	443,044
Paid financial charges	**(53,353)**	(132,901)
Net cash (used) in / available from operating activities	**(46,467)**	310,143
INVESTING ACTIVITIES		
Purchase of property and equipment	**-**	(58,017)
Net cash used in investing activities	**-**	(58,017)
FINANCING ACTIVITIES		
Loans payment	**36,202**	(230,419)
Net cash available from /(used in) financing activities	**36,202**	(230,419)
Net change in cash and cash equivalent	**(10,265)**	21,707
Cash and cash equivalents, Januaray 1	**45,013**	23,306
Cash and cash equivalents, December 31	**34,748**	45,013
Non-cash transactions:		
Decrease of capital	**-**	6,500,000

The accompanying notes are an integral part of these financial statements

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") is 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 took unanimous decision in its unusual meeting dated March 22, 2017 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 strategic partner by aquiring the increase shares, decreasing and increasing the Company capital procedures have been completed on October 13, 2017 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 packiging foods where during 2007 the company operated a factory and can press which its ownership return to the Company, during 2010 the company operated a factory to produce and can food supplies which its ownership return to the Company.

The Companys headquarter is Amman.

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.

New Standards	Effective Date
(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.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements

The accompanying financial statements have been prepared in accordance with the International Financial Reporting Standards .

The Basics of preparation

These financial statements , were presented in jordanian dinar as the majority of transaction , The company recorded the jordanian dinar.

The financial statements have been prepared on historical cost basic , However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the company.

Sales

Sales are recognized upon delivery of goods to customers, performing services and issuing invoices. Sales revenues are stated net of trade or quantity discounts.

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.

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.

The sector report represents

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.
Geographical segment is associated in providing products in particular economic environment subject to risks and returns that are differed from those for sectors to work in economic environment.

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 consolidated financial position statement, values of the financial assets have been reviewed, to determine if their indication to decline in its value
As for the financial assets such as trade accounts receivable and assets was evaluated as individual low-value, where 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 have 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 the consolidated comprehensive income statement.

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 becomes after decline loss has recognized directly in the consolidated shareholder's equity statement.

De- 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 on retain substantially risks or benefits of the ownership and continue in control of the transefered assets, the company in this case recognize it's share retained in the transfered assets and the related liabilities in the limits of the amounts excepted to be paid . In the other case , when the company retained substantially all risks and benefits of owner ship of the transfered assets , the company will continue to recognize of the financial assets.

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 machinary 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:

	Annual depreciation rate
Buildings and constructions	2-3%
Areas and roads	3-5%
Plant and machinary	2.5 %
Furniture and fixture	9%
Computers, communications and electrical equpiment	12-15%
Vehicles	15 %
Tanks	5 %
Linking electricity air and water line	10 %
Tools and office equipments	10-15%
Water treatment station	5 %

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets.

At the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

The decline in value of the non-current assets

The decline in value of the non-current assets, in the date of each statement of financial position 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 reasonable, 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 reasonable 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-evolution then record losses of the decline as reduction from re-evaluation provision.

In case, Recovery losses for decline of the value, Increase the listed value of asset (or unit producing of cash) to the fair value of recovery as not to increase the adjusted listed value of asset (or unit producing of cash) as if it had not been calculating the losses of the value decline in the previous years, Record recovery of losses in value decline directly either in the profit or the loss except the asset had been recording in the re-evaluation value. In this case, record recovery of losses in value decline as increase in the 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 eccepted 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.

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 assests 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. PROPERTY AND EQUIPMENT

	January 1	Additions	Disposals	December 31
Cost:				
Land	91,386	-	-	**91,386**
Buildings and constructions	1,825,377	-	-	**1,825,377**
Areas and roads	327,736	-	-	**327,736**
plant and machinary*	2,182,625	-	-	**2,182,625**
Furniture and fixture	47,969	-	-	**47,969**
Computers , communication and electrical equipment	118,398	-	-	**118,398**
Vehicles	101,721	-	-	**101,721**
Tanks	435,356	-	-	**435,356**
Linking electricity, air and water line	92,117	-	-	**92,117**
Tools and office equipment	129,471	-	-	**129,471**
Water treatment station	98,315	-	-	**98,315**
Total cost	5,450,471	-	-	**5,450,471**
Depreciation:				
Buildings and constructions	1,090,870	**44,012**	-	**1,134,882**
Areas and roads	249,842	**8,195**	-	**258,037**
Plant and machinary	1,340,761	**55,119**	-	**1,395,880**
Furniture and fixture	47,808	**21**	-	**47,829**
Computers , communication and electrical equipments	118,189	**201**	-	**118,390**
Vehicle	93,141	**2,837**	-	**95,978**
Tanks	406,898	**21,768**	-	**428,666**
Linking electricity, air and water line	76,679	**1,425**	-	**78,104**
Tools and office equipment	99,118	**3,230**	-	**102,348**
Water treatment station	93,321	**4,916**	-	**98,237**
Total depreciation	3,616,627	**141,724**	-	**3,758,351**
Net book value January 1	1,833,844			
Net book value December 31				**1,692,120**

* Depreciation rate of plant and machinery has been decreased from 5% to 2.5% as of the beginning of 2013.

5. PREPAID EXPENSES AND OTHER RECEIVABLES

	2017	2016
Due from employees	**4,328**	6,200
Prepaid expenses	**488**	750
Refundable deposits	**12,375**	12,375
Due from sales tax	**54,347**	55,633
Due from social security	-	7,677
Other receivable	-	230
	71,538	82,865

6. INVENTORY

	2017	2016
Raw and packiging materials	**74,324**	74,324
Spare parts	**14,485**	14,485
Provision for damaged and obsolete goods	**(88,808)**	(88,808)
	1	1

7. ACCOUNTS RECEIVABLE AND CHECKS UNDER COLLECTION

	2017	2016
Trade receivables	**1,209,176**	1,179,207
Provision for doubtful debts	**(1,179,207)**	(1,179,207)
	29,969	-

8. DEFERED TAX

The Company settled its tax position until 2012. The self- assessed tax report for 2013 and 2014 have been submitted but not reviewed by the Income and Sales Tax Department till the date of preparing these financial statements, except for 2008 which is still pending the court of cassation where the Income and Sales Tax Department has accumulate that year losses which is amounted to JOD 2,509,212 and the deferred tax that is related to these losses amounted to JOD 422,843.

- Deferred tax calculated by 14% of the accumulated losses and based on management opinion these amounts are retrievable in the future.

9. CASH AND CASH EQUIVELANTS

	2017	2016
Cash on hand	**-**	1,515
Cash in bank	**34,748**	43,498
	34,748	45,013

10. RESERVES AND ISSUANCE DISCOUNT

Premium discount
This account represent in the value of deductions resulting from the increase in nominal value of shares on issue price due to the increase of capital.

Statutory reserve
In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution, The General Assembly is entitled to decide, in its unusual meeting, to amortize its losses by the accumulated statuary reserve if all other reserves pay off, to rebuild it again in accordance with the law.

11. 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 JD 6,500,000 of the accumulated losses balance in the Company capital account and increasing the Company capital by JD 3,000,000 so the Company capital became JOD 6,000,000 through offering 3,000,000 shares priced at one JD through private offering to the Company shareholders each based on his shares or through joining strategic partner by aquiring the increase shares.

12.ACCRUED EXPENSES AND OTHER LIABILITIES

	2017	2016
Accrued expenses and other liabilities	**137,691**	70,490
Other provisions	**58,661**	58,661
Due to shareholders	**36,202**	36,202
	232,554	165,353

13. LOANS

	2017	2016
Capital Bank	**202,900**	202,900
Societe Generale Bank	**118.360**	112,560
Invest Bank	**231,563**	227,147
Union Bank	**593,646**	567,660
Total loans	**1,146,469**	1,110,267
Deduct: current porotion loans	**494,733**	337,620
Long term loans	**651,736**	772,647

Capital Bank Loan

During 2010 the Company has obtained a loan from Capital Bank amounted to JOD 520,000 which is paid by 96 monthly equal installments each amount is JOD 5,350 paid starting form 31/1/2011 until full repayment , the is to repay the Company obligations and its interest is 9.5% per annum with is guaranteed by Mr. Tareq Khory.

Societe Generale Bank Loan

The Company obtained a loan from Societe Generale Bank amounted to JOD 480,000 to repay the Company obligations with interest rate of 9.5% and a commission paid in advance on 24 consecutive installments each amounted JOD 20,000 starting from 30/9/2010 to 31/8/2011.

The Company request rescheduling JOD 202,300 paid on 90 monthly installment each amounted to JOD 3,100 including monthly interest starting from 31/1/2012.

Invest Bank Loan

The Company signed during 2012 an agreement with Invest Bank to reschedule the facilities balance of JOD 501,475 as of March 31, 2012 to 84 monthly equal installments including interests and fees starting from April 30, 2012 till to February 28, 2019 and each installment amount to JOD 8,000 where the whole facilities fully paid at March 31, 2019 with interest of 8.5% yearly without commissions, during 2017 the loan has been rescheduled where the loan repaid on two stages by 6 monthly installments not including the interest starting from October 1, to April 30 2017 each amounted to JOD 3,000 then the rest of balance paid by 38 monthly installment not including interest starting from September 1, 2017 each amounted to JOD 5,000 with 9% interest rate annually by the personal guarantee of Mr. Tareq Khory (CEO).

14. SALES

	2017	2016
Local sales, Net	-	44,219
Factory and can press sales	-	634
	-	44,853

15. COST OF SALES

	2017	2016
Raw material and packiging at the beginning of the year	**74,323**	79,709
Raw material and packiging purchases	-	5,777
Raw material and packiging at the end of the year	(74,323)	(74,323)
Direct material used in production	-	11,163
Manufacturing expenses - Note 16	-	11,485
Produced goods cost	-	22,648
Work in process at the beginning of the year	-	109,243
Work in process at the end of the year	-	-
Manufactured goods cost	-	131,891
Finished goods at the beginning of the year	-	4,567
Finished goods at the end of the year	-	-
	-	136,458

16. MANUFACTURING EXPENSES

	2017	2016
Maintenance and fuel	-	**2,659**
Water and electricity	-	**6,848**
Filling oils	-	-
Cleaning	-	**140**
Transportation	-	**1,433**
Other	-	**405**
	-	**11,485**

17. SELLING AND MARKETING EXPENSES

	2017	2016
Vehicles expenses	-	**923**
Shipping and transportation expenses	-	**871**
	-	**1,794**

18. GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016
Salaries,wages and other benefits	**74,453**	121,167
Advertisements	**1,525**	2,028
Depreciation	**966**	966
Telephone, post and telegraph	**1,875**	1,992
Subscription fees	**5,897**	23,406
Stationary and printing	**82**	293
Maintenance and fuel	**200**	1,119
Professional fees and consultancies	**3,575**	11,675
Other	**12,117**	9,669
	100,690	172,315

19. FINANCIAL INSTRUMENTS

Management of share capital risks

The Company manage its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and shareholders equity balances. The Company's strategy doesn't change from 2016.

Structuring of Company's capital includes shareholders equity in the Company which includes share capital, issuance discount , statutory reserve and accumulated losses as it listed in the changes in shareholders equity statement.

The debt ratio

The board of directors is reviewing the share capital structure periodically. As a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company's capital structure includes debts from the borrowing. The Company does not determine the highest limit of the debt ratio and it does not expect increase in the debt ratio.

The management of the financial risks

Market risks

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

Management of the foreign currencies risks

The company doesn't exposed to significant risks related with the foreign currencies changing, so there is no need to effective management for this exposed.

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.

The amounts had listed in the financial statements data represents the highest credit risk expose to the trade accounts receivable and to the cash and cash equivalent.

Management of liquidity risks

Board of directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks through controlling the future cash flow that evaluated permanently and correspond the due dates of assets and liabilities.

The following table represents the contractual eligibilities to non-derivative financial liabilities.

The table has prepared on the non-deducted cash flows to the financial liabilities basis according to the early due dates that may required from the Company to pay or receive.
The table below contains cash flows for major amounts and interests.

	Interest rate	Year or less	More than one year	Total
2017 :				
Tools without interest	-	**1,840,675**	-	**1,840,675**
Tools with interest	**8.5-9.5 %**	**494,733**	**651,736**	**1,146,469**
Total		**2,335,408**	**651,736**	**2,987,144**
2016 :				
Tools without interest	-	1,738,652	-	1,738,652
Tools with interest	8.5-9.5 %	337,620	772,647	1,110,267
Total		2,076,272	772,647	2,848,919

20.SECTORIAL INFORMATION

The company works in the main work sector which contains to implementing , establishing and owning a factory or factories to Produce and extract vegetable oil , in addition to manufacturing and packiging foods supplies.

21. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Board of Directors and authorized for issuance on March 20, 2018 these finaincial statements require the approval of the General Assembly of the shareholders.