



Resources Company  
for Development & Investment P.L.C.

47/2017

Date:- 15/05/2017

To: Amman Stock Exchange

**Subject : Audited Financial Statements for the fiscal  
year ended 2016**

Attached the Audited Financial Statements of Resources Company for  
Development & Investment P.L.C for the fiscal year ended 2016.

**Kindly accept our high appreciation and respect**

Resources Company for

Development & Investment P.L.C

Vice President

شركة  
الموارد  
Mohamed Al Samhouri  
ص.ب 930344 - 11193  
1993

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ إلى ٢٠١٧
الرقم المتداول: 3099
رقم الملف: 31027
الجهة المختصة: 2111461

**RESOURCES COMPANY FOR  
DEVELOPMENT AND INVESTMENT  
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANT'S REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2016**

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT**  
**(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT'S REPORT  
FOR THE FOR THE YEAR ENDED DECEMBER 31, 2016**

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## **INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT**

To the shareholders of  
Resources Company for Development and Investment. (P.L.C)

### **Report on auditing the Consolidated Financial Statements**

#### **Qualified Opinion**

We have audited the accompanying consolidated financial statements of Resources Company For Development and Investment(P.L.C), which comprise of the consolidated statement of financial positions of December 31, 2016, and the related consolidated statements of comprehensive income, consolidated Statement of owners' equity and consolidated statement of cash flows, for the year then ended, notes to the consolidated financial statements and a summary of significant accounting policies and other explanatory information.

In our opinion, Except for the possible effects as set in qualified opinion paragraph based in our report, the consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Resources Company For Development and Investment(P.L.C). as of December 31,2016, and its consolidated financial performance and consolidated cash flows for the year then ended are in accordance with International Financial Reporting Standards.

#### **Qualified Opinion Basis**

The Company has consolidated the financial statements of Al-ghalibyah Global Investment Company Limited (the Republic of Sudan) as of December 31, 2016 according to the requirements of the Standard based on audited financial statements that included real estate investments belonging to the Company and not for sale. (Republic of Sudan) and a revaluation surplus of its real estate investments amounting to SDR 60,862,000, equivalent to JD 5,393,895 under IAS 40,

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 sufficient and appropriate to provide basis for our audit opinion.

#### **Key audit matters**

Key audit matters, according to our professional judgment are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statement. The basic auditing matters have been addressed in our auditing workflow to consolidated financial standards as we do not express separate opinions.

#### **Real Estate Investments**

In accordance with International Financial Reporting Standards, the Company is required to test the impairment of the carrying amount of the investment in the financial position and, if any indication of impairment exists, impairment losses are recognized in accordance with the impairment policy. The subsidiary (Al-Ghalibyah Global Investment Company) The revaluation of real estate investments is shown as a revaluation surplus of the real estate investments and has been recognized in the books as stated in the basis of the reservation. The management assesses the impairment of the evaluation experts, if any, and is considered an important audit risk.

## **Financial assets specified at fair value through statement of other comprehensive income**

In accordance with IFRS, the Company classifies the Company's listed shares that are traded in an active market as available-for-sale financial assets and are stated at fair value. If the Company has investments in unlisted shares that are not traded in hyper active markets but are also classified as available-for-sale financial assets and carried at fair value, management believes that fair value can be reliably measured.

## **Followed procedures within key audit matters**

### **Real Estate Investments**

The audit procedures included examining the control procedures used in the process of verification of existence and completeness, and ascertaining that there is no impairment in value, through management assumptions, taking into consideration the available external information on the risks of low real estate investments through a certificate of assessment by accredited experts, We reserve the surplus revaluation of real estate investments as described in the qualified basis.

### **Financial assets specified at fair value through statement of other comprehensive income**

The audit procedures included examining the control procedures used in the process of verification of existence and completeness. It was ascertained that the financial assets were recorded at fair value through verification of the closing price of the ASE. The number of shares was also confirmed by the support of the SDC. Of the unlisted investments in the Amman Financial Market by supporting the number of shares invested and checking the closing price through the foreign exchange markets.

### **Other Matter**

The financial statements of the subsidiary (Al Gharabia Global Investment Limited Liability Company (Republic of Sudan)) as of December 31, 2016 were audited by another auditor and issued its unqualified report on 15 February 2017

### **Other information**

The management is responsible for other information. This includes other information reported in the annual report, but not included in the consolidated financial statements and our audit report on it.

Our opinion does not include these other information, and we do not express any assertion over it.

Regarding our audit on consolidate financial statements we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

### **Management and individuals responsible of governance about the consolidated financial statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. And for such internal control, management is determined to enable the preparation of consolidated 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 consolidated financial statements.

## **Certified public accountant responsibility**

Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, and to issue an 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 are 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 consolidated 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 audit the Financial Management 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 report**

The Company maintains proper books of accounts and the accompanying consolidated financial statements and the consolidated financial statements contained in the report of the board of directors in accordance with the proper books of accounts.

Ghosheh & Co.

Abdul Kareem Qunais  
License No.(496)



Amman-Jordan  
23 February 2017

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT**  
(PUBLIC SHAREHOLDING COMPANY)

**STATEMENT OF CONSOLIDATED FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and Equipment	4	-	-
Real Estate Investments	5	7,387,957	7,387,957
Investment in financial assets designated at fair value through statement of other comprehensive income	6	2,810,581	3,092,409
<b>Total non-current assets</b>		<b>10,198,538</b>	<b>10,480,366</b>
<b>Current assets</b>			
Due from Related Party		8,861	15,067
Other Account Receivables		12,191	3,749
Cash and Cash Equivalent		3,388	-
<b>Total current assets</b>		<b>24,440</b>	<b>18,816</b>
<b>TOTAL ASSETS</b>		<b>10,222,978</b>	<b>10,499,182</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Shares Capital	1	11,000,000	11,000,000
Statutory Reserve	7	225,934	225,934
Voluntary Reserve	7	703,830	703,830
Fairvalue Reserve		(3,520,609)	(3,312,113)
Real Estates Revaluation Reserve of a Foreign Subsidiary	5	5,393,895	5,393,895
Changes in Foreign Currencies Valuation Resulted from Consolidating the Financial Statements of a Subsidiary		(4,952,024)	(4,911,702)
Accumulated Losses		(3,377,481)	(3,349,742)
<b>Total shares holders' equity</b>		<b>5,473,545</b>	<b>5,750,102</b>
<b>Total owners' equity</b>		<b>3,751,952</b>	<b>3,789,678</b>
Non- controlling interest		9,225,497	9,539,780
<b>Current liabilities</b>			
Accrued Expenses and Other Payables	8	445,447	408,569
Account Payables	9	552,034	550,833
<b>Total current liabilities</b>		<b>997,481</b>	<b>959,402</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>10,222,978</b>	<b>10,499,182</b>

Chairman of Board of Directors

General Director

Chief Financial Officer

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

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT**  
(PUBLIC SHAREHOLDING COMPANY)

**STATEMENT OF CONSOLIDATED INCOME STATEMENT**  
**FOR THE FOR THE YEAR ENDED DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
General and administrative expenses	11	(70,321)	(79,600)
Dividend Income		45,178	-
Other revenues		-	3,343
<b>Loss of the year</b>		<b>(25,143)</b>	<b>(76,257)</b>
<b>Attributable to:</b>			
Equity holders of the parent		(27,739)	(76,257)
Non-controlling interests		2,596	-
		<b>(25,143)</b>	<b>(76,257)</b>
<b>Loss per share:</b>			
Loss per share-JD/Share		(0,002)	(0,007)
Weighted average of outstanding shares		11,000,000	11,000,000

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



**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT**  
(PUBLIC SHAREHOLDING COMPANY)

**STATEMENT OF CONSOLIDATED COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINAR)

	2016	2015
<b>Loss for the year</b>	<b>(25,143)</b>	<b>(76,257)</b>
<b>Other comprehensive income items:</b>		
<b>Total comprehensive income transferred to accumulated losses</b>	<b>(25,143)</b>	<b>(76,257)</b>
Change in Fair value reserve	<b>(208,496)</b>	<b>(74,256)</b>
Changes in Foreign Currencies Valuation Resulted from Consolidating the Financial Statements of a Subsidiary	<b>(40,322)</b>	<b>(23,950)</b>
<b>Total comprehensive loss for the year</b>	<b>(273,961)</b>	<b>(174,463)</b>
 <b>Income for the year due to:</b>		
Equity holder of the parent	<b>(276,557)</b>	<b>(174,463)</b>
Non-controlling interest	<b>2,596</b>	<b>-</b>
	<b>(273,961)</b>	<b>(174,463)</b>

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

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT**  
(PUBLIC SHAREHOLDING COMPANY)

**STATEMENT OF CONSOLIDATED OWNER'S EQUITY  
FOR THE YEAR ENDED DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Fair value reserve	Real Estates Revaluation Reserve of a Foreign Subsidiary	Changes in Foreign Currencies Valuation Resulted from Consolidating the Financial Statements of a Subsidiary	Accumulated Losses	Total	Non-controlling interest	Total
Balance at January 1, 2015	11,000,000	225,934	703,830	(3,237,857)	5,393,895	(4,887,895)	(3,273,485)	5,924,565	3,813,628	9,738,193
Comprehensive income for the year										
Non-controlling interest				(74,256)		(74,256)	(76,257)	(174,463)	-	(174,463)
Balance at December 31, 2015	11,000,000	225,934	703,830	(3,312,113)	5,393,895	(4,911,702)	(3,349,742)	5,750,102	3,789,678	9,539,780
Comprehensive income for the year				(208,496)		(40,322)	(276,557)	(276,557)	2,596	(273,961)
Non-controlling interest				-		-	-	-	(40,322)	(40,322)
Balance at December 31, 2016	11,000,000	225,934	703,830	(3,520,609)	5,393,895	(4,952,024)	5,473,545	5,473,545	3,751,952	9,225,497

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

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT**  
(PUBLIC SHAREHOLDING COMPANY)

**STATEMENT OF CONSOLIDATED CASH FLOWS**  
**FOR THE FOR THE YEAR ENDED DECEMBER 31, 2016**  
(EXPRESSED IN JORDANIAN DINAR)

<b>OPERATING ACTIVITIES</b>	<b>2016</b>	<b>2015</b>
Loss of the year	(25,143)	(76,257)
Adjustments for Loss of the year:		
Changes in operating assets and liabilities:		
Other Account receivables	(8,442)	938
Due from Related Party	6,206	3,427
Payables	1,201	37,980
Accrued Expenses and Other payables	36,878	37,007
<b>Cash available from operating activities</b>	<b>10,700</b>	<b>3,095</b>
<b>INVESTING ACTIVITIES</b>		
Change in financial assets designated at fair value through other comprehensive income	73,332	44,555
<b>Net cash available from investing activities</b>	<b>73,332</b>	<b>44,555</b>
<b>FINANCING ACTIVITIES</b>		
Non-controlling interest	(80,644)	(47,900)
<b>Net cash used in financing activities</b>	<b>(80,644)</b>	<b>(47,900)</b>
<b>Net change in cash and cash equivalents</b>	<b>3,388</b>	<b>(250)</b>
Cash and cash equivalents, January 1	-	250
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31</b>	<b>3,388</b>	<b>-</b>

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

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE FOR THE YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

**1. ORGANIZATION AND ACTIVITIES**

Resources Company For Development and Investment Company is a public shareholding company, which is the result of the merge of AL-Maward for Development & Investment Company Ltd and Resources for Qualified Industrial Zones company PLC the process of merge has been completed on October 10, 2004 right after the approval of the minister of industry and trade. According to article (238) of Jordanian corporation law no. 22 of 1997 and its amendment, the assets and liabilities of both companies have been transferred to the resulting company of the merge. The capital of the company has been assigned to be JD 11,000,000 divided into 11,000,000 shares each for JD 1.

The company resulting from the merge registering on January 1, 1983 under registration no. (189).

The company's principal objectives are in developing and structuring the infrastructure of lands and buildings, purchasing, enhancing lands, utilities its resources and invest in the agriculture and industrial zones condition any brokerage is hot performed.

Organizing industrial zones and free zones, establishing buildings and hangers, selling and distrusting of water and establishing water filling factory.

The company headquarter is in Amman.

**The consolidated financial statements as of December 31, 2016 include the financial statements of the subsidiaries that follow:**

<b>Subsidiary Company</b>	<b>Percentage of Equity and votes</b>	<b>Share Capital</b>	<b>Place of registration</b>	<b>Main activity</b>
Global Majority For Investment Co. (L.t.d)	50%	25,876	Republic of Sudan	Different investments

**According to Owners' Equity:**

	<b>2016</b>	<b>2015</b>
Book value of the Investment in the subsidiary Co.	<b>3,751,952</b>	<b>3,789,678</b>
The Company's share from Changes in Foreign Currencies Valuation Resulted from Consolidating the Financial Statements of a Subsidiary	<b>(40,322)</b>	<b>(23,950)</b>
The Company's share from the subsidiary Co. outcomes	<b>2,596</b>	<b>-</b>

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

As of December 31, a summary of total assets, liabilities, revenues and income of the Company's subsidiary and the significant assets and liabilities are as follows:

**A- Comprehensive Real-estates Co.**

	<b>2016</b>	<b>2015</b>
Total assets	<b>7,507,108</b>	7,507,108
Total liabilities	<b>3,204</b>	3,204
Total owners' equity	<b>7,503,904</b>	7,503,904
Change in foreign currencies valuation	<b>(4,510,153)</b>	(4,510,153)
Change in real estate's revaluation reserve	<b>5,393,895</b>	5,393,895
Share capital	<b>25,876</b>	25,876
Real estate investments*	<b>7,387,957</b>	7,387,957
financial assets designated at fair value through other comprehensive income	<b>104,698</b>	104,698
Current partner account	<b>6,589,094</b>	6,589,094

\* Real estate investments include land owned by the company not allocated for sale, but has been allocated permanently To the Sudanese Ministry of Health for establishment a hospital for global majority of investment Co. (L.t.d).

**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><b>New Standards</b></u>	<u><b>Effective Date</b></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.

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE FOR THE YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The preparation of financial statements**

The accompanying of consolidated financial statements has been prepared in accordance with the International Financial Reporting Standards.

**Basis of preparation**

These financial consolidated statements, were presented in Jordanian Dinar as the majority of transaction, The Company recorded the Jordan Dinar.

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

**Basis of financial statements consolidation**

The consolidated financial statements incorporate the financial statements of Resources Company for Development and Investment and the subsidiary controlled by the Company.  
Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

The profit or loss and each component of other comprehensive income elements distributed on the company's owners and owners of non-controlling interests, total comprehensive income for the subsidiary distributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

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**Financial assets specified at fair value through statement of other comprehensive income**

Specific financial assets at fair value through statement of other comprehensive income are non-derivative financial assets, the purpose of the acquisition is to keep them as available for sale until the date of maturity, not for trading.

Differences in the change in fair value of financial assets specified at fair value through other comprehensive income statement are recorded in other comprehensive income statement.

Financial assets specified at fair value through statement of other comprehensive income that is have a market prices stated at fair value after deducting any accumulated Impairment losses in its fair value.

Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices and cannot determine the fair value stated at cost and any Decline in its value recorded in other comprehensive income statement.

**Revenues**

Revenue from sales is recognized when the invoice is issued and appears in net after discount.

**Expenses**

General and administrative expenses include direct and indirect costs which are 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.

**Accounts payable**

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

**The Decline in value of the financial assets**

On date of each interim consolidated statement of financial position, 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 the interim consolidated statement of comprehensive income,

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the interim consolidated comprehensive income statement, However any increase in the fair value become after decline loss has recognized directly in interim consolidated owner's equity statement.

**RESOURCES COMPANY FOR DEVELOPMENT AND INVESTMENT  
(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)  
FOR THE FOR THE YEAR ENDED DECEMBER 31, 2016  
(EXPRESSED IN JORDANIAN DINAR)**

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**De-Recognition**

The Company cancels 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 retained share 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 the financial assets.

**Property and equipment**

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed, while expenditure for betterment is capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual depreciation rate</u>
Furniture	%10
Computers	%20
Decorations	%20
Office and electrical equipment	%15

The review of the useful life and depreciation method is done on a regular basis to ensure that the depreciation method and period match with the expected economic benefits of property and equipment.

Impairment test is performed for property and equipment in the consolidated statement of financial position when any events or changes occur in circumstances that show that this value may not be recoverable. In case of any indication of impairment, impairment losses are calculated depending on the policy of the low value of the assets.

When any subsequent disposal of property and equipment, the value of the gains or losses arising are recognized, this represents the difference between the net disposal proceeds and the value that appears out of property and equipment in the consolidated balance sheet, gross profit and loss.

**Use of estimates**

Preparation of the financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities, and disclosures relating to contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions and changes in the fair value shown within comprehensive income. In particular, management is required to issue significant judgments to assess future cash flows and their timing. The above –mentioned estimates are based on several assumptions and factors with varying degrees of estimation and uncertainty.

**The sectored report**

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 engaged in providing products subject to the risks and rewards of a particular economic environment different from those of segments operating in other economic environments.



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**The decline in value of the non-current assets**

The decline in value of the non-current assets in the date of each the financial position statement the company review the listed values for its 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 basis 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 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 comprehensive income statement except the asset that is reevaluation 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 (on 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.

**Provisions**

Provision are recognized when the company has an obligation at the date of the financial statements as a result of past events, and the cost to settle the obligation are both probable and measured reliably. The amount recognized as a provision is the best estimate of the consideration required to settle the preset obligation at the financial statements date, taking into consideration the risks and uncertainties surrounding the obligation where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of these cash flow.

When it is expected to recover some or all amounts due from other parties, the due amount will be recognized within the assets if the value can be measured reliably.

**Offsetting**

Financial assets and financial liabilities are only offset and the net amount is reported in the statement of financial position when there is a legally enforceable right to set off the recognized amounts and the company intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

**Income Tax**

The Company is subject to Income Tax Law for the year 2009 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 periodic financial statements since it's immaterial.

**Leasing Contracts**

Leasing contracts are classified as Capital contracts if any risks and rewards of ownership are transferred to the lease, otherwise it is classified as operational contracts.

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**Foreign currency translation**

Foreign currency transactions are translated into Jordanian Dinar at the rates of exchange prevailing at the time of the transactions, Monetary assets and liabilities denominated in foreign currencies at the periodic financial position date 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 consolidated comprehensive income statement.

**4. PROPERTY AND EQUIPMENTS**

	January 1	Additions	Disposal	Changes in Foreign Currencies Valuation Resulted from Consolidating the Financial Statements of a Subsidiary	December 31
<b>Cost:</b>					
Furniture	9,173	-	-	-	9,173
Computers	11,560	-	-	-	11,560
Decoration	1,887	-	-	-	1,887
Office and Electricity Tools	5,899	-	-	-	5,899
<b>Total cost</b>	<b>28,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,519</b>
<b>Depreciation:</b>					
Furniture	9,173	-	-	-	9,173
Computers	11,560	-	-	-	11,560
Decoration	1,887	-	-	-	1,887
Office and Electricity Tools	5,899	-	-	-	5,899
<b>Total depreciation</b>	<b>28,519</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>28,519</b>
Book value at January 1	-				
<b>Book value at December 31</b>					-

**5. REAL STATE INVESTMENT**

The investment property item includes land belonging to the Al-Ghalibyah Global Investment Company Ltd (Sudan) and is not designated for sale, but has been allocated permanently to the Sudanese Ministry of Health for the establishment of a hospital for Al-Ghalibyah Global Investment Company (Sudan) The revaluation surplus amounted to 60,862,000 Sudanese pound, equivalent to 5,393,895 JD. During 2016, the land was assessed by authorized real estate appraisers.

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**6. FINANCIAL ASSETS DESIGNATED AT FAIR VALUE THROUGH  
STATEMENT OF OTHER COMPREHENSIVE INCOME**

<b>A. Investments inside the Hashemite kingdom of Jordan</b>	<b>2016</b>	<b>2015</b>
Investment in Capital Bank Jordan (P.L.C)	1,008	1,214
Investment in med gulf insurance Co. (P.L.C)	156,840	171,544
Investment in SPIC (P.L.C)	3,741	2,800
	<b>161,589</b>	<b>175,558</b>
<b>B. Investments outside the Hashemite kingdom of Jordan</b>	<b>2016</b>	<b>2015</b>
Investment in Animal Resources Bank (P.L.C) (Sudan)(Note-10)	382,422	650,281
	<b>382,422</b>	<b>650,281</b>
<b>C. Investments Unlisted inside the Hashemite kingdom of Jordan</b>	<b>2016</b>	<b>2015</b>
Investment in Arab world for education CO. (L.t.d)	2,266,570	2,266,570
	<b>2,266,570</b>	<b>2,266,570</b>
	<b>3,092,409</b>	<b>2,810,581</b>

**7. RESERVES**

**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.

**Voluntary reserve:**

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company can establish a voluntary reserve by and an appropriation of no more than 20% of net income. This reserve is available for dividends distribution till the approval of the Company's General Assembly

**8. ACCRUED EXPENSES AND OTHER LIABILITIES**

	<b>2016</b>	<b>2015</b>
Accrued expenses	14,591	16,113
Employee's payables	137,667	176,067
Social security deposit	1,186	1,186
Scientific Research Support Fund	22,593	22,593
University fees	22,593	22,593
Potential commitment provision	208,000	208,000
Other payables	417	417
	<b>445,447</b>	<b>408,569</b>

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**9. ACCOUNTS PAYABLE**

	2016	2015
Account Payables	434,252	434,252
Due to related parties *	117,782	116,581
	<u>552,034</u>	<u>550,833</u>

\* The balance due to a related party represents the amount due to Mr. Hussein Ghalib Kubba (Chairman) of the financing of the administrative and general expenses of the Company.

**10. TRANSACTIONS WITH RELATED PARTIES**

On June 13, 2010, the Company entered into an agreement with Mr. Hussein Ghalib Kubba (Chairman) whereby 84,000,000 shares of the company, the majority of the limited liability investment (Sudan) owned by the Sudan Livestock Bank, were purchased at \$ 4,753,500. Purchase of 50% of the net interest in the majority of Global Investment Limited Company owned by Mr. Hussein Ghalib Kabbah (Chairman) for US \$ 4,665,000.

Under the terms of the agreement, Mr. Hussein Ghalib Kabbah (Chairman) has the right to repurchase the shares of the Bank and the majority share of the Global Investment Company at the same purchase price within 24 months from the date of the agreement plus 2% per annum as interest on the dollar amount. The right to repurchase expired on June 13, 2012.

**11. GENERAL AND ADMINISTRATIVE EXPENSES**

	2016	2015
Wages and Salaries	38,400	38,400
Rent	6,000	6,000
Governmental fees	13,500	17,735
Legal and professional fees	5,220	5,220
Cleaning	3,000	3,000
Meeting expenses	2,050	6,398
Stationery	17	1,185
Miscellaneous	2,134	1,662
	<u>70,321</u>	<u>79,600</u>

**12. INCOME TAX**

The Company ended its relationship with the Income and Sales Tax Department until 2010 and an income tax of JD 164,081 has been charged to the Company. A provision for potential liabilities was made by the Company's management in previous years covering the value of this amount.

As for the years 2011, 2012, 2013 and 2014, the Company has submitted the self-assessment statement to the Income and Sales Tax Department and has not been audited by the Department until the date of the consolidated financial statements.

As for the year 2015, the self-assessment was accepted by the Income and Sales Tax Department without modification according to the sample system.

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**13. FINANCIAL INSTRUMENTS**

**The Fair Value**

The fair value of financial assets and financial liabilities Financial assets include cash and cash equivalents and checks under collection and receivables, securities, and include accounts payable, credit facilities and loans and credits and other financial liabilities.

First level: the market prices stated in active markets for the same financial instruments.

Level II: assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Level III: valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

<u>December 31, 2016</u>	<u>level one</u>	<u>Second Level</u>	<u>third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	-	-	-	-
Financial assets designated at fair value through statement of other comprehensive income	544,011	2,266,570	-	2,810,581
	544,011	2,266,570	-	2,810,581
<u>December 31, 2015</u>	<u>level one</u>	<u>Second Level</u>	<u>third level</u>	<u>Total</u>
Financial assets designated at fair value through statement of comprehensive income	-	-	-	-
Financial assets designated at fair value through statement of other comprehensive income	825,839	2,266,570	-	3,092,409
	825,839	2,266,570	-	3,092,409

The value set out in the third level reflects the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

**Capital Management Risks**

The Company manages 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 has not change from year 2015.

Structuring of Company's capital includes debts, which includes the disclosed borrowings in Note No. (15,18). And the shareholders equity in the Company which includes Common stock, additional paid in capital, reserves, Accumulated change in fair value, proposed dividends and retained earnings as it listed in the changes in owner's equity statement.

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**Financial Risks Management**

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

**Foreign currencies Risks Management**

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

**Interest Price Risks Management**

Risk related to interest rate result mainly from borrowing money at varying interest rates and short term deposits at fixed interest rates.

Sensitivity of the statement of comprehensive income is the impact of the assumed changes possible prices of interest on the profit of the Company for one year and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

**Other prices risks**

The Company exposes to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes.

The Company has no trading activity in those investments.

**Sensitivity analysis of the owner investments prices**

Sensitivity analysis followed based on that the Company exposed to investments prices risks in owner's equity of other companies at the date of the financial statements.

In case investments prices in owners' equity of other companies higher/ lower in rate 5%:-  
The Company's owners' equity reserves become higher/ lower in JD 140,529(: 2015 higher/ lower in JD 154,620) is resulting to company's portfolio.

**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 significant credit exposed for any parts or group of parts that have a similar specification have been disclosed in note No.19. The Company classified the parts which have similar specifications as a related parties. Except the amounts which are related in the cash money. The credits 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.

**Liquidity Risks Management**

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.

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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.

	<u>Year or less</u>	<u>More than one year</u>	<u>Total</u>
<b>2016 :</b>			
Tools without interest	997,481	-	997,481
Tools with interest	-	-	-
<b>Total</b>	<b>997,481</b>	<b>-</b>	<b>997,481</b>
<b>2015 :</b>			
Tools without interest	959,402	-	959,402
Tools with interest	-	-	-
<b>Total</b>	<b>959,402</b>	<b>-</b>	<b>959,402</b>

**14. SECTORIAL INFORMATION**

The company is currently working in the investment sector in the financial assets within the geographical sectors within the Kingdom and outside the Kingdom in the Republic of Sudan.

The details of revenue and profit of the Company's operating sectors are as follows:-

	<u>Sector's revenue</u>		<u>Sector's (losses)</u>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Investments inside the kingdom	-	-	(27,739)	(76,257)
Investments outside the kingdom	-	-	2,596	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>(25,143)</b>	<b>(76,257)</b>

The total assets and liabilities of the Company are as follows:-

	<u>Sector's assets</u>		<u>Sector's liabilities</u>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Investments inside the kingdom	2,715,869	2,914,378	994,278	953,955
Investments outside the kingdom	7,507,109	7,584,804	3,203	5,447
<b>Total</b>	<b>10,222,978</b>	<b>10,499,182</b>	<b>997,481</b>	<b>959,402</b>

**15-APPROVAL OF FINANCIAL STATEMENTS**

The consolidated financial statements for the year ended 31 December 2016 were approved on 23 February 2017 and approved for publication. These financial statements require the approval of the General Assembly of Shareholders.

**16. COMPARTIVE FIGURES**

Certain figures for 2015 have been reclassified to confirm presentation in the current year 2016.