NATIONAL POULTRY COMPANY
الشركة الوطنية للدواجن

السادة/ بورصة عمان المحترمين

عمان - الأردن

التاريخ : 2018/04/01
الرقم : 201 / R / 18

الموضوع : البيانات المالية كما في 31/12/ 2017

تحية طيبة وبعد،،،

نرفق لكم طياً ما يلي :

- البيانات المالية المدققة الصادرة عن مدققي حساباتنا السادة / آرنست ويونغ باللغة العربية والإنجليزية
- إقرار من مجلس إدارة الشركة بعدم وجود اي أمور جوهرية قد تؤثر على استمرارية الشركة.

وتفضلوا بقبول فائق الإحترام ،،،

الشركة الوطنية للدواجن

National Poultry Co. Plc.

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٠١ نيسان ٢٠١٨
الرقم المتسلسل: ١٨٦٢
رقم الملف: ٤١٠٨٤
الجهة المختصة: الإدراج ٦/١١

هاتف : ٥٠٨١ ٥٨٦ ٦ ٩٦٢+ . فاكس: ٥٠٨٥ ٥٨٦ ٦ ٩٦٢+ . ص.ب. ١٤٠٧٨٥ . عمان ١٤-١١٨ . الأردن
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NATIONAL POULTRY COMPANY
الشركة الوطنية للدواجن

إقـــرار

يقر مجلس إدارة الشركة الوطنية للدواجن بعدم وجود أية أمور جوهرية قد تؤثر على استمرارية الشركة خلال السنة المالية التالية (2018) .

يقر مجلس الادارة بمسؤوليته عن اعداد البيانات المالية وتوفير نظام رقابة فعال بالشركة .

نقر نحن الموقعين ادناه بصحة ودقة واكتمال المعلومات والبيانات الواردة في التقرير السنوي للشركة الوطنية للدواجن المساهمة العامة المحدودة عن السنة المالية المنتهية في 31 كانون الاول 2017 .

المدير المالي	المدير العام	رئيس مجلس الأدارة
رائد العابدي	أسامة ندى	أحمد محمد ابوغزالة

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National Poultry Company

Public Shareholding Company

Consolidated Financial Statements

31 December 2017

Building a better
working world

Ernst & Young Jordan
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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of National Poultry Company – Public Shareholding Company
Amman Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of National Poultry Company – Public Shareholding Company (the "Company") and its Subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2017, and its consolidated financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' *Code of Ethics for Professional Accountants* (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context .

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key Audit Item 1: Revenue recognition	
Key Audit Item The Group focuses on revenues as a key performance measures that could create an incentive to overstate revenue. We consider sales revenue to be an audit matter due to the volume of sales resulting from Poultry sales. The significant risks related to measure the accuracy of these revenues link with issuing invoices and calculate the revenue. Revenues amounted to JD 71,390,015 in 2017.	**How the key audit matter was addressed in the audit** Audit procedures included evaluating the accounting policies adopted by the Company to recognize revenue and adherence to those policies in accordance with International Financial Reporting Standards. We have evaluated the control environment and tested the internal controls over the completeness, measurement and occurrence of revenue recognized. We obtained a representative sample of transactions and tested proper recording and recognition. Moreover, we selected a sample at the cutoff period to check proper recognition. We performed as well substantive analytical procedures for the gross margin and sales revenue on monthly basis.
Key Audit Item 2: Evaluation of trade receivables Refer to the note (10) on the consolidated financial statements	
Key Audit matter Judgment is required to assess the appropriate level of provisioning for doubtful accounts receivable. The Group has large number of customers who mainly inside the country, which increases the risk of having a difficulty of collection these amounts due to downturn in the economy.	**How the key audit matter was addressed in the audit** We tested the methodology for calculating the provisions for doubtful debts, challenged the basis of valuation and assumptions used in identifying doubtful accounts, along with the provisioning criteria for such accounts. In doing so, we tested the accuracy of aging of accounts receivable and evaluated the sufficiency of the provision against doubtful debt. Note (10) to Financial statements disclose more details in respect with this matter.

Key Audit Item 3: Existence and evaluation of inventory Refer to the note (9) on the consolidated financial statements	
Key Audit matter Judgement is required to assess the appropriate level of provisioning for items, which maybe ultimately sold below cost. The Group's inventory is mainly comprised of life stock and feed that is subject to market prices fluctuations.	**How the key audit matter was addressed in the audit** We tested the methodology for calculating the provisions finished goods and raw materials. In addition, we have assessed the appropriateness and consistency of judgments and assumptions and consider the market data used in estimating provisions, accuracy and completeness of inventory including slow moving and aging provision. Note (9) to Financial statements disclose more details in respect with this matter.

Other information included in the Company's 2017 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of theconsolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group'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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, 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 ISAs will always detect a material misstatement when it exist. 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 decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, 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 Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the 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 Group 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.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts and the accompanying financial statements are in agreement therewith.

Ernst & Young / Jordan

Ernst + Young

Waddah Isam Barkawi
License No. 591

Amman – Jordan
26 March 2018

NATIONAL POULTRY COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2017

	Notes	2017	2016
		JD	JD
ASSETS			
Non-current assets -			
Property, plant and equipment	7	32,391,799	35,562,635
Current assets -			
Biological assets - mature		1,281,375	1,497,761
Biological assets - immature		1,377,908	1,125,143
Total biological assets	8	2,659,283	2,622,904
Inventories	9	21,020,518	17,176,017
Accounts receivable and other current assets	10	19,074,121	17,254,336
Due from related parties	20	1,577,387	1,719,684
Cash on hand and bank balances	11	522,822	910,545
		42,194,848	37,060,582
TOTAL ASSETS		77,245,930	75,246,121
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid in capital	1	30,000,000	30,000,000
Statutory reserve	12	2,207,758	1,854,839
Retained earnings		34,850,555	35,787,036
Total shareholders' equity		67,058,313	67,641,875
LIABILITIES			
Current liabilities-			
Accounts payable and other current liabilities	13	9,963,394	7,203,573
Short-term notes payable	14	10,560	33,779
Income tax provision	19	213,663	366,894
Total liabilities		10,187,617	7,604,246
TOTAL EQUITY AND LIABILITIES		77,245,930	75,246,121

The attached notes from 1 to 26 form part of these consolidated financial statements

National Poultry Company – Public Shareholding Company
Consolidated Statement Of Comprehensive Income
For The Year Ended 31 December 2017

	Notes	2017	2016
		JD	JD
Sales	15	71,390,015	68,711,941
Less: Cost of sales		(65,590,952)	(68,693,410)
Gross profit		5,799,063	18,531
Other revenues, net		52,980	7,077
Selling and distribution expenses	16	(3,217,140)	(3,085,447)
Administrative expenses	17	(2,139,060)	(3,089,994)
Provision for slow moving inventory and consumables	9	(817,490)	(1,280,060)
Loss for the year before income tax		(321,647)	(7,429,893)
Income tax	19	(261,915)	(379,724)
Loss for the year		(583,562)	(7,809,617)
Add: Other comprehensive income items		-	-
Total comprehensive income for the year		(583,562)	(7,809,617)
		JD/ Fills	JD/ Fills
Basic and diluted (loss) earnings per share	18	(0/190)	(0/260)

The attached notes from 1 to 26 form part of these consolidated financial statements

NATIONAL POULTRY COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Paid in capital	*Statutory reserve*	*Retained earnings*	*Total*
	JD	*JD*	*JD*	*JD*
For the year ended 31 December 2017				
Balance at 1 January 2017	30,000,000	1,854,839	35,787,036	67,641,875
Total comprehensive income for the year	-	-	(583,562)	(583,562)
Transfers to statutory reserve	-	352,919	(352,919)	-
Balance at 31 December 2017	30,000,000	2,207,758	34,850,555	67,058,313
For the year ended 31 December 2016				
Balance at 1 January 2016	30,000,000	1,460,559	46,990,933	78,451,492
Total comprehensive income for the year	-	-	(7,809,617)	(7,809,617)
Dividends paid (note 21)	-	-	(3,000,000)	(3,000,000)
Transfer to statutory reserve	-	394,280	(394,280)	-
Balance at 31 December 2016	30,000,000	1,854,839	35,787,036	67,641,875

The attached notes from 1 to 26 form part of these consolidated financial statements

NATIONAL POULTRY COMPANY – PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	*2017*	*2016*
OPERATING ACTIVITIES		*JD*	*JD*
Loss for the year before tax		(321,647)	(7,429,893)
Adjustments-			
Depreciation	7	4,186,459	4,197,642
Provision for slow moving spare parts, consumables and finished goods	9	817,490	1,280,060
Provision for doubtful debts	10	35,000	1,055,316
Reversal of provision for doubtful debts	10	-	(75,475)
Gain from sale of property, plant and equipment		(27,645)	(20,625)
Working capital changes			
Accounts receivable and other current assets		(1,854,785)	(1,404,373)
Inventories and biological assets		(4,698,370)	2,622,828
Accounts payable and other current liabilities		2,759,821	769,296
Due from related parties		142,297	4,164,256
Income tax paid	19	(415,146)	(541,300)
Net cash flows from operating activities		623,474	4,617,732
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	7	(1,015,623)	(1,119,971)
Proceeds from sale of property, plant and equipment		27,645	11,130
Net cash flows used in investing activities		(987,978)	(1,108,841)
FINANCING ACTIVITIES			
Short-term notes payable		(23,219)	(22,526)
Dividends paid	21	-	(3,000,000)
Net cash flows used in financing activities		(23,219)	(3,022,526)
Net (decrease) increase in cash and cash equivalents		(387,723)	486,365
Cash and cash equivalents at 1 January		910,545	424,180
Cash and cash equivalents at 31 December	11	522,822	910,545

The attached notes from 1 to 26 form part of these consolidated financial statements

1 GENERAL

National Poultry Company ("the Company") is a public shareholding company registered and incorporated in Jordan in 1994 with an authorized and paid in capital of JD 30,000,000 divided into 30,000,000 shares at a par value of JD 1 each.

The Company's principal activities are slaughtering and marketing of chicken as well as producing chicken feed, also establishing farms to raise chicken and producing meet products.

The subsidiaries' principal activities are establishing farms to raise chicken and producing chicken feed.

The Company's head office is located in Bayader Wadi Al-Seer, Amman – Hashemite Kingdom of Jordan.

The consolidated financial statements have been authorized for issue in accordance with the resolution of the Board of Directors on 20 March 2018 and require the approval of the General Assembly.

2 BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost convention.

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

The consolidated financial statements have been presented in Jordanian Dinars, which is the functional currency of the Group.

3 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of National Poultry Company (the Company) and its subsidiaries ("the Group") as at 31 December 2017.

Company's Name	Percentage of ownership	Country of incorporation
National Poultry Farms & Hatcheries Company Ltd.	100%	Jordan
Badiah for Juice Company Ltd.	100%	Jordan
Al – Hilal Company for Raising Chicken and Producing Feed Ltd.	100%	Jordan

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses 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.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Income and expenses of a subsidiary are consolidated in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss.

4 CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2016 except for the followings:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative
Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Group's consolidated financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses
Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Group's consolidated financial statements.

5 USE OF ESTIMATES

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions and in particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives of its property, plant and equipment for calculating depreciation. This estimate is determined after considering the expected usage of the asset or physical wear and tear. Management reviews the residual value and useful lives annually and future depreciation charge would be adjusted where the management believes the useful lives differ from previous estimates.

Impairment in the value of accounts receivable

An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

6 SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are as follows:

Property, plant and equipment

Property, plant and equipment are recorded at cost, less accumulated depreciation. Land is not depreciated. Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

• Buildings	5 to 25 years
• Office equipment and furniture	4 to 10 years
• Machinery, equipment and vehicles	5 to 15 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated income statement when the asset is derecognised.

Projects under construction

Projects under construction are stated at cost. This includes the cost of construction, equipment, and other direct costs. Projects under construction are not depreciated until to be ready for use.

Biological assets and Agriculture produce

IAS 41 (Agriculture) requires biological assets and agricultural produce at the point of harvest, to be measured on initial recognition and at each statement of financial position date at its fair value less estimated point – of – sales costs. Gain and loss arising from this measurement should be included in the statement of comprehensive income for the period in which it arises.

However, where fair value of the biological assets cannot be measured reliably, the biological assets should be stated at cost less any impairment losses.

Mature and immature biological assets are measured at costs less any impairment losses, as the fair value cannot be measured reliably.

Agriculture produce (breeders eggs in hatcheries), are stated at cost and as part of inventories as the fair value cannot be measured reliably. Biological assets after the process of hatching (broilers), are stated at cost and as part of inventories as the fair value cannot be measured reliably.

Inventories

Inventories are stated at the lower of cost and net realisable value.

Net realizable value is the estimated selling price in the ordinary course of business, less costs of completion and the estimated costs necessary to make the sale.

Cost is calculated as follows:

Raw materials and spare parts: purchase cost using the weighted average basis.
Finished goods – chicken: First in, first out basis.
Finished goods – meat, canned food and feed: weighted average basis.

Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts.

An estimate for doubtful debts is made when collection of the full or part of the amount is no longer probable.

Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, bank balances with an original maturity of three months or less.

Accounts payable and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be measured reliably.

Revenue recognition

Sales are recognized when the significant risks and rewards of ownership of the goods have passed to the buyer and the amount of revenues can be measured reliably.

Other revenues are recognized using the accrual basis.

Income Tax

Income tax expense includes current and deferred taxes.

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, nondeductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated in accordance with the Income Tax Law applicable in Jordan.

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred income tax is measured at the tax rates that are expected to apply to the year when the tax liability is settled or the tax asset is realized.

The carrying amount of deferred income tax assets is reviewed at each financial statements date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Fair Value Measurement

The Group measures financial instruments at fair value at each balance sheet date. Also, fair values of financial instruments are disclosed in Note 23.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either, in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

The group uses the following valuation methods alternatives in measuring and recording of financial instruments:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the statement of financial position date. All differences are taken to the consolidated statement of comprehensive income.

7 PROPERTY, PLANT AND EQUIPMENT

2017 -	*Land and buildings*	*Office equipment and furniture*	*Machinery, equipment, and vehicles*	*Projects in progress**	*Total*
	JD	*JD*	*JD*	*JD*	*JD*
Cost					
Balance at 1 January 2017	49,321,366	2,342,584	37,751,471	497,957	89,913,378
Additions	30,208	75,844	484,164	425,407	1,015,623
Projects transferred to property, plant and equipment	222,939	-	197,234	(420,173)	-
Disposals	-	(750)	(648,366)	-	(649,116)
Balance at 31 December 2017	49,574,513	2,417,678	37,784,503	503,191	90,279,885
Accumulated depreciation					
Balance at 1 January 2017	24,439,142	2,151,699	27,759,902	-	54,350,743
Charge for the year	2,224,701	103,934	1,857,824	-	4,186,459
Disposals	-	(750)	(648,366)	-	(649,116)
Balance at 31 December 2017	26,663,843	2,254,883	28,969,360	-	57,888,086
Net book value					
At 31 December 2017	22,910,670	162,795	8,815,143	503,191	32,391,799
2016 -					
Cost					
Balance at 1 January 2016	49,120,684	2,266,641	37,047,206	517,023	88,951,554
Additions	5,280	78,493	371,406	664,792	1,119,971
Projects transferred to property, plant and equipment	195,402	-	488,456	(683,858)	-
Disposals	-	(2,550)	(155,597)	-	(158,147)
Balance at 31 December 2016	49,321,366	2,342,584	37,751,471	497,957	89,913,378
Accumulated depreciation					
Balance at 1 January 2016	22,220,767	2,065,708	26,012,268	-	50,298,743
Charge for the year	2,218,375	88,541	1,890,726	-	4,197,642
Disposals	-	(2,550)	(143,092)	-	(145,642)
Balance at 31 December 2016	24,439,142	2,151,699	27,759,902	-	54,350,743
Net book value					
At 31 December 2016	24,882,224	190,885	9,991,569	497,957	35,562,635

* The estimated cost to complete the projects is approximately JD 849,204.

The depreciation charge has been allocated to the following consolidated statement of comprehensive income items:

	2017	2016
	JD	JD
Cost of sales	3,978,890	4,013,140
Selling and distribution expenses	175,574	155,619
Administrative expenses	31,995	28,883
	4,186,459	4,197,642

8 BIOLOGICAL ASSETS

Movements on biological assets are as follows:

	2017	2016
	JD	JD
Balance at 1 January	2,622,904	2,788,861
Increase resulting from purchases and production costs	8,706,124	8,551,515
Transfer to hatcheries/sales	(8,669,745)	(8,717,472)
Balance at 31 December	2,659,283	2,622,904

Biological assets consist of breeders, the estimated useful life of which is approximately one year.

The breeders have been measured at cost, less any impairment losses as the fair value cannot be measured reliably.

9 INVENTORIES

	2017	2016
	JD	JD
Finished goods - chicken (frozen and fresh)	1,235,522	3,758,374
Finished goods – meat products	466,831	526,181
Raw materials - meat	1,715,472	1,962,387
Goods in transit	2,972,242	396,782
Feed inventory	8,202,985	4,713,594
Breeders' eggs in hatcheries	458,260	498,696
Broilers	2,713,621	2,609,271
Spare parts and consumables	4,153,765	4,611,942
	21,918,698	19,077,227
Provision for slow moving spare parts and consumables	(898,180)	(1,901,210)
	21,020,518	17,176,017

Breeders' eggs in hatcheries (agricultural produce) and broilers (biological assets) have been stated at cost and as part of inventories as the fair value cannot be measured reliably.

Spare parts and consumables are for the Group's own use and not for sale.

Movements on provision for slow moving spare parts, consumables and finished goods are as follows:

	2017	*2016*
	JD	*JD*
Balance at 1 January	1,901,210	621,150
Provision for the year	817,490	1,280,060
Reversal of provision for slow moving inventories	(1,820,520)	-
Balance at 31 December	898,180	1,901,210

10 ACCOUNTS RECEIVABLE AND OTHER CURRENT ASSETS

	2017	*2016*
	JD	*JD*
Trade receivables	16,887,519	15,704,116
Less: provision for doubtful debts	(887,246)	(1,270,000)
	16,000,273	14,434,116
Prepaid expenses and other current assets	3,073,848	2,820,220
	19,074,121	17,254,336

As at 31 December 2017, trade receivable nominal value of JD 887,246 (2016: JD 1,270,000) were impaired.

Movements on provision for doubtful debts are as follows:

	2017	*2016*
	JD	*JD*
At 1 January	1,270,000	992,513
Provision for the year	35,000	1,055,316
Reversal of provision for doubtful debts	-	(75,475)
Bad debts written off	(417,754)	(702,354)
At 31 December	887,246	1,270,000

As at 31 December, the aging of unimpaired trade receivables is as follows:

	Neither past due nor impaired	Past due but not impaired 1 – 30 days	31 – 90 days	91 – 120 days	>120 days	Total
	JD	JD	JD	JD	JD	JD
2017	11,920,369	1,346,576	701,003	308,768	1,723,557	16,000,273
2016	10,501,766	1,904,267	1,006,384	317,544	704,155	14,434,116

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. Total guarantees received against trade receivable amounted to JD 520,000 as of 31 December 2017 (2016: JD 803,000).

11 CASH ON HAND AND BANK BALANCES

	2017	2016
	JD	JD
Cash on hand	337,731	565,321
Bank balances	185,091	345,224
	522,822	910,545

12 STATUTORY RESERVE

As required by the Jordanian Companies Law, 10% of the profit before tax for the parent company and its subsidiaries each alone is transferred to statutory reserve. The Company may resolve to discontinue such annual transfer when the reserve totals 25% of the authorized capital. This reserve is not available for distribution to the shareholders.

13 ACCOUNTS PAYABLES AND OTHER CURRENT LIABILITIES

	2017	2016
	JD	JD
Trade payables	7,468,589	3,944,807
Accrued expenses and others	2,494,805	3,258,766
	9,963,394	7,203,573

14 SHORT TERM NOTES PAYABLE

This item represents short-term notes payable as of 31 December 2017 to finance the purchase of goods. These notes mature within the first three months of 2018.

15 SEGMENT INFORMATION

For reporting purposes, the Group is organized into business units based on their products, and has the following reportable operating segments:

- Chicken slaughterhouse
- Feed
- Chicken farms
- Meat products

	Chicken slaughterhouse		*Feed*		*Chicken farms*		*Meat products*		*Others*		*Total*	
	2017	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*	*2017*	*2016*
	JD	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*	*JD*
Sales												
Total Sales	46,743,538	42,630,489	43,617,596	45,958,018	1,676,487	957,676	7,335,675	7,701,570	-	-	99,373,296	97,247,753
Inter-segment sales	-	-	(27,983,281)	(28,535,812)	-	-	-	-	-	-	(27,983,281)	(28,535,812)
External sales	46,743,538	42,630,489	15,634,315	17,422,206	1,676,487	957,676	7,335,675	7,701,570	-	-	71,390,015	68,711,941
Other Information												
Segment assets	39,086,687	44,253,847	29,041,709	21,142,640	2,443	2,964	8,269,080	9,000,659	846,011	846,011	77,245,930	75,246,121
Segment liabilities	4,999,676	4,465,282	4,917,641	2,623,511	-	-	270,300	515,453	-	-	10,187,617	7,604,246

16 SELLING AND DISTRIBUTION EXPENSES

	2017	2016
	JD	JD
Staff costs	1,485,719	1,426,482
Distribution and loading	713,949	643,797
Depreciation	175,574	155,619
Rent	53,754	96,750
Advertising	99,337	86,207
Water, electricity and heating	164,413	171,063
Guarantees and stamps	31,471	25,680
Postage and telephone	20,720	22,601
Inspection fees	243,000	243,000
Stationery and printing	12,842	16,954
Travel and transportation	17,640	49,870
Others	198,721	147,424
	3,217,140	3,085,447

17 ADMINISTRATIVE EXPENSES

	2017	2016
	JD	JD
Staff costs	1,481,094	1,480,166
Depreciation	31,995	28,883
Professional fees	118,443	101,105
Stationery and printing	19,531	26,129
Water, electricity and heating	43,996	44,904
Fuel and vehicles' maintenance	47,896	58,287
Postage and telephone	29,021	41,705
Governmental fees	84,359	39,943
Provision for doubtful debts, net	35,000	979,841
Donations	12,669	11,750
Building maintenance	44,586	22,481
Travel and transportation	13,536	28,916
Provision for lawsuits against the Group	2,299	78,728
Bank charges	18,581	23,306
Others	156,054	123,850
	2,139,060	3,089,994

18 EARNINGS PER SHARE

	2017	2016
Loss for the year (JD)	(583,562)	(7,809,617)
Weighted average number of shares outstanding during the year (shares)	30,000,000	30,000,000
	JD/ Fills	JD/ Fills
Basic and diluted loss per share	(0/190)	(0/260)

19 INCOME TAX

Movements on provision for income tax are as follows:

	2017	2016
	JD	JD
Balance at 1 January	366,894	528,470
Income tax paid	(415,146)	(541,300)
Current year's income tax charge	261,915	379,724
Balance at 31 December	213,663	366,894

Current year's tax charge of JD 261,915 represents the income tax recorded by Al-Hilal Company for Rising Chicken and Producing Feed for the year ended 31 December 2017 in accordance with the Income Tax Law No. (34) of 2014, which exempt chicken raising activity from income tax starting 1 January 2015.

In accordance with the Investment Promotion Law, the Company is granted tax exemption of 75% of its profits relating to the meat factory operations for 10 years commencing 3 March 2008.

Reconciliation between accounting profit and taxable profit:

	2017	2016
	JD	JD
Accounting loss	(321,647)	(7,429,893)
Non- taxable revenues	(1,658,361)	(1,170,959)
Non-deductible losses	3,850,842	11,312,499
Taxable profit	1,870,834	2,711,647
Relates to:		
Total profit – Parent company	-	-
Total profit – Subsidiaries	1,870,834	2,711,647
Current year's income tax charge	261,915	379,724
Effective income tax rate	14%	14%
Statutory income tax rate	14%	14%

The Group obtained a final clearance from the Income and Sales Tax Department up to 2014.

Provisions for doubtful debts and inventory slow moving items may result in deferred tax assets. However, because of the uncertainty over the realization of these deferred tax assets, the Group believes it would not be appropriate to recognize them as assets in the consolidated financial statements.

20 RELATED PARTY TRANSACTIONS

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

Delmonte Fresh Produce Company (Shareholder) opens letters of credit to purchase feed on behalf of the Group, which in its turn settles the amount of the letters of credit to Delmonte Fresh Produce Company.

Balances with related parties included in the consolidated statement of financial position are as follows:

	2017	2016
Due from related parties	JD	JD
Delmonte Fresh Produce – The Parent Company	1,157,372	1,203,454
Delmonte Jordan – Sister Company	420,015	516,230
	1,577,387	1,719,684
Letters of credit issued on behalf of Delmonte Jordan – Sister Company	174,000	1,769,902

Following is a summary of transactions with related parties included in the consolidated statement of comprehensive income:

	2017	2016
	JD	JD
Sales – Delmonte Dubai – Sister Company	321,690	653,820

Compensation of the key management personnel is as follows:

	2017	2016
	JD	JD
Salaries and other benefits	194,256	178,556

21 DIVIDENDS PAID TO SHAREHOLDERS

The General assembly for the Group approved in its meeting held on 10 April 2016 cash dividends amounted to JD 3,000,000 to the shareholders which represents 10% of Group's paid capital.

22 CONTINGENT LIABILITIES

Bank guarantees

As of 31 December 2017, the Group had outstanding letters of guarantee of JD 500,060 (2016: JD 453,146) with total cash margin of JD 25,003 (2016: JD 22,657) in respect of tenders and performance bonds relating to sales contracts.

Letters of credit

As of 31 December 2017, the Group had outstanding letters of credit of JD 174,000 (2016: JD 1,972,658) with total cash margin of JD 8,700 (2016: JD 98,633) in respect of purchases of machinery and equipment and raw materials. Letters of credit balance include an amount of JD 174,000 related to Delmonte Jordan activities (a sister Company).

Bills of collection

As of 31 December 2017, bills of collection amounted to JD 10,560 (2016: JD 33,779).

Claims against the Group

The Group is a defendant in a number of lawsuits amounting JD 127,945 as of 31 December 2017 (31 December 2016: JD 166,000) representing legal actions and claims related to its ordinary course of business. In addition, there is a public interest lawsuit held against the Group related to food security issue, the management and their legal advisor believe that it is not possible to predict any financial implication, which may arise in the present, and that the recorded provision of JD 127,945 as of 31 December 2017 (31 December 2016: JD 166,000) is sufficient to meet the obligation that may arise from the lawsuits.

23 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, trade receivables, due from related parties and some other current assets.

Financial liabilities consist of trade payables, notes payable and some other current liabilities.

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

24 RISK MANAGEMENT

a- Interest rate risk

Interest rate risk is the risk that results from the fluctuation in fair value or future cash flow of financial instruments due to change in interest rates.

The Group is not exposed to interest rate risk since there are no material variable interest-bearing financial assets or liabilities as of 31 December 2017 and 2016.

b- Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers, monitoring outstanding receivables and obtaining bank guarantees from some customers, and with respect to banks by only dealing with reputable banks.

The Group sells its products to a large number of customers. No single customer accounts for more than 10% of the outstanding accounts receivable at 31 December 2017 and 2016.

c- Currency risk

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar is fixed against the US Dollar (1.41 US Dollar/JD 1), and accordingly, the Group is not exposed to significant currency risk.

d- Operating risk

The Group's biological assets are exposed to specific risks, such as disease and weather conditions. The Group seeks to limit these risks by the continuous monitoring of its biological assets and providing them with the necessary medicine and cures.

e- Liquidity risk

Liquidity risk is the risk that the Group will not meet its obligations under its financial liabilities based on contractual maturity dates. The Group monitors its liquidity by ensuring availability of funds to meet its obligations at their maturity dates.

The table below summarizes the maturities of the Group's undiscounted financial liabilities at 31 December 2017 and 2016 based on contractual payment dates and current market interest rates.

	Less than 3 months	Total
	JD	*JD*
Year ended 31 December 2017		
Trade payables	7,468,589	7,468,589
Short – term notes payable	10,560	10,560
	7,479,149	7,479,149
Year ended 31 December 2016		
Trade payables	3,944,807	3,944,807
Short – term notes payable	33,779	33,779
	3,978,586	3,978,586

25 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize shareholder equity.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2017 and 31 December 2016.

Capital comprises paid in capital, statutory reserve and retained earnings, and is measured at JD 67,058,313 as at 31 December 2017 (2016: JD 67,641,875).

26 STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments
In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. The Group has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011.

The new version of IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required; but providing comparative information is not mandatory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions

The Group plans to adopt the remaining phases on the effective date and will not restate comparative information.

(a) Classification and Measurement

The Group does not expect a material impact on its balance sheet or equity on applying the new classification and measurement category of IFRS 9.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Group analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

IFRS 9 requires the Group to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Group will apply the simplified approach and record lifetime expected losses on all trade receivables. The Group has estimated that the additional provision to be recorded resulting from the expected credit loss from its trade receivables will not be material compared to the current requirements of provisioning for doubtful trade receivables.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

During 2017, the Group has performed an impact assessment of IFRS 15. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Group in 2018 when the Group adopts IFRS 15, whereas,

The Group does not expect a material impact on its balance sheet or equity on applying the requirements of IFRS 15.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture.

IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021.
Early application is permitted.

Transfers of Investment Property (Amendments to IAS 40)
The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts
In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration
The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.