



شركة أساس للصناعات الخرسانية م.ع.م.
ASSAS FOR CONCRETE PRODUCTS Ltd.

الرقم : 125 / assas / 2017
التاريخ : 06 / 03 / 2017

السادة / هيئة الأوراق المالية المحترمين.

الموضوع : البيانات المالية السنوية للشركة كما في ٢٠١٦/١٢/٣١

تحية طيبة وبعد؛؛

تجدون مرفق طيه البيانات المالية السنوية باللغة الإنجليزية كما في ٢٠١٦/١٢/٣١ لشركة أساس للصناعات الخرسانية م.ع.م.

شاكرين لكم حسن تعاونكم
وتفضلوا بقبول فائق الاحترام والتقدير ،،،،

المدير العام
المهندس / طاهر عبدالعزيز
شركة أساس للصناعات الخرسانية م.ع.م.



هاتف: ١٠ / ٤٧١١٦٠٩ - ٦ - ٩٦٢ - فاكس: ٤٧١١٦٠٤ - ٦ - ٩٦٢ - ص.ب. ٢٤٨ الجيزة ١٦٠١٠ و عمان - الأردن

فرع العقبة / هاتف: ٢٠٦٠٠١٢ - ٣ - ٩٦٢ - فاكس: ٢٠١٢٠١٩ - ٣ - ٩٦٢

Tel.: +962-6-4711609 / +962-6-4711610 - Fax: +962-6-4711604 - P.O.Box 248 Al Jeeza 16010, Amman - Jordan

Aqaba Branch / Tel.: +962-3-2060012 - Fax: +962-3-2012019

info@alassas.com - www.alassas.com

**Alassas for Concrete Products (ASAS)
and its subsidiary
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan**

**Consolidated Financial Statement
and Independent Auditor's Report
for the year ended December 31, 2016**

Alassas for Concrete Products
And It's Subsidiary
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

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Independent Auditors Report

To Messrs. Shareholders
Alassas for Concrete Products and it's Subsidiary
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Opinion

We have audited the consolidated financial statements of Alassas for Concrete Products and it's Subsidiary (Public Shareholding Company), which comprise the statement of financial position as at December 31, 2016, 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 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 Company as at December 31, 2016, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the section of our report. Auditors' responsibilities for the audit of the financial statements

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, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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 financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Adequacy of provision doubtful trade receivables

The balance of trade receivables and checks under collection reached an amount of JD 1,636,795 and the company's management estimated the allowance for doubtful accounts for an amount of JD 120,000 as of December 31, 2016.

Scope of audit

Audit procedures included verifying the control procedures used by management on the collection process of receivables, and we have also reviewed the aging reports of trade receivables in addition to their subsequent collections, guaranteed obtained against the receivables, and examined the sufficiency of the provision provided for the receivables through evaluating management hypotheses.

We evaluated the adequacy of the company's for disclosures about significant estimates made for providing the doubtful provision.

Other Information

Management is responsible for the other information. The other information comprises the [information included in the annual report, but does not include the consolidated financial statements and our auditors' report thereon.]

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Financial Statements

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

In preparing the financial statements, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 (ISAs) 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 decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standard 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 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 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 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend to approve these financial statements by the general assembly.

Talal Abu-Ghazaleh & Co. International



Aziz Abdelkader

(License # 867)

Amman - January 25, 2017



Alassas for Concrete Products
and its Subsidiary
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2016

	Notes	2016	2015
		JD	JD
ASSETS			
Non-current Assets			
Property, plant and equipment	3	9,594,270	10,039,595
Payments on investments in a subsidiary		-	25,000
Investments in associates	4	1,739,898	1,722,247
Investment in financial asset at fair value through other comprehensive income	5	85,910	131,514
Total Non-current Assets		11,420,078	11,918,356
Current Assets			
Inventory	6	1,437,408	1,769,885
Due from related parties	7	20,757	366
Other debit balances	8	1,344,108	931,790
Trade receivables	9	1,516,795	1,159,687
Cash and cash equivalents	10	31,865	9,971
Total Current Assets		4,350,933	3,871,699
TOTAL ASSETS		15,771,011	15,790,055

Alassas for Concrete Products
and its Subsidiary
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of financial position as at December 31, 2016

	Notes	2016	2015
		JD	JD
EQUITY AND LIABILITIES			
Equity			
Declared and paid capital		12,000,000	12,000,000
Statutory reserve		108,155	88,792
Voluntary reserve		75,201	75,201
Change in fair value of investments in financial assets at fair value through other comprehensive income		(222,906)	(177,300)
Change in fair value of investments in financial assets at fair value through other comprehensive income - associates		(1,644)	(1,644)
Accumulated losses		(2,040,030)	(2,205,827)
Total Equity		<u>9,918,777</u>	<u>9,779,222</u>
Liabilities			
Non Current Liabilities			
Loans	11	<u>71,024</u>	<u>429,019</u>
Current Liabilities			
Other credit balances	12	373,690	293,149
Income tax provision	13	6,588	-
Due to related parties	7	124,295	1,632,138
Trade payables	14	1,358,403	1,591,507
Deferred checks - related parties	7	2,352,837	600,000
Loans - current portion	11	512,687	669,735
Bank overdraft	15	<u>1,052,710</u>	<u>795,285</u>
Total Current Liabilities		<u>5,781,210</u>	<u>5,581,814</u>
Total Liabilities		<u>5,852,234</u>	<u>6,010,833</u>
TOTAL EQUITY AND LIABILITIES		<u><u>15,771,011</u></u>	<u><u>15,790,055</u></u>

Alassas for Concrete Products
and its Subsidiary
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of comprehensive income for the year ended December 31, 2016

	Notes	2016			2015
		Amman	Aqaba	Total	
		JD	JD	JD	JD
Net sales		5,923,583	1,984,739	7,908,322	6,493,937
Transportation revenue		915,610	-	915,610	-
Cost of sales - concrete	16	(5,097,893)	(1,609,951)	(6,707,844)	(5,703,929)
Cost of sales - transportation	17	(901,512)	-	(901,512)	-
Gross profit		839,788	374,788	1,214,576	790,008
Other revenues	18	22,130	-	22,130	27,775
Selling and distribution expenses	19	(199,039)	(60,363)	(259,402)	(752,390)
Administrative expenses	20	(580,442)	(101,229)	(681,671)	(595,325)
Finance cost		(88,276)	(66,467)	(154,743)	(168,470)
Company's share of profit of associates	4	52,743	-	52,743	48,382
Profit (loss) before tax		46,904	146,729	193,633	(650,020)
Income tax paid on prior years	13	-	(1,884)	(1,884)	(2,089)
Income tax expense	13	(1,566)	(5,022)	(6,588)	-
Profit (loss)		45,338	139,823	185,161	(652,109)
Other comprehensive income					-
Change in fair value of investment in financial asset through other comprehensive income		(45,606)	-	(45,606)	(32,130)
Total comprehensive income		(268)	139,823	139,555	(684,239)
Weighted average number of shares				12,000,000	12,000,000
Earnings per share of profit (loss)				0/015 Jds	(0/054) Jds

Alassas for Concrete Products
and its Subsidiary
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Consolidated statement of changes in equity for the year ended December 31, 2016

Description	Capital	Statutory reserve	Voluntary reserve	Change in fair value of investments in financial assets at fair value through other comprehensive income	Change in fair value of investments in financial assets at fair value through other comprehensive income - associates	Accumulated losses	Total
	JD	JD	JD	JD	JD	JD	JD
Balance as at January 1, 2015	12,000,000	88,792	75,201	(145,170)	(1,644)	(1,553,718)	10,463,461
Comprehensive income	-	-	-	(32,130)	-	(652,109)	(684,239)
Balance as at December 31, 2015	12,000,000	88,792	75,201	(177,300)	(1,644)	(2,205,827)	9,779,222
Comprehensive income	-	-	-	(45,606)	-	185,161	139,555
Reserves	-	19,363	-	-	-	(19,363)	-
Balance as at December 31, 2016	12,000,000	108,155	75,201	(222,906)	(1,644)	(2,040,030)	9,918,777

Alassas for Concrete Products
and it's Subsidiary
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Consolidated statement of cash flows for the year ended December 31, 2016

	2016	2015
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit (loss) before tax	193,633	(650,020)
Adjustments for :		
Depreciation	994,676	1,057,678
Doubtful debts	20,000	75,785
Losses (gains) on sale of property, plant and equipment	1,436	(9,039)
Damaged goods	-	26,234
Share of profit of associates	(52,743)	(48,382)
Change in operating assets and liabilities:		
Inventory	332,477	(7,930)
Due from related parties	(20,391)	-
Other debit balances	(412,320)	(338,907)
Trade receivables	(397,108)	208,321
Deferred checks - related parties	1,752,837	600,000
Other credit balances	80,541	22,382
Due to related parties	(1,507,843)	(311,508)
Trade payables	(233,104)	131,093
	<u>772,091</u>	<u>755,707</u>
Income tax paid	(1,884)	(4,869)
Net cash from operating activities	<u>770,207</u>	<u>750,838</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(550,787)	(632,996)
Proceeds from sale of property, plant and equipment	-	9,293
Finacial assets at fair value through other comprehensive income	-	2,500
Distrbuted dividends - associate	35,092	-
Investment in subsidiary	25,000	(25,000)
Net cash from investing activities	<u>(490,695)</u>	<u>(646,203)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Loans	(515,043)	(201,388)
Banks overdraft	257,425	92,836
Net cash from financing activities	<u>(257,618)</u>	<u>(108,552)</u>
Net change in cash and cash equivilents	21,894	(3,917)
Cash and cash equivalents - beginning of year	9,971	13,888
Cash and cash equivalents - end of year	<u>31,865</u>	<u>9,971</u>

Alassas for Concrete Products
and its Subsidiary
Public Shareholding Company
Amman – The Hashemite Kingdom of Jordan

Notes to the financial statement

1. Legal status and activity for parent company and subsidiaries as follows:

- The parent company (Alassas for Concrete Industries and incorporated and registered at the Ministry of Industry and Trade as public shareholding under No (438) on June 5, 2007.
- The main activities of the company are production, import and export all kinds of kerbstone, bricks, hourdi block, ties and interlock, forming metal and to do all other acts related thereto.
- The subsidiary company (Alassas for Modern Specialized Transportation incorporated and registered as a limited liability company at the Ministry of Industry and trade under no (40573) on May 20, 2015.
- The main activities of the company are transport materials, sand, gravels, infrastructure materials, road specialized transport related to material construction, ready concrete and general goods.
- The financial statement have been approved by board of direction on 25 of January 2017 and it require approval of the General Assembly.

2. Financial statements preparation framework Significant accounting policies

Financial statements preparation framework

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

Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

Functional and presentation currency

The financial statements have been presented in the Jordanian dinar (JD) which is the functional currency of the entity.

- Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and carrying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for doubtful and bad debts, inventory obsolescence, useful lives of depreciable assets, provisions, any legal cases against the entity.

- Basis of consolidation

- Control is presumed to exist when the investor 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, unless, in exceptional circumstances, it can be clearly demonstrated that such ownership does not constitute control.
- Intergroup balances, transactions, income and expenses among the group (the parent and the subsidiaries company) shall be eliminated in full.

- Property and equipment

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment. Land is not depreciated.

- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Depreciation
	rate %
Buildings	2-10
Equipment and tools	7-10
Vehicles and machinery	10-15
Furniture and decorations	15
Software and computers	15-25
Electrical devices and equipment	15

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

- Financial assets

- A financial asset is any asset that is:
 - (a) Cash;
 - (b) An equity instrument of another entity;
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
 - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.
- All recognized financial assets are subsequently measured either at amortized cost or fair value, on the basis of both:
 - (a) The entity's business model for managing the financial assets, and
 - (b) The contractual cash flow characteristics of the financial assets.
- A financial asset is measured at amortized cost if both of the following conditions are met:
 - (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 - (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are subsequently measured at fair value.
- A gain or loss on a financial asset that is measured of fair value and is not part of a hedging relationship is recognized in profit or loss unless the financial asset is an investment in an equity instrument and the entity has elected to present gains and losses on that investment in other comprehensive income

- Cash and cash equivalents

- Cash comprises cash on hand, current accounts and demand deposits with banks.
- Cash equivalents are short- term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes value.

– Related parties

- Transactions with related parties represent transfer of resources, services, or obligations between related parties.
- Terms and conditions relating to related party transactions are approved by management.

– Impairment of assets

- At each statement of financial position date, management reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- An impairment loss is recognized immediately as loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

– Statutory reserve

Public Shareholding Company – parent company

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals one quarter of the Company's subscribed capital. However, the Company may, with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the subscribed capital of the Company in full. Such reserve is not available for dividends distribution.

Limited Liability Company – subsidiary company

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the Company's subscribed capital. Such reserve is not available for dividends distribution.

– Voluntary reserve

This reserve is determined in accordance with the Jordanian Companies Law by allocating not more than 20% annually of the profit to this reserve.

– Provisions

- Provisions are present obligations (legal or constructive) resulted from past events, the settlement of the obligations is probable and the amount of those obligations can be estimated reliably. The amount recognized as a provision is the best estimate of the expenditure required to settle the present obligation at the statement of financial position date.
- Provisions reviewed and adjusted at each statement of financial position date. If outflows, to settle the provisions, are no longer probable, reverse of the provision is recorded as income.

– Revenue recognition

- Revenue is measured at the fair value of the consideration received or receivable
- Revenue is reduced for amount of any trade discounts and volume rebates allowed by the entity.

Sale of goods

Revenue from the sale of goods is recognized when all the following conditions are satisfied:

- The entity has transferred to the buyer the significant risks and rewards of ownership of the goods.
- The entity retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.
- The amount of revenue can be measured reliably.
- It is probable that the economic benefits associated with the transaction will flow to the entity.
- The costs incurred or to be incurred in respect of the transaction can be measured reliably.

– Rendering of services

- Revenue from a contract to provide services is recognized by reference to the stage of completion of the transaction at the statement of financial position date.
- The outcome of the transaction can be estimated reliably when all the following conditions are satisfied:
 - The amount of revenue can be measured reliably.
 - It is probable that the economic benefits will flow to the entity.
 - The stage of completion at the statement of financial position date can be measured reliably.
 - The costs incurred, or to be incurred, in respect of the transaction can be measured reliably.
- When the above criteria are not met, revenue arising from the rendering of services is recognized only to the extent of the expenses recognized are recoverable.

– Dividend and interest revenue

- Dividend revenue from investments is recognized when the shareholder's right to receive payment is established.

– Borrowing costs

- Borrowing costs are interest and other costs that an entity incurs in connection with the borrowing of funds.
- Borrowing costs are expensed in the period in which they are incurred.

– Income tax

Income tax is calculated in accordance with laws and regulations applicable in Jordan

Basic earnings per share

Basic earnings per share is calculated by dividing profit or loss, attributable to ordinary shareholders, by the weighted average number of ordinary shares outstanding during the year

– Foreign currencies

- In preparing the financial statements, transactions in currencies other than the functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

– Contingent liabilities

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.

3. Property, plant and equipment

2016	Lands (*)	Buildings	Equipment and tools	Vehicles and machinery	Furniture and decorations	Software and computers	Electrical devices and equipment	Projects under construction	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost	2,637,796	3,038,040	9,598,321	2,352,420	28,950	43,679	90,307	128,676	17,918,189
Balance - beginning of year	-	335,122	67,765	120,233	470	951	7,800	18,446	550,787
Additions	-	-	73,585	-	-	-	-	(73,585)	-
Disposals	-	-	-	-	-	-	-	(1,436)	(1,436)
Balance - end of year	2,637,796	3,373,162	9,739,571	2,472,653	29,420	44,630	98,107	72,101	18,467,540
Accumulated depreciation									
Balance - beginning of year	-	653,127	5,325,906	1,780,780	25,006	39,950	53,825	-	7,878,594
Depreciation (**)	-	120,549	729,110	129,063	1,394	2,086	12,474	-	994,676
Disposals	-	-	-	-	-	-	-	-	-
Balance - end of year	-	773,676	6,055,016	1,909,843	26,400	42,036	66,299	-	8,873,270
Net	2,637,796	2,599,486	3,684,555	562,810	3,020	2,594	31,808	72,101	9,594,270
2015									
Cost									
Balance - beginning of year	2,454,640	3,011,477	9,379,866	2,227,460	28,390	43,659	82,889	81,102	17,309,483
Additions	183,156	26,563	218,455	139,830	560	440	7,418	56,574	632,996
Disposals	-	-	-	(14,870)	-	(420)	-	(9,000)	(24,290)
Balance - end of year	2,637,796	3,038,040	9,598,321	2,352,420	28,950	43,679	90,307	128,676	17,918,189
Accumulated depreciation									
Balance - beginning of year	-	535,213	4,583,146	1,614,032	22,943	37,390	43,230	-	6,835,954
Depreciation (**)	-	117,914	742,760	181,618	2,063	2,728	10,595	-	1,057,678
Disposals	-	-	-	(14,870)	-	(168)	-	-	(15,038)
Balance - end of year	-	653,127	5,325,906	1,780,780	25,006	39,950	53,825	-	7,878,594
Net	2,637,796	2,384,913	4,272,415	571,640	3,944	3,729	36,482	128,676	10,039,595

(*) Lands mortgage in favor of Jordan Bank amounting to JD 1,515,760 against granted loans - Note (12), also there are lands in Aqaba not registered in the name of the company amounting to JD 183,156 as of December 31, 2016.

(**) Depreciation expense was distributed as follows:

	2016	2015
	JD	JD
Manufacturing expenses	938,093	921,584
Transportation revenue cost	38,588	-
Administrative expenses	12,050	12,132
Selling and distribution expense	5,945	123,962
Total	994,676	1,057,678

4. Investments in associates

Company name	Country of incorporation	Legal entity	Number of shares	Percentage of ownership	2016	2015
					JD	JD
Alquds for Concrete Industries Co	Jordan	P.L.C	906,041	12.00%	1,121,453	1,116,564
International Cards Co.	Jordan	P.L.C	382,198	2.00%	618,445	605,683
Total					1,739,898	1,722,247

(*) Movement of investment through the year was as the follows:

	2016	2015
	JD	JD
Balance - beginning of year	1,722,247	1,673,865
Share of profit of associates	52,743	48,382
Distributed dividends	(35,092)	-
Balance - end of year	1,739,898	1,722,247

(**) Associate companies' summary of information as follows:

Company name	Price of share at 31 December 2016	Total assets	Total liabilities	Revenue	Profit (loss)
	JD	JD	JD	JD	JD
Alquds for Concrete Industries Co (***)	0.36	11,434,714	3,529,484	6,258,832	339,431
International Cards Co.	0.24	31,023,745	13,551,049	1,664,068	536,864

(***) Within the investment there are 10,000 shares in Alquds Ready mix concrete industries as of December 31, 2016 reserved against a membership in the board of directors of the company.

(****) The company's share of profit of associates mentioned above was valued based on interim reviewed financial statements issued on September 30, 2016.

5. Investments in financial assets at fair value through other comprehensive income

	2016	2015
	JD	JD
Cost	308,816	311,316
Net sales and purchases during the year	-	(2,500)
Accumulated change in fair value	(222,906)	(177,302)
Net	85,910	131,514

(*) Included in the investments there are 10,000 shares in the International brokerage & financial Markets Co. as of Dec 31st 2016 reserved in against a membership in the company's board of directors.

6. Inventory

	2016	2015
	JD	JD
Finished goods	895,085	1,276,699
Raw material	273,495	297,339
Spare parts	266,049	232,305
Fuels	2,779	1,779
Impairment provision for slow moving goods (*)	-	(38,237)
Total	1,437,408	1,769,885

(*) Movement for impairment provision of slow moving goods through the year as the follows:

	2016	2015
	JD	JD
Balance - beginning of year	38,237	38,237
Provided	2,774	-
Closing inventorg difference in impairment provision	(41,011)	-
Balance - end of year	-	38,237

7. Related parties

(*) Related parties consist of associates, subsidiaries and companies in which main shareholders have significant shares in them.

(**) Due from related party items represent following:

	2016	2015
	JD	JD
Arabian Qatrana Cement Co.	20,252	-
International Cards Co.	310	310
Masafat for for car leasing Co.	139	-
International brokrage & financial Markets Co.	56	56
Total	20,757	366

(***) Related parties payables items represent following:

	2016	2015
	JD	JD
Ready Mix Concrete & Construction Supplies Co.	50,167	353,671
Alquds for Ready Mix concrete Co.	24,500	39,500
Masafat for Specialized Transport Co.	24,183	160,244
Amman for Construction Equipment	14,144	6,852
Conctere Technology Co. (CTC)	10,479	13,130
Alquds Ready Mix Concrete - associate	822	822
Arabian Qatrana Cement Co,	-	1,057,919
Total	124,295	1,632,138

(****) Deferred checks -due from related parties of the following

	2016	2015
	JD	JD
Arabian Qatrana Cement Co.	1,585,000	255,000
Readymix Concrete & Construction Supplies Co.	550,000	300,000
Masafat for Specialized Transport .	175,000	45,000
Concrete Technology Co. (CTC)	42,837	-
Total	2,352,837	600,000

(*****) Transactions with related parties are operational in its nature, Major transactions with related parties stated in the comprehensive income statement were as follows:

	2016	2015
	JD	JD
Sales	19,108	35,682
Purchases (cost of sale)	1,377,900	763,966
Manufacturing expenses	25,200	25,200
Other revenue	15,000	15,000
Selling and distribution expenses	10,000	10,000

8. Other debit balances

	2016	2015
	JD	JD
Endorsed checks for bank facilities	882,443	-
Prepaid to suppliers	191,608	97,143
Prepaid expenses	119,194	144,363
Orders	34,042	65,544
Bank deposits	33,823	550,003
Refundable deposits	32,925	32,925
Payments on income tax	20,227	15,789
Employees receivables	17,877	16,211
Others	11,969	9,812
Total	1,344,108	931,790

9. Trade receivable

	2016	2015
	JD	JD
Trade receivables (*)	1,354,336	1,224,363
Outstanding checks	282,459	35,324
Less: allowance for doubtful receivables (**)	(120,000)	(100,000)
Net	1,516,795	1,159,687

(*) According to the company's credit policies, grace period is 60 days in the ordinary course of business, the receivables aging details are as follows based on issued sales invoices:

	2016	2015
	JD	JD
1-60 days	547,916	650,207
61-120 days	313,748	117,940
121-180 days	62,945	53,105
More than 181 days	429,727	403,111
Total	1,354,336	1,224,363

- Trade receivables are concentrated into two main accounts forming 27% from the receivables as of December 31, 2016.

(**) Allowance for doubtful receivables movement during the year:

	2016	2015
	JD	JD
Balance - beginning of year	100,000	85,594
Provided during the year	20,000	75,785
Bad debts	-	(61,379)
Balance - end of year	120,000	100,000

10- Cash and cash equivalents

	2016	2015
	JD	JD
Cash on hand	15,102	2,077
Current accounts at banks	16,763	7,894
Total	31,865	9,971

11- Loans

Bank	Loan period	Guarantees	Interest rate	2016		2015	
				Current	Non-current	Total	Total
			%	JD	JD	JD	JD
Bank of Jordan - Commercial loan	Purchasing fixed assets and upgrading assets through 30 equal monthly payments	Company's guarantee and a real estate mortgage on south Amman lands located in Qastal area	9	201,931	71,024	272,955	332,899
Bank of Jordan - financing LC's	the company have rescheduled the loan at the 31st of Aug 2013 where its paid through 48 equal payments amounting to JD 24,000 the loans' remaining balance is JD 1,144,365 after rescheduling.	Company's guarantee	9	185,203	-	185,203	436,334
Bank of Jordan - Commercial loan	the company have rescheduled the loan at the 31st of Aug 2013 where its paid through 48 equal payments amounting to JD 15,000 the loans' remaining balance is JD 690,000 after rescheduling.	Company's guarantee and a real estate mortgage on aqaba lands	9	97,365	-	97,365	263,090
Bank of Jordan - Commercial loan	the company have rescheduled the loan at the 31st of Aug 2013 where its paid through 48 equal payments amounting to JD 4,000 the loans' remaining balance is JD 200,000 after rescheduling.	Company's guarantee and a real estate mortgage on south Amman lands located in Qastal area	9	28,188	-	28,188	66,431
Total				512,687	71,024	583,711	1,098,754

12- Other credit balances

	2016	2015
	JD	JD
Advanced payments from customers	163,009	137,962
Deposits for othres	66,728	16,697
Outstanding checks	30,024	-
Accrued expenses	27,503	43,625
Shareholders deposits	26,741	26,741
Orders	16,831	-
Social securities deposits	16,720	13,323
Savings fund deposits	9,944	21,182
Sales tax deposit	8,918	23,976
Employees payable	3,995	6,254
Employees income tax deposits	3,277	3,389
Total	373,690	293,149

13- Income tax provision

	2016	2015
	JD	JD
Balance - beginning of year	-	2,780
Provided during the year for previous years	1,884	2,089
Provided during the year	6,588	-
Paid during the yaer	(1,884)	(4,869)
Balance - end of year	6,588	-

Parent Company

- Tax status for the company has been settled till 2014 for Amman, and till 2011 for Aqaba.
- Income tax returns have been filed for year 2015 within a legal period, and it not settled with the Income Tax Department yet.
- The opinion of the company's tax consultant, the company has acceptable accumulated losses for Amman, and therefore its not liable for any taxes, but Aqaba is liable for a tax amount of JD 5,022.

Subsidiary Company

- Tax return for the year ended 2015 has been filed within the legal period.
- According to the tax consultants opinion the company must consider a provision for Income tax of JD 1,566 on the company's profit.

14- Trade payables

	2016	2015
	JD	JD
Trade payables (*)	716,593	824,531
Postponed checks	641,810	766,976
Total	1,358,403	1,591,507

(*) Trade payables are concentrated in ten receivables that represent 25% of total payables as of December 31, 2016.

15- Banks overdraft

Bank	Ceiling	Interest rates	2016	2015
	JD	%	JD	JD
Bank of Jordan - sales financing (*)	500,000	8.75	554,161	435,578
Bank of Jordan - overdraft (*)	300,000	8.75	463,285	359,707
Arab bank	-	-	35,264	-
Total			1,052,710	795,285

(*) This item represents the bank facilities granted from the bank of Jordan with the guarantees of checks deposits coverage of 120% from the used balance.

16- Cost of sale

	2016			2015
	Al-qastal	Aqaba	Total	Total
	JD	JD	JD	JD
Raw materials beginning of year	228,223	69,116	297,339	272,759
Raw materials purchases during the year	2,956,432	844,089	3,800,521	3,067,160
Raw materials ending of year	(241,039)	(32,456)	(273,495)	(297,339)
Raw material used in production	2,943,616	880,749	3,824,365	3,042,580
Manufacturing cost (*)	1,818,718	683,147	2,501,865	2,563,135
Finished goods beginning of year	989,565	287,134	1,276,699	1,374,913
Less: finished goods end of year	(654,006)	(241,079)	(895,085)	(1,276,699)
Balance	5,097,893	1,609,951	6,707,844	5,703,929

(*) Manufacturing cost are as following:

	2016			2015
	Al-qastal	Aqaba	Total	Total
	JD	JD	JD	JD
Deprecation	694,820	243,273	938,093	921,584
Salaries, wages and related benefits	520,294	185,035	705,329	663,120
Maintenance	149,458	21,437	170,895	115,766
Consumables	78,357	50,761	129,118	116,176
Water and electricity	90,794	34,361	125,155	113,624
Fuel	58,489	22,548	81,037	78,143
Company's contribution in social securities	51,370	15,909	67,279	64,405
Damaged goods	24,185	20,643	44,828	27,681
Rent	26,000	16,969	42,969	42,942
Vehicles	15,183	25,535	40,718	84,270
Batch fastening cords	23,159	11,795	34,954	49,799
Health insurance	21,341	11,357	32,698	31,400
Insurance	21,908	5,257	27,165	22,777
Miscellaneous	8,685	3,275	11,960	14,483
Transportation expenses	7,558	3,585	11,143	128,840
Savings fund	7,161	1,877	9,038	9,142
Non refundable sales tax	8,762	-	8,762	15,933
Samples tests	2,715	5,130	7,845	11,587
Governmental expenses	5,212	-	5,212	17,349
Work permits	-	3,560	3,560	-
Stationery	2,088	247	2,335	4,165
Cleaning expenses	1,179	593	1,772	3,976
Professional fees	-	-	-	25,973
Total	1,818,718	683,147	2,501,865	2,563,135

17- Transportation revenue cost

	2016
	JD
Transportation wages	306,259
Salaries, wages and related benefits	256,799
Fuel	150,344
Maintenance	88,694
Depreciation	38,588
Vehicle expenses	27,708
Companys contribution in social security	19,672
Health insurance	6,470
Companys contribution in savings fund	2,405
Rents	1,512
Travel expenses	971
Licences, permits and governmental subscriptions	583
Insurance	340
Water and electricity	236
Tranportation	211
Consumable	209
Hospitality	149
Discount allowed	143
Training	88
Stationery and printings	79
Miscellaneous	52
Total	901,512

18- Other revenues

	2016			2015
	Al-qastal	Aqaba	Total	Total
	JD	JD	JD	JD
Lands rent revenue	15,000	-	15,000	15,000
Others	4,292	-	4,292	752
Distributed divideuds	2,698	-	2,698	2,836
Bank interests	140	-	140	148
Gain on sale of property and equipment	-	-	-	9,039
Net	22,130	-	22,130	27,775

19- Selling and distribution expenses

	2016			2015
	Al-qastal	Aqaba	Total	Total
	JD	JD	JD	JD
Transportation expenses	55,940	16,767	72,707	47,398
Salaries, wages and related benefits	43,219	21,731	64,950	201,270
Vehicles expenses	23,892	10,685	34,577	142,649
Fuel	20,106	4,741	24,847	181,355
Discount allowed	18,344	-	18,344	-
Rents	13,606	-	13,606	13,944
Companys contribution in social security	3,734	2,656	6,390	14,844
Depreciation	5,945	-	5,945	123,962
Advertisements	3,811	600	4,411	3,333
Health insurance	2,516	1,062	3,578	7,541
Stationery and printings	2,003	251	2,254	4,215
Miscellaneous	1,519	685	2,204	2,398
Water and electricity	1,655	-	1,655	2,952
Licences, permits and government subscriptions	1,192	379	1,571	927
Insurance	1,116	447	1,563	3,234
Companys contribution in savings fund	441	359	800	2,368
Total	199,039	60,363	259,402	752,390

20- Administrative expenses

	2016			2015
	Al-qastal	Aqaba	Total	Total
	JD	JD	JD	JD
Salaries, wages and related benefits	284,304	40,536	324,840	278,433
Engineering consultations	45,411	-	45,411	-
Traveling and transportation	12,288	29,581	41,869	35,670
Board of directors tranportations	31,005	-	31,005	32,400
Companys contribution in social security	25,492	4,359	29,851	25,379
Licences, permits and governmental subscriptions	22,278	2,406	24,684	24,432
Vehicles expenses	18,281	8,121	26,402	18,499
Professional fees	21,975	300	22,275	75,785
Donation	10,008	4,517	14,525	14,364
Subscriptions	13,764	-	13,764	9,218
Miscellaneous	12,806	860	13,666	6,947
Depreciation	12,050	-	12,050	5,014
Telecommunications	9,467	2,375	11,842	12,132
Hospitality	7,144	4,016	11,160	8,652
Advertisements	6,850	1,155	8,005	13,235
Health insurance	5,262	1,783	7,045	5,692
Water and electricity	5,974	-	5,974	8,034
Maintenance	5,369	130	5,499	5,651
Companys contribution in savings fund	4,209	484	4,693	5,568
Stationery and printings	4,109	187	4,296	4,611
Training	1,175	403	1,578	2,519
Bank expenses	813	-	813	-
Cleaning	408	16	424	342
Doubtful debts	20000	-	20,000	2,037
Fuel	-	-	-	711
Total	580,442	101,229	681,671	595,325

21- Subsidiaries financial statements

The consolidated financial statements include the financial statement of the subsidiary as of December 31, 2016 as follows:

Company name	Legal status	Paid capital	Ownership	Total assets	Total liabilities	Retained earnings
		JD	%	JD	JD	JD
AssasSpecialized Transport. Co	LLC	50,000	100	491,766	435,504	5,479

22- Legal cases

According to the lawyers letter there are legal cases raised by the company against others amounting to JD 179,431, and these cases are still held at specialized courts.

23- Contingent Liabilities

There are contingent liabilities amounting to JD 152,990 with a cash deposit of JD 33,823 at the date of the statement of financial position.

24- Risk management

a) Capital risk:

- Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Most of foreign currency transactions are in USD, and JD exchange rate is fixed against USD.

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.
- The following table shows the sensitivity of profit or loss and equity to changes in interest rates paid by the entity on borrowing from the banks:

At Decamber 31, 2016	Change in interest	Effect on Comprehensive income
	%	JD
Loans	0.5	± 2,919
Bank overdraft	0.5	± 5,263

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments.
- The following table shows the sensitivity to profit or loss and equity to the changes in the listed prices of investments in equity instruments, assuming no changes to the rest of other variables:

At Decamber 31, 2016	Change in price	The effect on profit (loss) and owners equity
	%	JD
Investment in financial assets at fair value through Other comprehensive income	±5	±4,296

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors, also adequate provisions for doubtful receivables is taken.
- The carrying amount of financial assets recorded in the financial statements represents the - maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.
- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	Less than 1 year		More than 1 year	
	2016	2015	2016	2015
	JD	JD	JD	JD
Financial assets:				
Payments on investments in subsidiary	-	-	-	25,000
Investments in associates	-	-	1,739,898	1,722,247
Investment in financial assets at fair value through other comprehensive income	-	-	85,910	131,514
Due from related parties	20,757	366	-	-
Other debit receivables	979,037	608,951	-	-
Trade receivables	1,516,795	1,159,687	-	-
Cash and cash equivalents	31,865	9,971	-	-
Total	2,548,454	1,778,975	1,825,808	1,878,761
Financial liabilities:				
Loans	512,687	669,735	71,024	429,019
Other credit balances	162,576	155,187	-	-
Due to related parties	124,295	1,632,138	-	-
Trade payables	1,358,403	1,591,507	-	-
Deferred checks - related parties	2,352,837	600,000	-	-
Bank overdraft	1,052,710	795,285	-	-
Total	5,563,508	5,443,852	71,024	429,019

25- Fair value of financial instruments

- The table below represents the fair value of the financial instruments using valuation method. there are different levels as follows:
- Level 1: listed prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs rather than prices listed in level 1 and observable for the asset or liability, either directly (as prices) or indirectly (derived from prices).
- Level 3: inputs for the asset or liability is not based on comparable market data that can be observed (non-observable inputs).

As at 31 December 2016	Level (1)
	JD
Investment in financial assets at fair value through other comprehensive income	85,910

26- Standards and Interpretations issued but not yet effective

Up to the date of these financial statements, the following Standards and Interpretations were issued by the International Accounting Standards Board but not yet effective:

Standard or Interpretation No.	Description	Effective date
IFRS (9) - New	Financial Instruments	Jan 1, 2018 or after
IFRS (15) - New	Revenue from contracts with customers	Jan. 1, 2018 or after
IFRS (16) - New	Leases – all leases are being recognized in the statement of financial position, without distinctions between operating and finance leases	Jan 1, 2019 or after
IAS (7) - Amendments	Additional disclosures enables users of financial statement to assess the required changes arising from financial operation	Jan 1, 2017 or after
IAS (12) - Amendments	Recognition to deferred tax assets for unrealized losses	Jan 1, 2017 or after

Management anticipates that the adoption of these Standards and Interpretations in current or future periods may not have material impact on the financial statements.