

Date: 30/04/2018

Ref: PBP/037/2018

**Amman Stock Exchange**

**Subject: Interim Financial Statements as of 31/03/2018**

Gentlemen,

Please find attached the Interim Financial Statements for **Premier Business and Projects Co.** as of 31/03/2018.

Best regards,

Basim Muasher  
Chairman

CC. Jordan Securities Commission

بورصة عمان
الدائرة الإدارية والمالية
الديوان
٢٠١٨ - أيار - ٢
2721
الرقم التسلسلي:
41010
رقم الملف:
211/61
الجهة المختصة:

**PREMIER FOR BUSINESS AND PROJECTS**

**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)**

**31 MARCH 2018**

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENT  
TO THE BOARD OF DIRECTOR OF PREMIER FOR BUSINESS AND PROJECTS COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

### **Introduction**

We have reviewed the accompanying interim condensed financial statements of Premier for Business and Projects Company (a public shareholding Company) as at 31 March 2018 comprising the interim statement of financial position as at 31 March 2018 and the related interim income statement, interim statement of comprehensive income, interim statements of changes in equity and interim statement of cash flows for the three months period then ended and explanatory information. Board of Directors is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed financial statements based on our review.

### **Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Conclusion**

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan  
30 April 2018



**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM STATEMENT OF FINANCIAL POSITION  
AS AT 31 MARCH 2018 (UNAUDITED)**

	Notes	31 March 2018 JD (Unaudited)	31 December 2017 JD (Audited)
<b>ASSETS</b>			
<b>Non-current assets -</b>			
Financial assets at fair value through other comprehensive income	4	593,012	593,776
Investment in associates	5	2,770,781	2,656,080
Property and equipment		576,723	593,064
Investment properties		81,509	81,509
		<u>4,022,025</u>	<u>3,924,429</u>
<b>Current assets -</b>			
Other debit balances		23,214	21,587
Due from related parties	6	732	732
Cash on hand and at banks	8	301,422	2,475
		<u>325,368</u>	<u>24,794</u>
<b>Total assets</b>		<u>4,347,393</u>	<u>3,949,223</u>
<b>SHAREHOLDERS' EQUITY AND LIABILITIES</b>			
<b>Shareholders equity -</b>			
Paid-in capital		1,500,000	1,500,000
Statutory reserve		784,554	784,554
Voluntary reserve		511,279	511,279
Fair value reserve		(947,395)	(946,631)
Retained earnings		930,873	911,981
<b>Net equity</b>		<u>2,779,311</u>	<u>2,761,183</u>
<b>Current liabilities -</b>			
Short-term bank loan	7	925,091	625,091
Shareholders deposits		112,306	113,244
Income tax provision		18,020	18,020
Other credit balances		219,637	156,246
Other provisions		218,931	218,931
Due to related parties	6	74,097	56,508
		<u>1,568,082</u>	<u>1,188,040</u>
<b>Total liabilities</b>		<u>1,568,082</u>	<u>1,188,040</u>
<b>Total shareholders' equity &amp; liabilities</b>		<u>4,347,393</u>	<u>3,949,223</u>

The accompanying notes from 1 to 10 represent an integral part of these interim condensed financial statements and to be read with them

PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM INCOME STATEMENT  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018 (UNAUDITED)

	Note	31 March 2018 JD	31 March 2017 JD
Share of profit from associates	5	114,701	144,342
Rental revenues		8,687	8,269
<b>Total Revenues</b>		<b>123,388</b>	<b>152,611</b>
<b>Expenses</b>			
Administrative expenses		(68,122)	(75,425)
Financing costs		(20,033)	(23,497)
Depreciation		(16,341)	(16,341)
<b>Total Expenses</b>		<b>(104,496)</b>	<b>(115,263)</b>
<b>Profit before income tax</b>		<b>18,892</b>	<b>37,348</b>
Income tax for the period		-	-
<b>Profit for the period</b>		<b>18,892</b>	<b>37,348</b>
		JD/ Fils	JD/ Fils
<b>Basic and diluted earnings per share</b>		<b>0/013</b>	<b>0/025</b>

The accompanying notes from 1 to 10 represent an integral part of these interim condensed financial statements and to be read with them

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM STATEMENT OF COMPREHENSIVE INCOME  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

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	31 March 2018	31 March 2017
	<u>JD</u>	<u>JD</u>
Profit for the period	18,892	37,348
<b>Add: Other comprehensive income after income tax</b>		
Net change in fair value of financial assets in fair value through other comprehensive income	<u>(764)</u>	<u>(25,230)</u>
<b>Total comprehensive income for the period</b>	<u>18,128</u>	<u>12,118</u>

The accompanying notes from 1 to 10 represent an integral part of these interim condensed financial statements and to be read with them

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM STATEMENT OF CHANGES IN EQUITY  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

	Paid in capital	Reserves		Fair value reserve	Retained earnings	Total
		Statutory	Voluntary			
		JD	JD			
<b>31 March 2018 -</b>						
<b>Balance at 1 January 2018</b>	1,500,000	784,554	511,279	(946,631)	911,981	2,761,183
Total comprehensive income for the period	-	-	-	(764)	18,892	18,128
<b>Balance at 31 March 2018</b>	<u>1,500,000</u>	<u>784,554</u>	<u>511,279</u>	<u>(947,395)</u>	<u>930,873</u>	<u>2,779,311</u>
<b>31 March 2017 -</b>						
<b>Balance at 1 January 2017</b>	1,330,008	784,554	511,279	(877,081)	1,544,761	3,293,521
Total comprehensive income for the period	-	-	-	(25,230)	37,348	12,118
<b>Balance at 31 March 2017</b>	<u>1,330,008</u>	<u>784,554</u>	<u>511,279</u>	<u>(902,311)</u>	<u>1,582,109</u>	<u>3,305,639</u>

- The Company cannot use a restricted amount of JD 947,395 as of 31 March 2018 (31 December 2017: JD 946,631) which represents the negative fair value reserve.

-The retained earnings include a restricted amount of JD 351,802 as of 31 March 2018, which represents the profit from revaluating the investment in associate.

**The accompanying notes from 1 to 10 represent an integral part of these interim condensed financial statements and to be read with them**

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
INTERIM STATEMENT OF CASH FLOWS  
FOR THE THREE MONTHS PERIOD ENDED 31 MARCH 2018 (UNAUDITED)**

	<u>Notes</u>	<u>31 March 2018 JD</u>	<u>31 March 2017 JD</u>
<b><u>Operating Activities</u></b>			
Profit for the period before income tax		18,892	37,348
<b>Adjustments -</b>			
Depreciation		16,341	16,341
Share of profit from associates	5	(114,701)	(144,342)
Financing costs		20,033	23,497
<b>Working capital changes:</b>			
Other debt balances		(1,627)	(641)
Accounts payable and other credit balances		63,391	60,356
<b>Net cash flows from (used in) operating activities</b>		<u>2,329</u>	<u>(7,441)</u>
<b><u>Financing Activities</u></b>			
Proceed from loans		300,000	-
Repayment of loans		-	(32,695)
Due to / from related parties		17,589	20,685
Financing costs paid		(20,033)	(23,497)
Dividends paid		(938)	(87)
<b>Net cash flows from(used in) financing activities</b>		<u>296,618</u>	<u>(35,594)</u>
Net increase (decrease) in cash and cash equivalents		298,947	(43,035)
Cash and cash equivalents at the beginning of the period		2,475	2,335
<b>Cash and cash equivalents at the end of the period</b>	8	<u>301,422</u>	<u>(40,700)</u>

The accompanying notes from 1 to 10 represent an integral part of these interim condensed financial statements and to be read with them

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (UNAUDITED)**

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**(1) GENERAL**

Arab Chemical Detergent Industries Co., Ltd. was established in 1973 and registered as a public shareholding company with a capital of JD 250,000. This was in the form of several amendments to the capital, the last was during 2017 for which the authorized and paid in capital of the company reached JD 1,500,000 at a par value of 1 JD per share.

The objectives of the company are to invest in companies of all kinds and to buy and sell lands, real estates and movable and immovable property.

**(2) BASIS OF PREPARATION AND ACCOUNTING POLICIES**

The interim condensed financial statements of the company as of 31 March 2018 have been prepared in accordance with International Accounting Standard 34 (Interim financial reporting).

The interim condensed financial statements are presented in Jordanian Dinar, which is the functional currency of the Company.

The interim condensed financial statements are prepared under the historical cost convention except for financial assets at fair value through other comprehensive income which have been measured at fair value at the financial statement date.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company annual financial statements as of 31 December 2017. In addition, results for the three months period ended 31 March 2018 do not necessarily indicate the expected results for the financial year ending 31 December 2018.

**CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2017, except for the adoption of new standards effective as of 1 January 2018.

**IFRS 9 Financial Instruments**

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Company had previously 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 standard has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated.

The standard eliminates the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

### **Impairment**

The adoption of IFRS 9 has fundamentally changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance for ECLs for all debt instruments measured at amortization cost.

For all debt instruments, the Company has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses.

There was no material impact on the interim financial statements from the adoption of IFRS 9.

### **IFRS 15 Revenue from Contracts with Customers**

IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless those contracts are in the scope of other standards. The new standard establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

The standard requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

There was no material impact on the interim financial statements from the adoption of IFRS 15.

### **IFRIC Interpretation 22 Foreign Currency Transactions and Advance Considerations**

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 recognizes the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, then the entity must determine a date of the transactions for each payment or receipt of advance consideration.

This Interpretation does not have any impact on the Company's financial statements.

**Amendments to IAS 40 Transfers of Investment Property**

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.

These amendments do not have any impact on the Company's financial statements.

**Amendments to IAS 28 Investments in Associates and Joint Ventures - Clarification that measuring investees at fair value through profit or loss is an investment-by-investment choice**

The amendments clarify that an entity that is a venture capital organization, or other qualifying entity, may elect, at initial recognition on an investment-by-investment basis, to measure its investments in associates and joint ventures at fair value through profit or loss. If an entity, that is not itself an investment entity, has an interest in an associate or joint venture that is an investment entity, the entity may, when applying the equity method, elect to retain the fair value measurement applied by that investment entity associate or joint venture to the investment entity associate's or joint venture's interests in subsidiaries. This election is made separately for each investment entity associate or joint venture, at the later of the date on which: (a) the investment entity associate or joint venture is initially recognized; (b) the associate or joint venture becomes an investment entity; and (c) the investment entity associate or joint venture first becomes a parent.

These amendments do not have any impact on the Company's financial statements.

**(3) LEGAL RESERVES**

The Company did not deduct the legal reserves according to the provisions of the Companies Law since these are interim financial statements.

**(4) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE**

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Investment in companies shares - quoted	<u>593,012</u>	<u>593,776</u>

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (UNAUDITED)**

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The movement in the fair value reserve is summarized below:

	31 March 2018	31 December 2017
	JD (Unaudited)	JD (Audited)
Balance as of 1 January	(946,631)	(877,081)
Change in fair value	<u>(764)</u>	<u>(69,550)</u>
Balance as of 31 March	<u>(947,395)</u>	<u>(946,631)</u>

**(5) INVESTMENT IN ASSOCIATES**

This item consists of the following:

	Ownership interest		Activity	31 March 2018	31 December 2017
	31 March 2018	31 December 2017		31 March 2018	31 December 2017
				JD (Unaudited)	JD (Audited)
Henkel Company – Jordan	40%	40%	Marketing and distribution	2,283,403	2,114,752
Obeji for consumer products Company	50%	50%	Marketing and distribution	<u>487,378</u>	<u>541,328</u>
				<u>2,770,781</u>	<u>2,656,080</u>

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (UNAUDITED)**

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The movement in the investment in associate is summarized below:

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
Balance at the beginning of the period/year	2,656,080	3,205,621
Company's share of Henkel Co. profit	168,651	372,258
Company's share of Obeji Co. Loss	(53,950)	(361,799)
Net investment in associates	<u>2,770,781</u>	<u>3,216,080</u>
Received dividends – Henkel Co	-	(560,000)
Balance at the ending of the period/year	<u>2,770,781</u>	<u>2,656,080</u>

**(6) RELATED PARTIES TRANSACTION**

Related parties represent associated companies, key management personnel and board of directors. Pricing policies and terms of these transactions are approved by the Company's management.

The balances of related parties included in the interim statement of financial position are as follows:

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
<b>Due from related parties:</b>		
Henkel Co. – Jordan (Associate)	<u>732</u>	<u>732</u>
	<u>732</u>	<u>732</u>

PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (UNAUDITED)

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
<b>Due to related parties:</b>		
Obeji for Consumer Products – Jordan (Associate)	65,841	53,452
Obeji for Consumer Products (Holding)	365	365
Chairman of board of directors	7,891	2,691
	<u>74,097</u>	<u>56,508</u>

	31 March 2018	31 December 2017
	JD	JD
	(Unaudited)	(Audited)
<b>Financial assets at fair value through other comprehensive income:</b>		
Financial Investments	<u>357,221</u>	<u>359,186</u>

The transactions with related parties included in the interim income statement are as follows:

	31 March 2018	31 March 2017
	JD	JD
	(Unaudited)	(Unaudited)
<b>Executive management compensation:</b>		
Salaries	<u>18,750</u>	<u>18,750</u>
<b>Other revenue</b>		
Rent revenue - Henkel Co. – Jordan	<u>8,687</u>	<u>8,269</u>
	<u>8,687</u>	<u>8,269</u>

PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (UNAUDITED)

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**Guarantees:**

There are personal guarantees provided by the Chairman of the board of directors against a loan to the Premier for Business and Projects public shareholding company.

**(7) BANK LOAN**

	31 March 2018	Total
	JD	JD
<b>31 March 2018 (unaudited)</b>		
Jordan Kuwait Bank Loan (1)	625,091	625,091
Jordan Kuwait Bank Loan (2)	300,000	300,000
	<u>925,091</u>	<u>925,091</u>
<b>31 December 2017 (audited)</b>		
Jordan Kuwait Bank Loan (1)	<u>625,091</u>	<u>625,091</u>

**Jordan Kuwait Bank Loan (1)**

The loan is repayable in quarterly instalments of JD 200,000 per instalment after having been scheduled several times during the previous years at an interest rate of 9.75% (2016: 9%). The loan was restructured and increased by JD 336,840 to become JD 775,000 in 2016. The loan will be paid on 30 July 2018. The loan is secured by the Chairman personal guarantee and first class mortgage on the Company's offices.

**Jordan Kuwait Bank Loan (2)**

On 4 March 2018, the Company obtained short-term loan of JD 300,000 with the interest rate of 10.25% to be paid in one payment on 30 May 2018. The loan is secured by the Chairman personal guarantee.

**PREMIER FOR BUSINESS AND PROJECTS  
(PUBLIC SHAREHOLDING COMPANY)  
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS  
AT 31 MARCH 2018 (UNAUDITED)**

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**(8) CASH AND CASH EQUIVALENT**

The cash and cash equivalent represented in the interim cash flow statement as the following:

	<u>31 March 2018</u> JD (Unaudited)	<u>31 March 2017</u> JD (Unaudited)
Cash on hand and at banks	301,422	1,840
Due to banks	-	(42,540)
	<u>301,422</u>	<u>(40,700)</u>

**(9) CONTINGENCIES LIABILITIES**

The Company has contingent liabilities at the date of the interim financial statements in the form of:

- Bank guarantee amounting to JD 10,000 as at 31 March 2018 (31 December 2017: JD 10,000).

**(10) INCOME TAX**

The Company did not calculate the income tax for the period ended 31 March 2018 and 31 March 2017 due to the excess of the expenses over the taxable income in accordance with the Income Tax Law No. (34) Of 2014.

The Company reached a final settlement with the Income Tax Department up to 2015.