



The Arab International Food Factories and Investment Co.

الرقم : ش س/9/2019

التاريخ : 2019/3/11

للاضحة

کدو حبه عا ن

السادة هيئة الأوراق المالية كـ السر عمر

السادة بورصة عمان

والله اعلم

الموضوع : البيانات المالية السنوية المدققة

للسنة المنتهية في 2018/12/31

**To: Jordan Securities Commission
Amman Stock Exchange**

Subject: Audited Financial Statements for the fiscal year ended 31/12/2018

مرفق طيه نسخة من البيانات المالية المدققة
(لشركة المصانع العربية الدولية للأغذية
والاستثمار) عن السنة المالية المنتهية في
2018/12/31

Attached the Audited Financial Statements of **(The Arab International Food Factories & Investment Co.)** for the fiscal year ended 31/12/2018

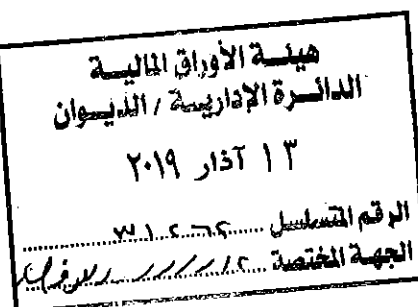
Kindly accept our high
appreciation and respect

وتفضلوا بقبول فائق الاحترام...

Mr. Mohammad Abu-Khadijeh
Vice Chairman of the Board

السيد محمد عبدالله أبوخديجة

نائب رئيس مجلس الإدارة



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The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Financial Statements
as of December 31, 2018

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Index

	<u>Page</u>
Independent Auditor's Report	1_4
Statement of Financial position	5
Statement of comprehensive Income	6
Statement of Changes in Owners Equity	7
Statement of Cash Flows	8
Notes To The Financial Statements	9_23

Independent Auditors' Report

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To the Shareholder of

The Arab International Food Factories And Investment Co.

Public Shareholding Company

Amman- The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the Accompanying financial statements of **The Arab International Food Factories And Investment Co (Public Shareholding Company)**, which comprise the statement of financial position as at December 31, 2018, and the statements of comprehensive income, changes in owner's equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance 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.

• **Financial Assets at fair value through comprehensive income**

The financial assets at fair value through comprehensive income in the balance sheet of the company have a great value, amounting 97.4% of total assets, the listed securities amounted for 91,8% of total assets, and unlisted securities amounted for 5.6%.

Related to this is the risk that the quoted prices of securities listed held by the Company may not be reflected fair value, for this is one of the important things scrutinizes.

The audit procedures included the:

- Review the purchase and sale of securities approved by company's procedures.
- It has been verified by the company's ownership of financial assets carried through endorsements received from the Securities Depository Center.
- It has been verified evaluation of financial assets and reviewing evaluations directly through an independent pricing source (ASE closing price as at 31 December 2018).
- With respect to securities unlisted, it has been revised Management assessments and appropriate extent of methodologies and assumptions used within the valuation calculation process.
- Reviewing the adequacy of disclosures concerning the company's financial assets (note 5.4).

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 financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. 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 when its available 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 IFRS, 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 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 ISAs, 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.
- 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 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 approving these financial statements by the general assembly.

Al- Abbasi & Partners Co.



Nabil M. Obeidat
License 877



Amman in
February 28, 2019

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Statement of Financial Position as of December 31 , 2018

	<u>Note</u>	<u>2018</u> JD	<u>2017</u> JD
<u>Assets</u>			
<u>Non-current Assets</u>			
Investments in financial assets at Fair value through Comprehensive income	5	22,795,912	23,952,461
Investment in associate company	6	406,675	340,697
Property, plant and equipment - Net	7	88,887	103,410
Total Non-current assets		23,291,474	24,396,568
<u>current Assets</u>			
Cash on hands an at the Banks	8	802	802
Due from related parties	20a	2,149	1,095
Other debit balances	9	99,410	223,081
Total Current Assets		102,361	224,978
Total Assets		23,393,835	24,621,546
<u>Owner's Equity and liability</u>			
<u>Owner's Equity</u>			
Capital	10	10,500,000	10,500,000
Statutory reserve	11	2,063,816	1,934,017
Fair value reserve	12	7,148,655	8,322,533
Retained Earning at the end of the year	13	3,473,842	3,664,220
Total equity		23,186,313	24,420,770
<u>Current Liability</u>			
Accounts payable		927	1,818
Due to relalted Parties	20b	60,331	54,071
Other credit balances	14	146,264	144,887
Total current liabilities		207,522	200,776
Total Owner's Equity and liabilities		23,393,835	24,621,546

Accompanying notes form integral part of this statement

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Statement of comprehensive Income For The Year Ended December 31,2018

	<u>Note</u>	<u>2018</u> JD	<u>2017</u> JD
<u>Revenues</u>			
Dividends profit		1,487,700	1,589,632
share company from associated CO Gains	6	11,766	15,582
Other income		6,419	6,450
Total Revenues		1,505,885	1,611,664
<u>Expenses</u>			
Employee Benefits	15	(119,485)	(78,600)
Administrative and general expenses	16	(88,411)	(88,040)
Board of directors remuneration		(45,000)	(45,000)
Total Expenses		(252,896)	(211,640)
Profit of the year before tax		1,252,989	1,400,024
Income tax	14	(1,068)	(1,120)
Profit of the year		1,251,921	1,398,904
<u>Other comprehensive income items</u>			
change in fair value reserve		(1,228,090)	(3,343,928)
change in fair value reserve - associated CO		54,212	(21,085)
Total Comprehensive income (Loss)		78,043	(1,966,109)
		JD	JD
Basic and diluted per share	17	0.119	0.133

Accompanying notes form integral part of this statement

Statement of Changes in Owners Equity For The Year Ended December 31, 2018

Accompanying notes form integral part of this statement

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Statement of Cash Flows For The Year Ended December 31, 2018

	<u>Note</u>	<u>2018</u> JD	<u>2017</u> JD
<u>Cash flows from operating activities</u>			
Profit of the year before tax		1,252,989	1,400,024
Depreciation		14,593	14,703
share company from associated co Gains		(11,766)	(15,582)
Net operating profit before changes in working		1,255,816	1,399,145
<u>(Increase) decrease in current assets</u>			
Other debit balances		(1,054)	24
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		(891)	891
due to related Parties		6,260	17,509
Other credit balances		1,442	16,087
Net cash Resulting from operating activities		1,261,573	1,433,656
Income tax	14	(1,133)	(1,452)
Net cash Resulting from operating activities		1,260,440	1,432,204
<u>Cash flows from investing activities</u>			
Changes of property, plant and equipment		(70)	(160)
Financial assets at fair value through other		(71,541)	(40,913)
Net cash flows (used in) investing activities		(71,611)	(41,073)
<u>Cash Flows from Financing Activities</u>			
Dividends paid	13	(1,312,500)	(1,312,500)
Net cash flows (used in) investing activities		(1,312,500)	(1,312,500)
Net (decrease) increase in cash balance		(123,671)	78,631
Cash balances at beginning of year		223,081	144,450
Cash balances at end of year		99,410	223,081

Accompanying notes form integral part of this statement

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the Financial Statements

1- Incorporation

The Arab International Food Factories And Investment Co was established as a Public Shareholding Company and It was registered at the Public Shareholding companies' registry at the Ministry of Commerce and Trade under the number of(256) at september 13,1994 .

The objective of the company is Establishment and management of milk kids production Factory and Health food and Other industries , Plus Invested its money.

Arab international co for educationn and investments owns 45.92% from The Arab International Food Factories And Investment Co The way that it deems appropriate to the interests of the company

The financial statements were approved by the company 's Board of Dirictors in their meeting held on **28 February 2019** the financial statements require the approval of the General Assembly

2- Basis of preparation

*** General**

The financial statements of the company have been prepared in accordance to International Financial Reporting Standards .

The financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

The financial statements are presented in Jordanian Dinars (JD) which is the financial currency of the company .

3- Use of estimates

The preparation of the 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 particular , considerable judgement 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 change in such provisions .

Management beleive that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables 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 .

- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the Financial Statements

4- Significant accounting policies

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2017 except for the followings:

Change in accounting policies

During the current year, the Group adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for periods beginning on 1 January 2018:

- * IFRS 15 "Revenue from Contracts with Customers"
- * IFRS 9 "Financial Instruments"
- * Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions".
- * Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts".
- * Amendments to IAS 40 "Transfers of Investment Property"
- * Annual improvements to IFRS 2014-2016 Cycle "Amendments to IFRS 1 and IAS 28".
- * IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the financial statements,

New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standard that are available for early adoption for financial years beginning after 1 January 2018 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2019

- IFRS 16 "Leases"
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments"
- Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation.
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures.
- Amendments to IAS 19 "Employee Benefits" on plan amendment curtailment or settlement.
- Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017 Cycle.

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the Financial Statements

Effective for year beginning 1 January 2020

Amendments to references to conceptual framework in IFRS standards

Effective for year beginning 1 January 2021

IFRS 17 "Insurance Contracts

Effective date deferred indefinitely / available for

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

The following is a summary of the significant accounting policies used:

Investments in financial assets at fair value through Comprehensive income statement

Financial assets stated at fair value through comprehensive income are non derivative financial assets, the purpose of the acquisition is to keep them available for sale and not to trade or keep them until maturity.

The differences in the change in fair value of financial assets carried at fair value are recorded through the statement of comprehensive income.

Financial assets stated at fair value through comprehensive income that is available to quoted market prices in active markets at fair value, net of accumulated impairment losses in the fair value appear.

Gains and losses arising from differences foreign currency debt instruments that bear interest within the specified financial assets at fair value through comprehensive income transfer register, while the registration of foreign exchange rate changes ownership of the tools included in the cumulative change in fair value in equity.

If the company did not adopt the recognition of the fair value changes of financial assets in equity instruments in the list of other comprehensive income must be an option then these assets are measured at fair value and recognize changes in fair value in the statement of comprehensive income.

- Investment in associate company

The investment in associated companies that the percentages of ownership is greater than 20% will be recorded at the equity method

- Property, plant and equipment

Property & equipments are recorded at cost and depreciated (except lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates from 10-20 % .

Furniture & fixture	10%
Office Equipments	12%
Vehicles	10%
Lands	20%

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount , the impairment record in statement of comprehensive income .

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the Financial Statements

The expected production life for assets is reviewed at end of the year , whenever there are changes between the expected life and the estimated , the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benefits from usage , that item will be written down immediately .

Fair value

Closing prices in active markets represent the fair value of financial assets. In the absence of quoted prices or lack of active trading on certain financial assets, their fair value is estimated by comparing them to the fair value of a similar instrument or by calculating the present fair value of future cash flows. If the fair value of the financial asset can not be measured reliably, it is stated at cost less any impairment in value.

The impairment of the financial assets :

at the end of the financial year , the company reviewing the value recorded in the records to determine whether there is objective evidence indicates decline value of financial assets individually or in the form of group , is recognized to impairment when the book value greater than the amount expected to recover from the financial asset.

Accounts Receivables

Accounts receivable are stated at their net realizable value net of a provision for doubtful accounts , bad debts were written off when identified and deducted from its stated provision and the collected amounts from debts are identified to revenues .

- Accounts payable

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

Income tax

Taxes owed expenses are calculated on the basis of taxable profits.

Provision is made for the calculation of income tax under the tax rates established in accordance with the temporary income tax law No.34 of 2014 and its subsequent amendments.

- Foreign currency conversions

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction . Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date . Exchange differences arising from these translations are included in the statement of income .

- Revenue recognition

The revenue are stated on the declaration of accurates .

- Offsetting

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legally enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously.

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the Financial Statements

5- Investments in financial assets at fair value through Comprehensive income statement

This item consists of the following:

	2018 JD	2017 JD
<u>listed Shares</u>		
Shares listed in the financial market	21,470,779	22,627,328
Fair value	21,470,779	22,627,328
<u>Shares in limited liability companies</u>		
financial assets at cost	1,325,133	1,325,133
Total	1,325,133	1,325,133
Total financial assets at fair value	22,795,912	23,952,461

The investments in limited liability companies are stated at cost because the fair value can not measure reliably

6- Investment in affiliated associated

This item consists of the following:

	2018 JD	2017 JD
Balance at the beginig of the year	340,697	346,200
share company from associated co Gains	11,766	15,582
change in fair value reserve - associated co	54,212	(21,085)
Balance at the End of the year	406,675	340,697

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

7- Property, plant and equipment - Net

This item consists of :

	Vehicles	Office Equipments	Furniture & fixture	Total
	JD	JD	JD	JD
<u>Cost</u>				
Cost at january 1, 2018	145,000	14,333	2,209	161,542
Additions during the year	-	70	-	70
Cost at December 31, 2018	145,000	14,403	2,209	161,612
<u>Acumulated Depreciation</u>				
balance of january 1, 2018	42,292	13,636	2,204	58,132
Additions during the year	14,500	93	0	14,593
balance as of December 31, 2018	56,792	13,729	2,204	72,725
Net book value as of December 31, 2018	88,208	674	5	88,887
Net book value as of December 31, 2017	102,708	697	5	103,410

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

8- Other debit balances

This item consists of the following:

	2018	2017
	JD	JD
Refundable Debit	165	165
Receivables staff	-	930
Secretariat Ministry Of Finance	1,984	-
Other debit balances	8,424	8,424
Total	10,573	9,519
Provision for impairment	(8,424)	(8,424)
Net	2,149	1,095

9- Cash in hand and at banks

This item consists of the following:

	2018	2017
	JD	JD
petty Cash	102	332
Cash at local banks	99,308	222,749
Total	99,410	223,081

10- Capital

The paid-up capital and unauthorized amounted to 10,500,000 Jordanian dinars, divided into 10,500,000 shares, the par value per share is JD one .

11- Statutory reserve

The accumulated amounts in this account represent what has been diverted from the annual profit before tax increased by 10% during the year and prior years in accordance with the Companies Act and is not available for distribution to shareholders

The statutory reserve can be used for amortization accumulated loss in accordance with the companies law

12- Fair value reserve

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	8,322,533	11,687,546
change through of the year	(1,173,878)	(3,365,013)
Balance at end of year	7,148,655	8,322,533

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to the Financial Statements

13- Retained Earning at the end of the year

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	3,664,220	3,722,318
Profit for the year	1,251,921	1,398,904
Dividends paid	(1,312,500)	(1,312,500)
Transfer to statutory reserve	(129,799)	(144,502)
Balance at end of year	3,473,842	3,664,220

The General Assembly decided in its ordinary meeting held on 25 April 2018 to distribute cash dividends at the rate of 12.5% of the capital amounted of JD 1,312,500.

Proposed profits to be distributed to shareholders

The Board of Directors decided in their meeting held on 28 February 2019 to subject to the ordinary general assembly for distributing cash dividends for the year 2018 at the rate of 8% of capital, amounted of JD 840,000 .

14- Other credit balances

a- This item consists of the following:

	2018	2017
	JD	JD
Shareholders withholding	98,032	97,232
Board of directors remuneration	45,000	45,000
Income Tax provision (note 14 b)	617	682
Due to social security	2,421	1,815
	36	-
vacations provision	158	158
Total	146,264	144,887

b- The movement of provision Tax during the year as follows :

	2018	2017
	JD	JD
Balance beginning of the year	682	1,014
Tax of the year	1,068	1,120
Paid tax during the year	(1,133)	(1,452)
Balance ending of the year	617	682

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

c- the settlement of the Accounting profit With the profit tax

	2018	2017
	JD	JD
Revenue	1,505,885	1,611,664
Exempt income	1,499,466	1,605,214
Taxable income	6,419	6,450
The share of income subject to expenses	1,078	847
profit taxable	5,341	5,603
The tax rate	20%	20%
Income tax payable	1,068	1,120

The annual estimate of 2016 was presented within the legal period of the Income and Sales Tax Department and has not yet been reviewed

The provision for income tax year ending in December 31, 2017 is calculated by a tax consultant for the company

15- Employee Benefits

This item consists of the following:

	2018	2017
	JD	JD
Salaries and wages	95,400	62,350
The company's contribution to social security	8,550	8,550
health insurance	1,235	-
Income tax	14,300	7,700
Total	119,485	78,600

16- General and administrative expenses

This item consists of the following:

	2018	2017
	JD	JD
transportation of baords of directors	43,800	43,152
Rents	4,800	4,800
Professional fees	3,798	2,090
Fees and subscriptions	1,036	756
Mail and phone	2,758	3,691
Advertising	11,647	14,423
Depreciation	14,593	14,703
Other expenses	5,979	4,425
Total	88,411	88,040

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

17- Earnings Per Share

This item consists of the following:

	2018	2017
	JD	JD
Profit for the year	1,251,921	1,398,904
The weighted average number of shares	10,500,000	10,500,000
Basic and diluted, earnings per share	0.119	0.133

The reduced per share from the year profit is equal to the basic share from the year profit.

18- Segment Information

the main company objective is import and export and get to a trade agencies and investing in the company share Following is a breakdown of the segment information for the business segments:

	2018		
	The main activity	others	Total
	JD	JD	JD
Revenue	1,499,466	6,419	1,505,885

Assets And Liability

Assets	23,202,587	191,248	23,393,835
Liabilities	-	207,522	207,522

other segment

Depreciation	-	14,593	14,593
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	2017		
	The main activity	others	Total
	JD	JD	JD
Revenue	1,605,214	6,450	1,611,664

Assets And Liability

Assets	24,293,158	328,388	24,621,546
Liabilities	-	200,776	200,776

other segment

Depreciation	-	14,703	14,703
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The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

19- Entitlement analysis of assets and liabilities

the following table shows the analysis of assets and liabilities according to the expected period of recovery and settlement :

	2018		
	for one year	more than one year	Total
	JD	JD	JD
<u>Assets</u>			
Investments in financial assets at Fair value through Comprehensive income	-	22,795,912	22,795,912
Investment in associate company	-	406,675	406,675
Property, plant and equipment - Net	-	88,887	88,887
Cash on hands and at the Banks	99,410	-	99,410
Due from related parties	802	-	802
Other debit balances	2,149	-	2,149
Total Assets	102,361	23,291,474	23,393,835
<u>Current Liability</u>			
Accounts payable	927	-	927
Payable to related Parties	60,331	-	60,331
Other credit balances	146,264	-	146,264
Total current liabilities	207,522	-	207,522
Net	(105,161)	23,291,474	23,186,313

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

The analysis of maturity of assets and liabilities

	2017		
	for one year	more than one year	Total
	JD	JD	JD
<u>Assets</u>			
Investments in financial assets at Fair value through Comprehensive income	-	23,952,461	23,952,461
Investment in associate company	-	340,697	340,697
Property, plant and equipment - Net	-	103,410	103,410
Cash on hands and at the Banks	223,081	-	223,081
Due from related parties	802	-	802
Other debit balances	1,095	-	1,095
Total Assets	224,978	24,396,568	24,621,546
<u>Current Liability</u>			
Accounts payable	1,818	-	1,818
Payable to related Parties	54,071	-	54,071
Other credit balances	144,887	-	144,887
Total current liabilities	200,776	-	200,776
Net	24,202	24,396,568	24,420,770

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

20- Transactions with related parties

.Represent the same relationship with the company associates company specialized

a- Items within the financial ststatement

	<u>2018</u>	<u>2017</u>
	JD	JD
Ittihad School PLC	802	802
Total Assets	802	802

b- Items within the financial ststatement

	<u>2018</u>	<u>2017</u>
	JD	JD
Arab international co- oman	27,857	27,857
Arab international co for educationn and investments	1,501	1,428
Ibn Al haytham hospital co	30,973	24,786
Total Assets	60,331	54,071

c- The following is a summary of the benefits of management of the company

	<u>2018</u>	<u>2017</u>
	JD	JD
Salaries and bonus	93,000	60,000

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

21- Risk management

- Credit risks

These risks arise from cash, cash equivalent, bank deposits in financial institutions and receivables treatments which may cause defaults from parties to pay their commitments.

As for financial institutions, the Company treats with solid and reputable institutions.

As for receivables, the management has a credit policy with limits and there is an ongoing following up procedures to collect matured amounts. The management believes that the credit risk the Company exposed to is low.

- Market risk

Market risk is the risk that changes in market prices such as foreign exchange rates, interest rates and equity prices - will affect the Company's income or the value of its holding of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- Interest rate risks:

The Company may be exposed to interest rate risk on its financial assets and liabilities that appear interest, such as: banks. Once bank overdrafts are short-term ones, and other assets and liabilities do not bear any interest rates, so the risks that may affect the Company are insignificant.

- Liquidity risks

The management plans the cash flows of the Company. There is an ongoing monitoring policy to ensure the cash adequacy to cover and finance operations with no violations or breaches to any committed bank facilities conditions

2018		
Less than three months.	From three months to 12 months	Total
JD	JD	JD
Accounts payable	927	927
Payable to related Parties	60,331	60,331
Other credit balances	146,264	146,264
Total	207,522	207,522
2017		
Less than three months.	From three months to 12 months	Total
JD	JD	JD
Accounts payable	1,818	1,818
Payable to related Parties	54,071	54,071
Other credit balances	144,887	144,887
Total	200,776	200,776

The Arab International Food Factories And Investment Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

23- Capital management

The main objective of the Company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Company's activity and maximizes equity.

The Company manages the capital structure and makes necessary adjustments in light of changes in working conditions. The Company did not make any changes to the objectives, policies and procedures related to capital structure during the current and previous financial year.

The items included in the capital structure consist of paid up capital, issue premium, voluntary reserve, voluntary reserve and retained earnings totaling JD 16,037,658 as of December 31, 2018 against JD 16,098,237 as of December 31, 2017 .

24- Events after the reporting period :

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements

25- General

The General Assembly decided in extraordinary meeting held on December 23, 2018 to convert f the legal status of the company from a public shareholder company to a limited liability company. The legal procedures were not completed until the date of preparing the financial statements

26- Comparative

Some of comparative figures have reclassified – when needed – to confirm with current year's figures.