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To: Jordan Securities Commission

Date: 14/03/2017

Subject: Audited financial statement of Sheba Metal Casting for the fiscal year ended 31/12/2016

Attached the Audited financial statement of Sheba Metal Casting for the fiscal year ended 31/12/2016.

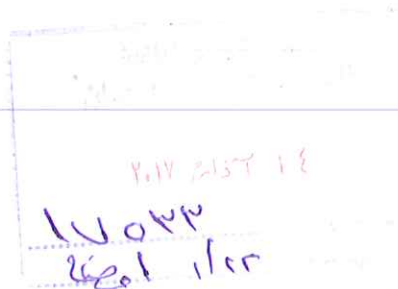
Kindly accept our high appreciation and respect.



Sheba Metal Casting

General Manager

Zaid hazineh





Sheba Metal Casting Co.

Amman – the Hashemite Kingdom of Jordan

Financial statements
And the Public Independent Auditor's Report
As at 31 December 2016



Sheba Metal Casting Co.

Amman – the Hashemite Kingdom of Jordan

Financial statements
And the Public Independent Auditor's Report
As at 31 December 2016

Index



	Page
Public Independent Auditor's Report	
Statement of Financial Position	
Statement of comprehensive income	
Statement of changes in shareholders' equity	
Statement of cash flows	
Notes to the financial statements	

IBRAHIM Al Abbassi and Co
Public accountants and financial consultants

An Independent member of
Moore Stephens International Limited
MOORE SEPHERS

Independent Public Auditor's Report

1012 17 01
M/S: General Assembly
Sheba Metal Casting Co.
Amman – the Hashemite Kingdom of Jordan



Report on the Financial Statements Auditing **Qualified Opinion**

We have audited the attached financial statements of Sheba Metal Casting Co. which comprise the financial position as at 31 December 2016, Statement of comprehensive income, statement of shareholders' equity, and statement of cash flows for the then ended year, notes to the financial statements, and a summary of the significant accounting policies.

In our opinion, and except the potential effects contained in the **Basis of Qualified Opinion Paragraph** in our report, the financial statements present fairly, in all material respects, the financial position of the company as at 31 December 2016, its financial performance and cash flows for the then ended year in accordance with the International Financial Reporting Standards.

Basis of the Qualified Opinion

- Property and equipment depreciation for the year 2016 was not carried in the statement of the comprehensive income in accordance with the International Financial Reporting Standards, resulting in reduction of the loss of the year equal to the 43.500 Jordanian Dinars annual depreciation expenses.

We conducted our audit in accordance with the international standards on auditing. According to these standards, our responsibility is explained in the **Auditor's Responsibility** paragraph in our report on the financial statements. We are independent of the company in accordance with the ethical requirements related to the auditing of the financial statements in accordance with the International Ethics Standards Board of Accountants (IESBA), in addition to our commitment to the other ethical responsibilities per these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion

Auditing Significant Issues

In our professional judgment, the auditing significant issues are paid the highest attention in our audit of the current year financial statements. Such issues were taken into consideration in our audit of the financial statements as whole and to express opinion on the financial statements as whole, and not to express a separated opinion on such issues. They include:

Impairment in the Accounts Receivable

Given the estimation factor in calculating the accounts receivable value impairment where the management estimates the accounts receivable value impairment by using assumptions and estimates when there is subjective evidence on the company's inability to collect all or part of the required amounts, such provision is calculated on the basis of the difference between book value and the recoverable value per the age of the accounts receivable. Given their significance, the accounts receivable are of the important auditing factors. Therefore, a provision for impairment in the bad accounts receivable was recognized. In addition, we solicited the opinion of the Company's advocate in studying the reasonability of the management's estimates in calculating the impairment in the accounts receivable.

Below are the most important procedures which we conducted for this purpose:

The auditing procedures included a stud of the control procedures used by the company over the process of collecting the accounts receivable. In addition, we studied the adequacy of the allocated provision for impairment of the accounts receivable by evaluating the management's assumptions taking into consideration the external information available about the risks of forward accounts receivable and the implementation of the supervisory entities instructions. we also evaluated the efficiency of the company's disclosures about the significant estimates to reach the provision for bad debts.

Other information

The Management is responsible for the other information. The other information consists of the information contained in the annual report other than the financial statements and the auditor's report thereon. We expect to be provided with the annual report on a date after our report. Our opinion about the financial statements doesn't include the other information and we don't give any kind of assurance or conclusion about them.

Regarding the auditing of the financial statements, our responsibility is to read the above other information when becomes available where we evaluate the material nonconformance of such information with the financial statements or the information we concluded during our audit or the other information contains errors.

Responsibility of the Management and the persons in-charge of governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes developing internal control system the Management deems necessary to prepare and present financial statements free from material misstatement, whether due to fraud or error.

The Management is responsible for evaluating the company's ability to continue, disclose issues related to the continuity, use of continuity accounting basis, except in case the Management intends to liquidate the company.

The persons in-charge of governance are the persons responsible for supervising the procedures of preparing the financial reports.

Auditor's Responsibility

We aim to obtain reasonable assurance whether the financial statements are free of material errors, whether due to fraud or error, and to issue our report including our opinion about the financial statements.

The reasonable assurance is high level of assurance but it doesn't guarantee that the audit conducted in accordance with the international auditing standards will enable us to constantly discover material errors, if any.

Errors may result from fraud or error. They are considered material if they could individually or together reasonably affect the economic decisions of the users based on these financial statements.

As part of auditing in accordance with the international auditing standards, we practice the professional discretion and apply the professional doubt principle in our auditing. In addition:

- Defining and evaluating the risks of material errors in the financial statements, whether due to fraud or error, designing and implementing audit procedures responsive to such risks, and obtaining sufficient and appropriate evidence to provide a basis for our opinion. The risk of not discovering material errors due to fraud is higher than the risk due to error since the fraud may contain collusion, forgery, intentional deletion, misrepresentation, or noncompliance with the internal control systems.
- Understanding the audit-related internal control systems for the purpose of designing audit procedures that are appropriate in the circumstance, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control systems.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related notes made by management.
- Concluding the management's appropriate use of the continuity accounting basis based on the obtained audit evidence whether there is material uncertainty about events or circumstances that may cause material uncertainty about the company's ability to continue. If we conclude that there is no material uncertainty, we refer in the auditing report to the related notes in the financial statements. If disclosing such information is inappropriate, we amend our opinion. Our conclusions are based on the auditing evidences obtained up to the date of the auditing report. However, future events or circumstances may limit the company's ability to continue.
- Evaluating the general representation, form, and content of the financial statements including the disclosures and whether the financial statements fairly represent the transactions and events.
- We approached the persons in-charge of governance in the company regarding the audit scope, timing and important notes including any important weaknesses in the internal control system defined during our audit.
- We also provided the persons in-charge of governance with declaration about our commitment to the professional conduct requirements on independency, and informed them with all other relations and issues that may affect their independency, as well as the preventive procedures, if any.

- Defining the important issues in auditing the financial statements of the current year where we describe such issues in the auditing report unless there was a law or legislation that prevents the general disclosure about the matter or in very rare cases, where we decided not to disclose about the matter in our report for expecting negative effects may be exceed the public benefits of these explanations.

Report on the other legal & legitimate requirements

The company is keeping the accounting records dully and match the attached financial statements from all fundamental aspects and we recommend the General Assembly to certify the same, taking into consideration what stated in the conservative opinion base.

IBRAHIM Al Abbassi and Co

Ahmad Mohammad Al-Abbassi (Signed)
License no. 710

Official Seal

Amman-The Hashemite Kingdom of Jordan
05/02/2017



Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan



Statement of Financial Position

	2016	2015	Notes
	JD	JD	
Assets			
Current Assets			
Cash and cash equivalent	16,412	5,204	
Short Term Cheques under collection	8,200	35,202	
Accounts Receivables	160,319	198,196	4
Goods in Warehouses	216,889	224,175	5
Other Receivables Balances	46,607	44,962	6
Total of Current Assets	448,427	507,739	
Non- Current Assets			
Properties & Equipments –in Net	521,519	516,964	7
Total of Non-Current Assets	521,519	516,964	
Total of Assets	969,946	1,024,703	
Liabilities & Equities			
Circulated Liabilities			
Credit Banks	3,139	-	8
Postdated Cheques	14,655	3,810	
Account Payable	66,398	94,220	
Short-term Loan	53,192	63,403	9
Other Credit Balances	42,629	31,797	10
Total of Circulated Liabilities	180,013	193,230	
Equity			
Declared Capital	959,700	959,700	
Paid Capital	1,000,000	959,700	
Compulsory Reserve	138,500	138,500	
Optional Reserve	58,517	58,517	
Special Reserve	16,252	16,252	
Accumulative Losses at the end of the year	(423,336)	(341,496)	
Equity Net	789,933	831,473	
Total of Liabilities & Equity	969,946	1,024,703	

"The explanations attached to the financial statements shall be considered as integral part of this statements and shall be read with"

Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan



Statement of Comprehensive Income

	2016	2015	Notes
	JD	JD	
Sales	361,631	463,555	11
Sales Costs	(310,249)	(449,811)	12
Total of Profit	51,382	13,744	
Administrative & Public Expenses	(117,609)	(133,848)	13
Financing Costs	(7,413)	(5,255)	
Other Revenue	-	5,017	
Bad Debit	(4,000)	-	
Losses of the year	(77,640)	(120,342)	
Losses & Comprehensive Losses of the year	(77,640)	(120,342)	
<u>Share Value of the losses of the year</u>	Dinar/Fills	Dinar/Fills	
Share Value of the losses of the year	(0.079)	(0.125)	
Weighted average of shares numbers	986,961	959,700	

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Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Statement of Changes in Equity

	The Capital	Compulsory Reserve	Optional Reserve	Special Reserve	Accumulative Losses	Net
	JOD	JOD	JOD	JOD	JOD	JOD
<u>For the year then ended 31/12/2016</u>						
<u>Balance as of 01/01/2016</u>	959,700	138,500	58,517	16,252	(341,496)	831,473
Expenses of previous years	-	-	-	-	(4,200)	(4,200)
<u>Amended opening balance</u>	959,700	138,500	58,517	16,252	(345,696)	827,273
Increasing the capital	40,300	-	-	-	-	40,300
Losses of the year	-	-	-	-	(77,640)	(77,640)
<u>Balance as of 31/01/2016</u>	1,000,000	138,500	58,517	16,252	(423,336)	789,933
<u>For the year then ended 31/12/2015</u>						
<u>Balance as of 01/01/2015</u>	959,700	138,500	58,517	16,252	(221,154)	951,815
Losses of the year	-	-	-	-	(120,342)	(120,342)
<u>Balance as of 31/12/2015</u>	959,700	138,500	58,517	16,252	(341,496)	831,473



The accompanying notes constitute an integral part of these financial statements

Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan



Statement of Cash Flows

	2016	2015
	JD	JD
Cash flows from operational activities		
Losses of the year	(77,640)	(120,342)
Changes:		
Depreciations & Amortizations	-	-
Expenses of Previous years	(4,200)	
Changes in items of operating capital		
Short term cheques under collection	27,002	(18,222)
Accounts Receivables	37,877	68,724
Goods in Warehouses	7,286	36,318
Other Receivables Balances	(1,645)	14,557
Accounts Payables	(27,822)	(742)
Deferred Cheques	10,845	3,810
Credit Balances	10,832	(29,441)
Net cash from operational activities	(17,465)	(45,338)
Cash flows from investment activities		
Paid against obtaining properties & equipments	(4,555)	(4,748)
Net of Cash flows resulted from investment activities	(4,555)	(4,748)
Cash flows from financing activities		
Credit Banks	3,139	-
Short-term loan	(10,211)	28,424
Increasing in the Capital	40,300	-
Net of Cash Flows resulted from the financing activities	33,228	28,424
Changes in cash balance & cash equivalence	11,208	(21,662)
Cash and cash equivalent of 01/01/2016	5,204	26,866
Cash and cash equivalent of 31/12/2016	16,412	5,204

The accompanying notes constitute an integral part of these financial statements

Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Notes on the Financial Statements



1. Legal Entity & Activity:

Sheba Metal Casting Co. was established on 02/06/1992, and registered at the Ministry of Industry & Trade at the record of limited liability companies under no. (2833) dated 12/02/2006, the company was transferred to public shareholding company and was registered at the public shareholding companies record under no. (383 dated 23/12/2010, which including registering the shares of the company's capital of (720,000) shares in the nominal value for the one share of one Jordanian dinar resulted from transferring the legal capacity for the company from limited liability company to public shareholding and enforcing the red herring related thereto, providing to deal with all capital shares as institutional shares as of the date of its registration at the end of Jordan Securities Commission & paying the prescribed fees dully, during 2014 the capital of the company was increased to 959,700 JOD/Share.

And the most significant objectives of the company the following:

- *Establishing, owning & operating metal foundries & what related there from.
- *Importing row materials & machines.

2. Basis of Preparing the Financial Statements:

The financial statements of the company were prepared in accordance with the standards issued from the council of the International Accounting Standards & explanations issued from the committee of the First Explanations of the financial reports emerge from the council of the International Accounting Standards.

The financial statements were prepared in accordance with the principle of the historical cost excluding the financial assets specified in the fair value by the comprehensive income which appears in the fair value.

The financial statements were prepared in accordance with the Inter. Accounting Reports Standards.

The followed accounting policies in preparing the financial statements similar to the policies which shall followed in the previous year.

The Jordanian dinar is the currency of showing the financial statements & shall represent the main currency for the company.

The financial statements have been approved by the BOD in its session held on 05/02/2017 and these financial statements require the approval of the general assembly of the company.

Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Notes on the Financial Statements



3. **Significant Accounting Policies**

A. **Cash and cash equivalent**

The cash and cash equivalent is represented by the cash at hand and the accounts with banks in addition to the negotiable investments to be transferred to specified liquid cash and shall be due to date during a period shall not be exceeded three months but not including the risks of changing the value.

B. **Accounts Receivable**

The accounts receivable shall be appeared in the cost value after decreasing the deducted accumulative of comparing the balances of doubts receivables, and the debits shall be write off in case of making sure that it is not possible to be collected by deducting the same from the deducted accumulative to be equal to it and the collected amounts resulted from the write off debits shall be added to the revenues.

C. **Financial Assets in the fair value through the income list:**

The Financial Assets shall be represented in the fair value through the income statement-investing in the companies' shares for the purposes of trading, and the goal from keeping the same is achieving the profits resulted from fluctuating the short-term market prices or trading profits margin.

The Financial Assets shall be proved by the income statement with the fair value when purchasing (recording the acquisition expenses at the income statement when purchasing) and shall be re-evaluating later with the fair value, the change in the fair value shall be appear in the income statement including the changes in the fair value resulting from the differentiation of transferring the items of non-cash assets in the foreign currency, in case of selling these assets or part of it, the profits or losses resulted shall be listed in the income statement, and the allocated profits or the interests realizable in the income statement.

D. **Financial Assets in the fair value through the other income list:**

The Financial Assets shall be represented in the fair value through the other comprehensive income statement & the strategic investments in company's shares to keep it for long-term not for trading purposes.

The financial assets shall be proved by the other comprehensive income with the fair value in addition to the acquisition expenses

paid when purchasing and it will be revalued later in the fair value, the changing in the fair value shall be appear in the statement of the comprehensive income & within the equity including the change in the fair value resulted from the differences of transferring items of the non-cash assets in the foreign currencies, in case of selling these assets or part of it, the profits or losses resulted from shall be listed in the comprehensive income statement within the equity, the reserve balance of assessing the investments related to the instrument of the sold property shall be transferred directly to the curried forward profits & loses but not through the income statement.

These assets shall not be subject to the decreasing test, and the dividend profits shall be listed in the income statement when approved by the body.

Date of recognizing the financial assets

It shall be recognized the purchasing & selling of the financial assets on the date of trading (date of complying the company with selling & purchasing the financial assets).



Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Notes on the Financial Statements



Fair Value

Closing prices (purchasing assets/selling liabilities) on the date of the financial statements in an active markets which represent the fair value for the financial instruments which have market prices.

In case of not being a declared prices or not being an active circulation for some of the financial instruments or being the market not active, its fair value shall be estimated in many ways such as:

- comparing the same with the market current value for similar financing management in great way.
- analyzing the future cash flows & deducting the expected cash flows in a rate which is used in similar financial instrument.
- Forms of pricing the options.

The methods of assessing shall aim to obtain the fair value reflects the expectations of the market and shall take into the consideration the market factors and any expected risks or benefits when estimating the value of financial instruments, and in case of being a financial instruments which may couldn't be measured in trusted way and shall be showed in cost price after decreasing its value.

Decreasing in the value of financial assets

The company shall review the values affixed in the records of the financial assets in the date of the financial position statement to specify if there are any indicators that shows any decreasing in its value separately or in group, in case of being such indicators, the refundable value shall be estimated for determining the decreasing loses.

Intangible Assets:

The intangible assets which resulted from merging shall be registered in the fair value on the date of its obtaining, the intangible assets which obtained from other way other than merging shall be registered in the cost value.

The intangible assets shall be categorized based on the estimation of the periodical age for specified or non-specified duration, the intangible assets shall be amortized in the income statement, but the intangible assets which its periodical age is non-specified, the decreasing in its value shall be reviewed in

the date of the financial statements and any decreasing in its value shall be recorded in the income statement.

The intangible assets resulted from inside the company shall not be capitalized and shall be recorded in the income statement at the same year.

Goods in Warehouses:

Raw materials & spare parts & specifying the cost shall be appeared in accordance with the weight average, as well as the ready goods shall be appeared in the cost price and shall be determined appeared in accordance with the weight average and will includes the costs of raw materials, direct wages and the indirect industrial costs.

Properties & Equipments & Accumulative Depreciation:

The properties & equipments shall view in the cost after decreasing the accumulative depreciation & any decreasing accumulative losses, the properties & equipments shall be depreciated (excluding the lands) when its ready to be used in the straight-line method of depreciation for the expected range of the productive age by using the following annual rates, the depreciation expenses shall be listed in the income statement:

Buildings & Hungers	2%
Machines, equipments & tools	20_8%
Vehicles	15%
Furniture & Decoration	10%
Installations, Generators & Others	10_4%



The depreciation of properties & equipments shall be calculated when it's ready to be used for the purposes that are intended to, when the amount expected to be refundable is decreasing from any of the properties & equipments from its net book value, it shall be decreased to the value which is possible to refundable and the decreasing value shall be recorded in the income statement.

The production age of the properties & equipments shall be reviewed at each end of the year, if the expectations of the production age are different from the estimates prepared previously, the changes shall be registered for the later years considering a changes in estimations.

The profits or losses resulted from eliminate or write off any of properties & equipments, which represent the different between the amount collected from the selling & the book value of the assets stated in the income statement.

When getting rid of the properties & equipments or when become useless in future it shall be eliminated.

Payable Receivables & Accounts Payable

Payable receivables & accounts payable shall be proved when receiving goods or getting benefits from the service by the company, whether was claimed in by the suppliers or whom they provide the service or not.

Clearing:

The clearing shall be concluded between the financial assets & liabilities and showing the net amount at the financial statements when providing the legal rights abiding therefore as well as when shall be settled upon clearing or achieving assets & liabilities settlement at the same time.

Income Tax:

The company shall subject to the law of income tax & its later amendments also the instructions issued from the income tax department located in the Hashemite Kingdom of Jordan, the retraction thereof shall be concluded upon the maturity principle, whereas, the allocation of the tax income shall be calculated on the bases of the amended profit.

Foreign Currency Exchange:

The foreign currency exchange shall be into the Jordanian dinar based on the prevailing exchange prices dated in the same of the statement of the financial position, all differences resulted from the foreign currency exchange shall be listed within the results of the year at the comprehensive income statements.

Allocations:

The allocations shall be registered when the company has legal or expected liabilities resulted from previous incidents and it is possible to pay cash amounts to fulfill these liabilities, the deducted allocations may be reviewed on the date of the financial statements to amend its value and in what comply with the latest information available for the management.

Provision of decreasing debtors:

The provision of decreasing debtors shall be registered, when there is an objective proof that the company will not be able to collect all of part of the requested amounts, and this allocation shall be calculated on the base of the difference between book value & redeemable value, whereas, the company shall calculate the provision of decreasing debtors upon certified basis & theories approved by the BOD according to the ages of the receivables as the date of the financial statements.

Achieving Revenues & Recognizing Expenses:

- Revenues shall be proved when it's possible that the economic profits of the company may flows resulted to exchanging process to measure in trusted way.
- Other revenues may prove in accordance with accrual principle.
- The expenses may recognize in accordance with accrual principle.

Using Estimations:

Preparing financial statements shall be in accordance with the International Financial Reporting Standards (IFRS) & applying the accounting policies shall require from the company's management concluding the estimations, judgments that may affect the amounts of assets & liabilities & disclosure of the possible liabilities, those estimations & judgments shall affect also on the revenues, expenses & allocations, as well as the management of the company is specially required to conclude a significant estimations & judgments to estimate the amounts of future cash flows & its periods according to the change of situations & circumstances of those estimations in the future.

The mentioned estimations is based on theories & multi-factors in deferent degrees with estimation & uncertainty and the actual results may different from the estimations due to the results of the changes in the future at the situations & circumstances of those allocations.

Reviewing the estimations & assumptions continuously by the management and the amendments in the accounting estimations may process by applying the same & recognizing in the differences resulted from at the period which the amendments occurs in & in future periods which may affect by this amendments.

4- Accounts Receivables:



	2016	2015
	JOD	JOD
Accounts Receivables	168,319	202,196
Accumulative against the doubtful in collection debits	(8,000)	(4,000)
Net	160,319	198,196

5-Goods in Warehouses:

	2016	2015
	JOD	JOD
Warehouse of Raw materials	112,880	124,210
Warehouse of Spare parts	44,009	44,009
Warehouse of Ready-made Goods	60,000	55,956
Net	216,889	224,175

6-Other Debit Balances:

	2016	2015
	JOD	JOD
Refundable Insurances	2,530	2,530
Payment on the account of Income Tax 2%	9,684	8,373
Sales Tax Deposits	-	6,739
Employees Receivables	6,900	7,330
Other Account Receivables	22,761	10,990
Other Deposits	4,732	-
Net	46,607	44,607

7- Properties & Equipments –Net:

	Lands	Buildings & Hangers	Machines, equipments & tools	Vehicles	Furniture & decorations	Supplies, generators & others	Total
	JOD	JOD	JOD	JOD	JOD	JOD	JOD
Cost							
Balance of 01/01/2016	78,235	304,200	560,407	15,675	18,228	8,150	984,895
Additions	-	-	4,555	-	-	-	4,555
Balance of 31/12/2016	78,235	304,200	564,962	15,675	18,228	8,150	989,450
Depreciation							
Balance of 01/01/2016	-	66,599	377,503	9,306	9,079	5,444	467,931
Additions	-	-	-	-	-	-	-
Balance of 31/12/2016	-	66,599	377,503	9,306	9,079	5,444	467,931
Book value as of 31/12/2016	78,235	237,601	187,459	6,369	9,149	2,706	521,519
Book value as of 31/12/2015	78,235	237,601	182,904	6,369	9,149	2,706	516,964

"The attached explanatory in the financial statements shall considered an integral part of it and shall be read with"



Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Notes on the Financial Statements



8- Credit Banks:

The company has obtained banking facilities from Jordan Kuwait Bank with limit of ten thousands dinar and under the guarantee of the president of the Board of Personal Director with interest of (8%) annually & commission of (1%) annually.

9-Short-term loan:

The company has obtained an a decreasing loan from Jordan Kuwait Bank with limit of 50,000 JOD, with interest of (9%) & commission of (1%) annually provided to fulfill each financing process on 6 monthly equal settlements from the date of the financing against depositing cheques under collection with (100%) of the loan balance continuously as a resource of payment provided not to exceed 6 months, in addition to the personal guarantee for some shareholders.

10-Other Credit Balance:

	2016	2015
	JOD	JOD
Accrued Charges	12,878	13,437
Deposits for others	235	235
Deposits of Social Security	13,298	4,242
Income Tax Allocation	248	248
Other Credit Receivables	13,625	13,501
Income Tax Deposits	372	134
Sales Tax Deposits	1,973	-
Total	42,629	31,797

11-Sales:

	2016	2015
	JOD	JOD
Importing sales	176,306	245,840
Local Sales	185,325	217,715
Total	361,631	463,555

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Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Notes on the Financial Statements

12-Sales Costs:

	2016 JOD	2015 JOD
Raw materials used in production	120,391	147,340
<u>Adding Agricultural Expenses</u>		
Salaries & Wages	104,902	113,651
Participating the company in the social security	12,730	12,373
CO2 Gas	4,303	7,675
Oxygen Expenses	1,048	1,278
Gas Expenses	1,015	1,645
Depreciated equipments & tools & depreciation	19,776	25,657
Whole Filling	197	153
Flip-Flop Wages	2,229	7,739
Electricity	36,136	49,315
Maintenance	3,399	3,234
Lathing	4,311	1,959
Water	909	963
Loading & downloading	330	553
Transfer Goods	2,617	3,087
Costs of Manufacturing Goods	314,293	376,622
Ready Goods for the first period	55,956	129,145
Ready Goods for the last period	(60,000)	(55,956)
Sales Costs	310,249	449,811



Sheba Metal Casting Co.
Public Shareholding Company
Amman- the Hashemite Kingdom of Jordan

Notes on the Financial Statements



13-Administrative & Public Expenses:

	2016	2015
	JOD	JOD
Salaries & Wages	71,837	77,544
Participating the company in the social security	8,728	9,695
Health Insurance & Therapy	2,686	3,222
Stationary	162	662
Automobiles	3,269	3,381
Hospitality	421	1,393
Stamps	-	539
Personnel Transportations	4,399	4,400
Miscellaneous	4,775	6,303
Professional Wages	5,100	6,000
Travelling	2,109	2,705
Postal, telegram & phone	3,988	5,080
Fees & Subscriptions	5,287	12,023
Advertisement	1,483	653
Maintenance	543	248
Work Permits	2,822	-
Total	117,609	133,848

14-Income Tax & Sales:

The settlement was concluded with the Income Tax & Sales till 2010.

15-Potential Commitments:

The company potential commitments on the date of the financial position as follows:

- Criminal Cases filed by publici juris against the company & visible at the court of Amman Greater Municipality.
- Bank Guarantees with value of One thousand Jordanian Dinar.

16- Retail Analysis:

The basic activity of the company shall concentrate on making, owning & operating metals & what emerging from.

17-Risks Management:

Interest - rate risk

The interest-rate risk shall results from the potential of impacting the changing in the interest prices on the company's profits or the equal value for the financial instruments, whereas, most of the financial instruments shall bear the fixed price of the interest and shall appear with the amortization cost, the sensitivity of the company's profits & equity to change the interest prices which shall be considered non-essential.

Credits Risks:

Credits risks are the risks which may results from being unable or the disability of the other party at the financial management to fulfill his liabilities towards the company which may lead to occur loses, whereas, the company shall limit the credit risks by dealing with banks which enjoy with good reputation.

Risks of prices of the foreign currencies:

The risks of currencies may represent in the risk of fluctuating the value of the financial instruments due to the fluctuating of the foreign currencies prices, whereas, most of the company's dealings are with JOD, and some of it are in USD, therefore, the sensitivity of the company's profits & equity for changing the foreign currencies exchange prices shall be considered non-essential.

Risks of the shares prices:

The risks of the shares prices shall be resulted from changing of the fair value for investments in shares and the company shall manage these risks by diversing the investments in several geographical areas & economic sectors.

Liquidity Risks:

Shall representing in the company may not able to provide the necessary financing to meet its liabilities on its due dates and to avoid these risks, the company shall diverse the resources of financing, managing the assets and liabilities and matching its maturity dates.

18-Comparative Numbers:

The re-categorizing & re-labeling of some numbers of comparative year have been made & categorizing & labeling the numbers of the current fiscal year.