



الشركة الصناعية التجارية الزراعية المساهمة العامة المحدودة

Industrial Commercial & Agricultural Co. Ltd.

أ. م. ع. م. م.
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التاريخ : 2019/03/28

الرقم : م ق / 3 / 152

السادة هيئة الأوراق المالية المحترمين

الموضوع : ايداع القوائم المالية 2018

تحية واحتراما وبعد ،،،

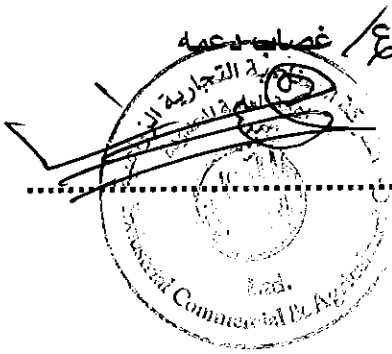
نرفق الى حضرتكم القوائم المالية المدققة كما هي بتاريخ 2018/12/31 باللغتين العربية والانجليزية
يرجى ايداعها لديكم حسب الاصول .

شاكرين حسن تعاونكم

الشركة الصناعية التجارية الزراعية / الانتاج

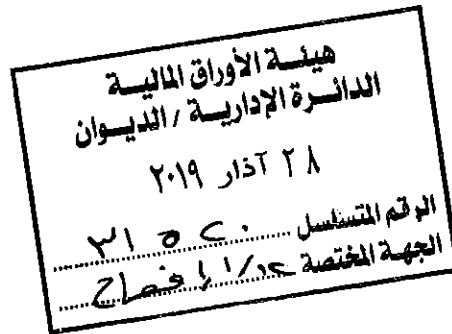
المدير العام

غصان دهمه



نسخة : مركز ايداع الاوراق المالية

نسخة : بورصة عمان



INDUSTRIAL COMMERCIAL & AGRICULTURAL
PUBLIC LIMITED CO.
(HOLDING COMPANY)-ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
AS OF DECEMBER 31 ,2018
TOGETHER WITH INDEPENDENT
AUDITORS' REPORT

R. NASER & PARTNERS CO.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) - ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN

DECEMBER 31, 2018

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INDEPENDENT AUDITORS' REPORT
TO THE SHAREHOLDERS OF INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC
LIMITED CO. (HOLDING COMPANY) – ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN

Report on the Audit of the consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Industrial Commercial & Agricultural Public Limited CO. (Holding Company) – Alentaj ("the Company"), which comprise the consolidated statement of financial position as at December 31, 2018, the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as at December 31, 2018, and of its consolidated financial performance and its consolidated 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 consolidated Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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.]*

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

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

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRS, and for such internal control as management determines is

RN

RAMADAN NASER & PARTNERS CO.

JORDANIAN CERTIFIED AUDITORS

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.

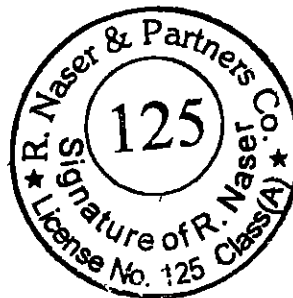
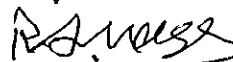
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law 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.

Amman – Jordan
March 14, 2019

R. NASER & PARTNERS Co
Certified Public Accountants and Auditors
Signature of Ramadan Naser
License No.125



INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) - ALENTAJ **Appendix (A)**
EL-MAFRIC -- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CONSOLIDATED FINANCIAL POSITION AS OF DECEMBER, 31, 2018

| | | <u>Assets</u> | | |
|---------------------------------------|--------------|---------------|--------------|-------------|
| Current Assets | <u>Notes</u> | <u>2018</u> | | <u>2017</u> |
| | | <u>J . D</u> | <u>J . D</u> | |
| Cash on hand & at banks | 4 | 5,353,824 | 5,645,482 | |
| Accounts receivable | 5 | 3,291,092 | 1,812,744 | |
| Inventory | 6 | 4,132,910 | 4,920,204 | |
| Other debit balances | 7 | 829,883 | 2,450,242 | |
| | | <hr/> | <hr/> | |
| <i>Total Current Assets</i> | | 13,607,709 | 14,828,672 | |
| | | <hr/> | <hr/> | |
| Non current assets | | | | |
| Property & equipments , net | 8 | 15,158,012 | 13,364,457 | |
| Financial investment | | 316 | 316 | |
| | | <hr/> | <hr/> | |
| <i>Total non current assets</i> | | 15,158,328 | 13,364,773 | |
| | | <hr/> | <hr/> | |
| <i>Total Assets</i> | | 28,766,037 | 28,193,445 | |
| | | <hr/> | <hr/> | |
| CURRENT LIABILITIES :- | | | | |
| Accounts payables | 9 | 2,441,827 | 1,291,013 | |
| Short term notes payable | 10 | 6,960,670 | 7,844,468 | |
| Other current liabilities | 11 | 347,812 | 190,677 | |
| | | <hr/> | <hr/> | |
| <i>Total Current Liabilities</i> | | 9,750,309 | 9,326,158 | |
| | | <hr/> | <hr/> | |
| <i>Long term notes payable</i> | 10 | 345,000 | 270,000 | |
| | | <hr/> | <hr/> | |
| Equity | | | | |
| Paid-in capital | 12 | 14,956,389 | 14,956,389 | |
| Statutory reserve | | 3,478,279 | 3,469,740 | |
| Retained earnings | | 236,060 | 171,158 | |
| | | <hr/> | <hr/> | |
| <i>Total Equity</i> | | 18,670,728 | 18,597,287 | |
| | | <hr/> | <hr/> | |
| <i>Total Liabilities & Equity</i> | | 28,766,037 | 28,193,445 | |
| | | <hr/> | <hr/> | |

Accompanying Notes from 1 to 23 are Integral Part of These consolidation financial Statements And
Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) - ALENTAJ **Appendix (B)**
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF COMPRENSIVE INCOME CONSOLIDATED FOR THE YEAR ENDED DECEMBER 31,2018

| | <u>Notes</u> | <u>2018</u> <u>J . D</u> | <u>2017</u> <u>J . D</u> |
|---|--------------|-----------------------------|-----------------------------|
| A- COMPRENSIVE INCOME | | | |
| Local Sales | | 19,177,005 | 16,459,304 |
| Raw materials Sales | 13 | 597,145 | 422,321 |
| Cost of sales | | (18,663,165) | (15,726,384) |
| | | <hr/> | <hr/> |
| Gross Profit | | 1,110,985 | 1,155,241 |
| Selling and distribution expenses | 15 | (498,497) | (434,885) |
| General and administrative expenses | 16 | (589,495) | (644,820) |
| Finance cost | | (14,652) | (12,297) |
| Other income | | 77,055 | 83,860 |
| Income tax | 17 | (11,955) | (25,000) |
| | | <hr/> | <hr/> |
| Net profit- Appendix(c) | | 73,441 | 122,099 |
| *Statutory reserve- Appendix (c) | | (8,539) | (21,259) |
| | | <hr/> | <hr/> |
| Retained earnings - Appendix (c) | | 64,902 | 100,840 |
| | | <hr/> | <hr/> |
| Basic and diluted earnings per share | | 0,004 | 0,007 |
| | | <hr/> | <hr/> |
| B-OTHER COMPRENSIVE INCOME | | | |
| Change in fair value of investment | | 000 | 000 |
| | | <hr/> | <hr/> |

*The above statutory reserve and Board of Directors' remuneration is related to Consolidated Sulpho -Chemicals & Detergents Industries Company Ltd. Which is a subsidiary of Industrial Commercial & Agricultural Public Limited CO?

The Accompanying Notes from 1 to 23 are Integral Part of These consolidation financial Statements
And Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY)- ALENTAJ Appendix (C)
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CHANGES IN CONSOLIDATED EQUITY FOR THE YEAR ENDED 31
DECEMBER 2018

| <u>2018</u> | <u>Paid in</u> <u>Capital</u> <u>J . D</u> | <u>Statutory</u> <u>Reserve</u> <u>J . D</u> | <u>Retained</u> <u>Earnings</u> <u>J . D</u> | <u>Total</u> <u>J . D</u> |
|---------------------------|--|--|--|------------------------------|
| Balance at January 1,2018 | 14,956,389 | 3,469,740 | 171,158 | 18,597,287 |
| Profit for the year | 000 | 8,539 | 64,902 | 73,441 |
| <i>Total</i> | 14,956,389 | 3,478,279 | 236,060 | 18,670,728 |

| <u>2017</u> | <u>Paid in</u> <u>Capital</u> <u>J . D</u> | <u>Statutory</u> <u>Reserve</u> <u>J . D</u> | <u>Retained</u> <u>Earnings</u> <u>J . D</u> | <u>Total</u> <u>J . D</u> |
|---------------------------|--|--|--|------------------------------|
| Balance at January 1,2017 | 14,956,389 | 3,448,481 | 70,318 | 18,475,188 |
| Profit for the year | 000 | 21,259 | 100,840 | 122,099 |
| <i>Total</i> | 14,956,389 | 3,469,740 | 171,158 | 18,597,287 |

The Accompanying Notes from 1 to 23 are Integral Part of These consolidation financial Statements
And Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY) ALENTAJ **Appendix (D)**
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN
STATEMENT OF CONSOLIDATED CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2018

| | <u>Notes</u> | <u>2018</u> | <u>2017</u> |
|--|--------------|--------------|--------------|
| | | <u>J . D</u> | <u>J . D</u> |
| <u>Operating Activities</u> | | | |
| Net profit after income tax | | 73,441 | 122,099 |
| Add : depreciation | | 370,779 | 397,467 |
| | | <hr/> | <hr/> |
| Cash flows before working capital adjustments | | 444,220 | 519,566 |
| Accounts receivable | | (1,478,348) | 105,201 |
| Inventories | | 787,294 | 1,322,409 |
| Other current assets | | 1,620,359 | (1,098,804) |
| Accounts payables | | 1,150,814 | (1,269,950) |
| Other current Liabilities | | 157,135 | 101,812 |
| | | <hr/> | <hr/> |
| Net cash flows used in operating activities | | 2,681,474 | (319,766) |
| | | <hr/> | <hr/> |
| <u>Investing Activities</u> | | | |
| Increase (decrease) in properties, net | | (2,164,334) | (498,432) |
| Change in financial investment | | 000 | 2 |
| | | <hr/> | <hr/> |
| Net cash flows used in investing activities | | (2,164,334) | (498,430) |
| | | <hr/> | <hr/> |
| <u>Financing Activities</u> | | | |
| Short-term notes payable | | (883,798) | 3,593,251 |
| Long-term notes payable | | 75,000 | (1,098,252) |
| | | <hr/> | <hr/> |
| Net cash flows from financing activities | | (808,798) | 2,494,999 |
| | | <hr/> | <hr/> |
| Net(decrease) increase in cash and cash equivalents | | (291,658) | 1,676,803 |
| Cash & cash equivalents at the beginning of the year | | 5,645,482 | 3,968,679 |
| | | <hr/> | <hr/> |
| Cash and cash equivalents at 31 December | | 5,353,824 | 5,645,482 |
| | | <hr/> <hr/> | <hr/> <hr/> |

The Accompanying Notes from 1 to 23 are Integral Part of These consolidation financial Statements
And Must Be Read Herewith.

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.
(HOLDING COMPANY)-ALENTAJ
EL-MAFRIC- THE HASHEMITE KINGDOM OF JORDAN

NOTES OF THE FINANCIAL STATEMENTS
31 DECEMBER 2018

1-GENERAL

Industrial Commercial & Agricultural Public Limited CO. (the "Company") was established and registered as a public shareholding company in 1961. The Company's authorized capital is JD 10,000,000 at a par value of JD 1 each. The paid in capital as of 31 December 2008 is JD 5,000,000 divided into 5,000,000 shares at a par value of JD 1 each.

On 15 July 2007, the approval of Minister of Trade and Industry Ministry was issued according to the resolution of General Assembly to restructure company's capital at its an extraordinary meeting held on 5 June 2007 as follows:

- 1- Decrease registered company's capital from JD 18,000,000 to JD 14,396,942 by write off of unsubscribed shares of 3,603,058 shares.
- 2- Decrease subscribed company's capital to be JD 5,000,000 and increase authorized company's capital to JD10, 000,000. All official procedural was completed on 21 July 2008.
- 3- An extraordinary meeting was held by General Assembly on 3 September 2009 to resolve that the unpaid in capital of JD 5,000,000 will be settled by strategic shareholder at discount of JD 1,800,000 and then the subscribed and paid in capital became JD10, 000,000.
- 4- According to the resolution issued by Ministry of Trade and Industry on 24 September 2012, the process of merger between Jordan Sulpho-Chemicals Co. Ltd. and Industrial Commercial & Agricultural public Limited CO. was finalized and the company's capital became JD 14,956,389.

The Company's main objectives are establishing all types of factories and workshops including printing houses and other manufacturing activities in addition to main objectives for other merged company.

The consolidated financial statements for the year ended 31 December 2018 were authorized and approved to be issued based on the resolution of the Board of Directors on 14 March 2019.

(1-2) BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value.

The consolidated financial statements of the Group have been prepared in accordance with the International Financial Reporting Standards ("IFRS").

The consolidated financial statements are presented in Jordanian Dinars, which represents the functional currency of the Group.

- **Basis of consolidation**

The consolidated financial statements comprise the financial statements of Industrial, Commercial & Agricultural public Limited CO. (the Company) and its subsidiaries (the "Group") as at 31 December 2018 from the date of acquisition and obtaining controlling interest. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the invested and has the ability to affect those returns through its power over the invested.

The consolidated financial statements are prepared for the same fiscal year and using similar accounting policies applied at the parent company.

All inter-company balances and transactions including any profits losses or expenses proceeds resulting from such transactions have been eliminated.

The consolidated financial statements comprise the financial statements of Industrial, Commercial & Agricultural public Limited CO (the Company) and its subsidiaries (the "Group") as at 31 December 2018 and as follows:

| | Paid up capital | Percentage of interest |
|---|-----------------|------------------------|
| Consolidated Sulpho -Chemicals & Detergents Industries Company Ltd. | 5,500,000 | 100% |

- **Changes in accounting policies**

The accounting policies adopted in the preparation of the consolidated financial statements for the year ended 31 December 2018 are consistent with those of the previous financial year.

(1-3) USE OF ESTIMATES

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

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

• Property and Equipments

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated income statement.

Depreciation (except for land) is computed on a straight-line basis over the estimated useful lives of assets at annual rates ranging from 2% to 20%.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated income statement.

• Accounts Receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

• Inventory

Inventories are valued at the lower of cost and net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Raw materials and spare parts – purchase cost on weighted average basis.

Finished goods and work in progress – cost of direct materials and labor and a proportion of manufacturing overheads.

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

• Cash and cash equivalents

Cash includes cash on hand and cash with banks. Cash equivalents are short-term highly liquid investments that are readily convertible to known amounts of cash with original maturities of three months or less and are subject to an insignificant risk of change in value.

• Accounts Payables and Accruals

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

- **Provisions**

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

- **Revenue Recognition**

Revenue is recognized when it is probable that future economic benefits will flow to Company and this revenue is reliably measurable.

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on dispatch of goods.

Interest revenue is recognized as interest accrues using the effective interest rate method.

Other revenues are recognized on an accrual basis.

- **Income T ax**

The Company provides for income tax in accordance with the Income Tax Law no. (34) Of 2014 and its subsequent amendments, and in accordance with IAS 12. Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes and tax losses and tax credit carry-forwards.

Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. These deferred tax assets were not reflected into these financial statements since they were insignificant.

- **Foreign currencies**

Assets and liabilities denominated in foreign currencies at the year end are translated to Jordanian Dinars by applying the exchange rates prevailing then. Revenues and expenses in foreign currencies are translated to Jordanian Dinars at rates prevailing on the date of transaction. Exchange gains or losses are reflected in the statement of income

3-Segments Information

| <u>List</u> | <u>2018</u> | | | <u>Total</u> |
|---------------------------------|----------------|-----------------------|-----------------------------------|--------------|
| | <u>Alentaj</u> | <u>Sulphochemical</u> | <u>Transaction & balances</u> | |
| | <u>J . D</u> | <u>consolidated</u> | <u>Among segments</u> | |
| | <u>J . D</u> | <u>J . D</u> | <u>J . D</u> | <u>J . D</u> |
| <u>Sales</u> | 000 | 19,774,150 | 000 | 19,774,150 |
| <u>Business results</u> | | | | |
| Operating Profit (loss) | 000 | 1,110,985 | 000 | 1,110,985 |
| Finance costs | 000 | 14,652 | 000 | 14,652 |
| Other Provisions | 000 | 20,494 | 000 | 20,494 |
| Other income | 000 | 77,055 | 000 | 77,055 |
| Profit (loss) for the year | 000 | 73,441 | 000 | 73,441 |
| <u>Assets & liabilities</u> | | | | |
| Segments assets | 17,185,909 | 21,211,587 | (9,631,459) | 28,766,037 |
| Segments liabilities | 63,616 | 9,831,501 | 000 | 9,895,117 |
| <u>Other information</u> | | | | |
| Capital expenditure | 000 | 2,164,334 | 000 | 2,164,334 |
| Depreciation | 000 | 370,779 | 000 | 370,779 |

2017

| <u>List</u> | <u>Alentaj</u> | <u>Sulphochemical</u> | <u>Transaction & balances</u> | <u>Total</u> |
|--|----------------|-----------------------|-----------------------------------|--------------|
| | <u>J . D</u> | <u>consolidated</u> | <u>Among segments</u> | <u>J . D</u> |
| <u>Sales</u> | 000 | 16,881,625 | 000 | 16,881,625 |
| <u>Business results</u> | | | | |
| Operating Profit (loss) | 000 | 1,155,241 | 000 | 1,155,241 |
| Finance costs | 000 | 12,297 | 000 | 12,297 |
| Other | 000 | 46,259 | 000 | 46,259 |
| Provisions | | | | |
| Other income | 000 | 83,860 | 000 | 83,860 |
| Profit (loss) for the year | (65,500) | 166,340 | 000 | 100,840 |
| <u>Assets & liabilities</u> | | | | |
| Segments assets | 17,785,398 | 20,633,886 | (10,225,839) | 28,193,445 |
| Segments liabilities | 728,007 | 8,740,953 | 000 | 9,468,960 |
| <u>Other information</u> | | | | |
| Capital expenditure | (603) | 499,035 | 000 | 498,432 |
| Depreciation | 65,500 | 331,967 | 000 | 397,467 |

4- Cash on hand & at banks

| | 2018 | 2017 |
|-------------------------|------------------|------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Balances at Banks | 2,061,150 | 2,891,296 |
| Checks under collection | 3,292,674 | 2,754,186 |
| <i>Total</i> | <u>5,353,824</u> | <u>5,645,482</u> |

5- Accounts receivable

| | 2018 | 2017 |
|------------------------------|------------------|------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Receivables | 3,656,726 | 2,185,397 |
| Employees receivables | 7,020 | 000 |
| Employees saving fund | 131,848 | 131,849 |
| <i>Total receivables</i> | <u>3,795,594</u> | <u>2,317,246</u> |
| Provision for doubtful debts | (504,502) | (504,502) |
| <i>Total</i> | <u>3,291,092</u> | <u>1,812,744</u> |

b) The movements on provision for doubtful accounts were as follows:

| | 2018 | 2017 |
|---------------------------------|----------------|----------------|
| | <u>J . D</u> | <u>J . D</u> |
| At 1, January | 504,502 | 504,502 |
| The movements during the year) | 000 | 000 |
| At of 31,December | <u>504,502</u> | <u>504,502</u> |

c) The aging analysis of accounts receivable less provision for doubtful debts as of 31 December 2018 is as follows:

Account receivable & undoubtful

| | <u>1-30 day</u> | <u>31-90 day</u> | <u>91-120 day</u> | <u>Total</u> |
|------|-----------------|------------------|-------------------|--------------|
| | <u>J . D</u> | <u>J . D</u> | <u>J . D</u> | <u>J . D</u> |
| 2018 | 1,869,113 | 611,280 | 810,699 | 3,291,092 |
| 2017 | 727,519 | 694,210 | 391,015 | 1,812,744 |

According to management past experience these receivables are expected to be Fully recoverable, the provision for doubtful debts as at 13/12/2018 amounted to JD504,502

6-Inventory

| | 2018 | 2017 |
|----------------------------------|-------------------------|-------------------------|
| | <u>J . D</u> | <u>J . D</u> |
| A) This item content as follows: | | |
| Raw materials | 3,245,008 | 4,250,230 |
| Finished goods | 807,922 | 640,163 |
| Spare parts & accessories | 402,628 | 352,459 |
| | <hr/> | <hr/> |
| Total | 4,455,558 | 5,242,852 |
| Provision for slow moving items | (322,648) | (322,648) |
| | <hr/> | <hr/> |
| Total | <u><u>4,132,910</u></u> | <u><u>4,920,204</u></u> |

b) The movements on provision for slow moving items were as follows:

| | 2018 | 2017 |
|------------------------|-----------------------|-----------------------|
| | <u>J . D</u> | <u>J . D</u> |
| At 1 January | 322,648 | 511,845 |
| Change during the year | 000 | (189,197) |
| | <hr/> | <hr/> |
| At 31 December | <u><u>322,648</u></u> | <u><u>322,648</u></u> |

7-Other debit balances

| | 2018 | 2017 |
|---------------------------------------|-----------------------|-------------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Refundable Deposits & bank guarantees | 152,875 | 150,909 |
| Prepaid expenses | 59,079 | 39,140 |
| Sales tax deposits, net | 318,139 | 297,452 |
| L.C deposits & its related expenses | 299,790 | 1,962,741 |
| | <hr/> | <hr/> |
| Total | <u><u>829,883</u></u> | <u><u>2,450,242</u></u> |

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO.

8- Property & equipments , net

2018

| <u>2018 - Cost</u> | <u>Land J . . D</u> | <u>Building J . . D</u> | <u>Furniture & Fixtures J . . D</u> | <u>Electric Extension J . . D</u> | <u>Machinery & Equipment J . . D</u> | <u>Vehicles J . . D</u> | <u>Tools & Equipment J . . D</u> | <u>Iron Hangers J . . D</u> | <u>Equipment of Lab J . . D</u> | <u>Computers J . . D</u> | <u>Office Machines J . . D</u> | <u>Projects Under Completion J . . D</u> | <u>Total J . . D</u> |
|------------------------|-------------------------|-----------------------------|---|---|--|-----------------------------|--|-------------------------------------|---|------------------------------|--|--|--------------------------|
| At 1 Jun. 2018 | 506,509 | 7,555,577 | 385,055 | 1,295,938 | 21,619,229 | 549,892 | 403,412 | 1,765,439 | 42,594 | 312,619 | 24,219 | 4,040 | 34,464,523 |
| Additions | 000 | 12,232 | 610 | 1,946,540 | 155,623 | 29,508 | 4,145 | 7,068 | 335 | 8,273 | 000 | 000 | 2,164,334 |
| disposals | 000 | 000 | 000 | 000 | 000 | (4,712) | 000 | 000 | 000 | 000 | 000 | 000 | (4,712) |
| At 31 Dec 2018 | 506,509 | 7,567,809 | 385,665 | 3,242,478 | 21,774,852 | 574,688 | 407,557 | 1,772,507 | 42,929 | 320,892 | 24,219 | 4,040 | 36,624,145 |
| Depreciation- | 000 | 3,237,566 | 349,652 | 1,041,451 | 14,537,679 | 381,714 | 306,778 | 924,108 | 29,218 | 271,605 | 20,295 | 000 | 21,100,066 |
| At 1 Jun. 2018 | 000 | 69,593 | 4,198 | 44,790 | 118,853 | 23,465 | 13,663 | 89,388 | 1,524 | 5,305 | 000 | 000 | 370,779 |
| additions | 000 | 000 | 000 | 000 | 000 | (4,712) | 000 | 000 | 000 | 000 | 000 | 000 | (4,712) |
| At 31 Dec 2018 | 000 | 3,307,159 | 353,850 | 1,086,241 | 14,656,532 | 400,467 | 320,441 | 1,013,496 | 30,742 | 276,910 | 20,295 | 000 | 21,466,133 |
| Net book value | 506,509 | 4,260,650 | 31,815 | 2,156,237 | 7,118,320 | 174,221 | 87,116 | 759,011 | 12,187 | 43,982 | 3,924 | 4,040 | 15,158,012 |
| At 31 Dec 2018 | | | | | | | | | | | | | |

INDUSTRIAL COMMERCIAL & AGRICULTURAL PUBLIC LIMITED CO
8- Propertyt & equipments , net

2017

| <u>2017- Cost</u> | <u>Land J . D</u> | <u>Building J . D</u> | <u>Furniture &Fixtures J . D</u> | <u>Electric Extension J . D</u> | <u>Machinery &Equipment J . D</u> | <u>Vehicles J . D</u> | <u>Tools & Equipment J . D</u> | <u>Ironic Hangers J . D</u> | <u>Equipment of Lab J . D</u> | <u>Computers J . D</u> | <u>Office Machines J . D</u> | <u>Projects Under Completion J . D</u> | <u>Total J . D</u> |
|-----------------------------------|-----------------------|---------------------------|--|---|---|---------------------------|--|-------------------------------------|---------------------------------------|----------------------------|--------------------------------------|--|------------------------|
| At 1 Jun. 2017 | 506,509 | 7,545,812 | 383,329 | 1,295,938 | 21,426,209 | 525,994 | 396,270 | 1,674,841 | 37,744 | 306,884 | 24,219 | 4,040 | 34,127,789 |
| Additions | 000 | 9,765 | 1,726 | 000 | 217,725 | 23,898 | 7,142 | 90,598 | 4,850 | 5,736 | 000 | 000 | 361,440 |
| disposals | 000 | 000 | 000 | 000 | (24,705) | 000 | 000 | 000 | 000 | 000 | 000 | 000 | (24,705) |
| At 31 Dec. 2017 | 506,509 | 7,555,577 | 385,055 | 1,295,938 | 21,619,229 | 549,892 | 403,412 | 1,765,439 | 42,594 | 312,620 | 24,219 | 4,040 | 34,464,524 |
| Depreciation- At 1 Jun. 2017 | 000 | 3,167,760 | 336,035 | 1,024,513 | 14,566,072 | 331,722 | 297,507 | 830,803 | 27,858 | 261,732 | 20,295 | 000 | 20,864,297 |
| additions | 000 | 69,807 | 13,617 | 16,938 | 117,247 | 66,049 | 9,271 | 93,305 | 1,360 | 9,873 | 000 | 000 | 397,467 |
| | | 000 | 000 | 000 | (145,640) | (16,057) | 000 | 000 | 000 | 000 | 000 | 000 | (161,697) |
| At 31 Dec. 2017 | 000 | 3,237,567 | 349,652 | 1,041,451 | 14,537,679 | 381,714 | 306,778 | 924,108 | 29,218 | 271,605 | 20,295 | 000 | 21,100,067 |
| Net book value At 31 Dec. 2017 | 506,509 | 4,318,010 | 35,403 | 254,487 | 7,081,550 | 168,178 | 96,634 | 841,331 | 13,376 | 41,015 | 3,924 | 4,040 | 13,364,457 |

9-Accounts payable

| | 2018 | 2017 |
|----------------------|------------------|------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Local trade payables | 2,441,827 | 1,291,013 |
| <i>Total</i> | <u>2,441,827</u> | <u>1,291,013</u> |

10-Notes payable

| | 2018 | 2017 |
|-------------------------|------------------|------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Short term note payable | 6,960,670 | 7,844,468 |
| Long term note payable | 345,000 | 270,000 |
| <i>Total</i> | <u>7,305,670</u> | <u>8,114,468</u> |

This item represents notes payable to Jordan Islamic Bank with interest rates ranging between 2% to 1.75% for the year 2017. Accordingly, the Jordan Islamic Bank provided the Company bank facilities ceiling against mortgage of Company's lands in El Mafrik & Wadi Elesh in Zarqa.

11-Other current liabilities

| | 2018 | 2017 |
|--|----------------|----------------|
| | <u>J . D</u> | <u>J . D</u> |
| Dividends unpaid for shareholders | 63,580 | 64,512 |
| Accrued Expenses | 71,245 | 73,257 |
| Accrued employees & sales commission | 840 | 18,355 |
| Income tax provision | 11,955 | 25,000 |
| Employees income tax & social security | 000 | 9,553 |
| | 200,192 | 000 |
| <i>Total</i> | <u>347,812</u> | <u>190,677</u> |

12-Equity

- **Paid in capital**

The Group's authorized, subscribed and paid in capital comprise of 10,000,000 shares at par value of JD 1 per share as of 31 December 2009. On 24 September 2012, the approval of Minister of Trade and Industry Ministry was issued to increase the authorized and paid in capital to become 14,956,389 shares at par value of JD1 . The increase in paid in capital by an amount of JD 4,956,389 representing the capital of the Jordan Sulpho-Chemicals Co. Ltd. , the merged company, which was officially filed and registered with Jordan Securities Commission and Securities Depository Center .

- **Statutory reserve**

As required by the Jordanian Companies Law, 10% of the profit before tax is to be Transferred to statutory reserve. This reserve is not available for distribution to the Shareholders.

13-Cost of sales

| | 2018 | 2017 |
|--|---------------------|---------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Raw materials used | 15,439,426 | 13,117,667 |
| A- Cost of items used in production | 15,439,426 | 13,117,667 |
| B- Salaries ,wages & benefit | 993,554 | 864,290 |
| C-Depreciation | 354,440 | 315,750 |
| D-Other industrial expenses | | |
| Maintenance & repairs | 33,041 | 21,649 |
| Electricity ,water & fuel | 1,209,285 | 1,030,011 |
| Transportation & custom duties | 7,628 | 10,263 |
| Vehicles expenses | 20,482 | 17,634 |
| Other industrial expenses | 106,173 | 35,228 |
| Total other industrial expenses | 1,376,609 | 1,114,785 |
| Cost of production | 18,164,029 | 15,412,492 |
| Cost of sales of raw materials | 499,136 | 313,892 |
| Total | 18,663,165 | 15,726,384 |

14- Operating profit (loss)

| | <u>Sulphochemical</u> | <u>Total</u> |
|---------------|------------------------------|---------------------|
| | <u>consolidated</u> | |
| | <u>J . D</u> | 2018 |
| | | <u>J . D</u> |
| | | 2017 |
| | | <u>J . D</u> |
| sales | 19,774,150 | 19,774,150 |
| Cost of sales | (18,663,165) | (18,663,165) |
| | 1,110,985 | 1,110,985 |
| | | 1,155,241 |

15- Selling & distribution expenses

| | 2018 | 2017 |
|--|----------------|----------------|
| | J . D | J . D |
| Salaries ,wages & other related benefits | 96,859 | 115,555 |
| Shipping & transport | 234,144 | 216,216 |
| Advertisement | 11,822 | 4,914 |
| Damaged goods & samples | 4,281 | 000 |
| Stamps & trademarks fees | 12,685 | 9,681 |
| Sales commissions & allowed discount | 7,987 | 1,213 |
| ISO & Alvaretas | 56,843 | 29,369 |
| Maintenance & fuels | 4,071 | 3,078 |
| Export expenses | 67,170 | 000 |
| Others | 2,253 | 54,859 |
| Stationery | 31 | 000 |
| Transportation | 351 | 000 |
| <i>Total</i> | <u>498,497</u> | <u>434,885</u> |

16- General and administrative expenses

| | 2018 | 2017 |
|--|----------------|----------------|
| | J . D | J . D |
| Salaries ,wages & other related benefits | 411,602 | 429,203 |
| Transportation of board of directors | 24,000 | 24,000 |
| Taxes and government fees | 10,745 | 7,124 |
| Depreciation and subscriptions | 26,683 | 84,797 |
| Maintenance , repair & cleaning | 3,951 | 3,684 |
| Telephone & postage | 18,496 | 16,114 |
| Professional & consulting fees | 16,900 | 16,262 |
| Stationary & publications | 4,653 | 3,150 |
| Electricity, water & fuel | 5,176 | 5,591 |
| Hospitalities, donations & bonuses | 7,891 | 3,890 |
| Services of Amman Office | 2,400 | 900 |
| Transportation | 2,154 | 2,068 |
| Theft & fire insurance | 000 | 4,600 |
| Other expenses | 54,844 | 43,437 |
| <i>Total</i> | <u>589,495</u> | <u>644,820</u> |

17- Income tax provision

This item represents tax provision of JD 11,955 made on net income of the Consolidated Sulpho-chemicals & Detergents Industries Company Ltd., a subsidiary, which is wholly owned by the company.

18- Earnings (Per share for the year

| | 2018 | 2017 |
|--|---------------------|---------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Profit of the year | 64,902 | 100,840 |
| The weighted average number of share during the year | 14,956,389 | 14,956,389 |
| Earnings Per share for the year | <u><u>0,004</u></u> | <u><u>0,007</u></u> |

19- Fair Values of Financial Instruments

Financial instruments consist of financial assets and financial liabilities. Financial assets consist of cash and bank balances, trade and other receivables, financial assets at fair value through other comprehensive income, and some other current assets. Financial liabilities consist of trade payables, term loans, and some other current liabilities.

The fair value of financial instruments is not materially different from their carrying value.

20- Contingent Liabilities

At 31 December 2018 the Company had contingent liabilities in respect

- **Industrial Commercial & Agricultural Company.**

Letters of guarantees amounting to 310,971 with a deposit of JD 40,652

Letters of credit amounting to JD 567,200 with a deposit of \$ 80,000

- **b-United Industries Sulphochemical Company.**

Letters of credit amounting to JD 980,865 with a deposit of JD 96,100

Bank guarantees amounting to JD3,500 with a deposit of JD 350

- **Litigation**

The Company's legal advisor believes that there is no outcome of any lawsuit against the Company will be significant or unfavorable.

21- Related party transactions

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

Pricing policies and terms of the transactions with related parties are approved by the Group's management.

The following provides the total amount of salaries and remunerations paid to top Management during the year:

| | 2018 | 2017 |
|--|-----------------------|-----------------------|
| | <u>J . D</u> | <u>J . D</u> |
| Salaries ,bonuses and benefits of top management | 303,756 | 303,756 |
| Total | <u><u>303,756</u></u> | <u><u>303,756</u></u> |

B- There are no purchases of the industrial company for cleaning materials from the United Company for the manufacture of sulphochemicals and detergents during the year 2018. The sales and services of the industrial company for cleaning materials amounted to 15823 dinars for the United Company for the manufacture of chemicals and detergents. Note that the industrial company for cleaning materials owns 5000 shares/dinars.

22- Audit Fees

Audit fees the company its subsidiaries were JD 14,000 for the year 2018

23-Risk Management

- **Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily for trade receivables) and from its financing activities, including deposits with banks, and other financial instruments.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to trade business customers (local and foreign) by setting credit limits for majority of customers and monitoring outstanding Receivables.

- **Foreign Currency Risk**

The Group's transactions in U.S. Dollar do not give rise to foreign currency risk. Since the Jordanian Dinar is fixed against the U.S. Dollar (USD 1.41 for each one JD).