



To : Jordan Securities Commission
Amman Stock Exchange

Date : 8 /6/2020

Subject: Audited Financial Statements for the fiscal year ended 31/12/2019

Attached the Audited Financial Statements of (Jordan Industrial Resources) for the fiscal year ended 31/12/2019.

Kindly accept our highly appreciation and respect

Dr. Ramzi Muasher
Chairman

بورصة عمان
الدائرة الإدارية والمالية
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رقم الملف:
الجهة المختصة:

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS FOR
THE YEAR ENDED DECEMBER 31, 2019

TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

DECEMBER 31, 2019

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Independent Auditor's Report

**To the General Assembly of Shareholders
Jordan Industrial Resources Company
Public Shareholding Limited Company
Amman – Jordan**

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the consolidated financial statements of Jordan Industrial Resources Company Public Shareholding Limited Company which comprise the consolidated statement of financial positions as at December 31, 2019 and the consolidated statement of 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 Consolidated financial statements, including a summary of significant accounting policies We have audited the financial statements for the year ended December 31, 2018 and issued our report on February 28, 2019.

In our opinion, except for the effects of the matters described in the basis for qualified opinion section of our report, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the company as at December 31, 2019 and of its consolidated financial performance and its consolidated cash flows for the year ended in accordance with international Financial Reporting Standards (IFRS).

Basis for Qualified Opinion

-Jordan Industrial Resources Company did not undertake any commercial activities and has not operated its factories in Jordan since the year 2006 until the date of this consolidated financial statements.

-Jordan Industrial Resources company in Jordan undertakes the operations and management of the Ukrainian company.

-We did not obtain audited financial statements from an external auditor of the subsidiary in Ukraine because of the presence of the company in a separate zone from Ukraine, where there is no possibility of external audit in the separate region because of the war and the proportion of assets of the subsidiary in Ukraine is about 63% of the total of assets of the financial statements The consolidated financial statements have been prepared based on the disclosures submitted to us by the Company's management in Amman, Jordan.

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.

الأخوة

لتدقيق الحسابات والاستشارات

محاسبون قانونيون معتمدون ومستشارون

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements 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 don't provide a separate opinion on these matters.

Other information:

Management is responsible for the other information's, the other information comprises the information included in the annual report, but doesn't include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements doesn't cover the other information and we don't 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 statement 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.

الأخوة
لتدقيق الحسابات والاستشارات
محاسبون قانونيون معتمدون ومستشارون

In the case of a group audit we shall also include the following:

- 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 keeps proper accounting records which are in all material respects consistent with the accompanying financial statements accordingly, we recommend the approval of these financial statements by the General Assembly of shareholders as received from the Board of Directors, taking into consideration what mentioned about qualified opinion.

-The financial statements of the two companies, International Industrial Resources Exempted and subsidiaries, which owned by Jordan Industrial Resources at 99.96% of the capital and Ukrainian Industrial Resources Company owned by Industrial Resources International Company Exempted at 99.35% of its capital.

AMMAN-JORDAN
February 28, 2020

BROTHERS CPA JORDAN
CERTIFIED PUBLIC ACCOUNTANTS AND CONSULTANTS
AFFILIATED WITH INPACT INTERNATIONAL

الأخوة
لتدقيق الحسابات والاستشارات (ش.م.ع)
BROTHERS
CPA JORDAN (CC)

DR. GEORGE LUTFI GHAWI
LICENSE NO. 133

**JORDAN INDUSTRIAL RESOURCES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY
Amman - Jordan**

Consolidated Statement of Financial Position

<u>ASSETS</u>	<u>Note</u>	December 31,	
		2019	2018
Current Assets:		JD	JD
Cash on hand and at banks	5	56,585	142,167
Accounts receivable and other debit balances - Net	6	1,979,146	1,925,972
Inventory	7	1,290,321	1,294,718
Prepaid expenses	8	748	301
Refundable deposits		1,265	1,265
Total Current Assets		3,328,065	3,364,423
Local and foreign investments	9	3,287,483	3,287,483
Fixed Assets:	10		
Land - at cost		2,841,495	2,841,495
Fixed assets - at cost		11,066,959	11,066,766
Less: Accumulated depreciation		(3,178,840)	(3,145,778)
Net book value of fixed assets		7,888,119	7,920,988
Total fixed assets		10,729,614	10,762,483
TOTAL ASSETS		17,345,162	17,414,389
<u>LIABILITIES</u>			
Current Liabilities:			
Accounts payable and other Credit balances	11	733,556	756,976
Total current liabilities		733,556	756,976
Long - term liabilities:			
Long - term loan	16	1,028,160	901,092
Minority interest		2,750	2,750
<u>SHAREHOLDERS' EQUITY</u>			
Authorized , subscribed and paid-up capital 16,625,000 share at par value		16,625,000	16,625,000
Statutory reserve		873,196	873,196
Premium in kind		18,606	18,606
Retained (losses) - Exhibit (C)		(2,315,498)	(2,383,306)
Foreign Currency exchange differences		379,391	620,075
Total Shareholders' Equity		15,580,695	15,753,571
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		17,345,162	17,414,389

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE STATEMENTS

EXHIBIT (B)

JORDAN INDUSTRIAL RESOURCES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY
AMMAN - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

		For the Year Ended December 31,	
	Note	2019	2018
		JD	JD
Sales	13	732,797	677,032
<u>Less: Cost of Sales :</u>			
Finished goods beginning of year after evaluation	4/B	279,966	202,197
Cost of production	15	585,367	543,173
Finished goods end of year		(268,270)	(243,143)
Cost of Sales		597,063	502,227
Gross income from operations		135,734	174,805
<u>Less : selling and distributing expenses .</u>	14	(30,921)	(30,919)
General, administrative and financial expenses	16	(137,569)	(810,787)
Foreign Currency exchange differences		119,885	15,941
Financial expenses , bank interest & commissions		(2,147)	(264,579)
Ukraine income tax		(17,174)	(17,652)
Net profet (loss) for the year		67,808	(933,191)
Other revenue		-	487,430
Net Profit (loss) for the year- Exhibit (C)		67,808	(445,761)
Profit (Loss) per share		0.0041	(0.0268)
Weighted average number of shares during the year		16,625,000	16,625,000

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS

EXHIBIT (C)

JORDAN INDUSTRIAL RESOURCES COMPANY

PUBLIC SHAREHOLDING LIMITED COMPANY

AMMAN - JORDAN

Consolidated Statement of Changes in Shareholders' Equity

For The Year Ended December 31, 2019 And 2018

	Paid - up Capital	Statutory Reserve Local and foregin	Premium	Foreign Currency exchange differences	Retained (losses)	Total
	JD	JD	JD	JD	JD	JD
Year 2019						
Balance - Beginning of the year	16,625,000	873,196	18,606	620,075	(2,383,306)	15,753,571
Net profet for the year- Exhibit (B)	-	-	-	-	67,808	67,808
Foreign Currency translation differences	-	-	-	(240,684)	-	(240,684)
Balance - End of the year	<u>16,625,000</u>	<u>873,196</u>	<u>18,606</u>	<u>379,391</u>	<u>(2,315,498)</u>	<u>15,580,695</u>
Year 2018						
Balance - Beginning of the year	16,625,000	873,196	18,606	681,670	(1,937,545)	16,260,927
Net (loss) for the year- Exhibit (B)	-	-	-	-	(445,761)	(445,761)
Foreign Currency translation differences	-	-	-	(61,595)	-	(61,595)
Balance - End of the year	<u>16,625,000</u>	<u>873,196</u>	<u>18,606</u>	<u>620,075</u>	<u>(2,383,306)</u>	<u>15,753,571</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS

JORDAN INDUSTRIAL RESOURCES COMPANY
PUBLIC SHAREHOLDING LIMITED COMPANY
Amman - Jordan

Consolidated Statement of Cash flows

	For the Year Ended	
	December 31,	
	2019	2018
	JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit (loss) for the year-Exhibit (B)	67,808	(445,761)
Adjustments :		
Depreciation and amortization	33,062	641,011
Interest expense	2,147	264,579
Cash flows from operations before changes in working capital	<u>103,017</u>	<u>459,829</u>
(Increase) Decrease in accounts receivable and other debit balances	(53,174)	242,356
Decrease in inventory	4,397	3,840
(Increase) Decrease in prepaid expenses	(447)	7,353
(Decrease) in accounts payable and other credit balances	(23,419)	(401,191)
(Decrease) in accrued expenses	-	(82,865)
Decrease in Refundable deposits	-	440
Cash flows from operating activities before interest	<u>30,374</u>	<u>229,762</u>
Interest paid	<u>2,147</u>	<u>(264,579)</u>
Net cash flows from (used in) operating activities	<u>28,227</u>	<u>(34,817)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Selling of local and foreign investments	-	5,412
Purchasing of fixed assets	(193)	(3,600)
Selling of fixed assets	-	185,175
Selling of land	-	156,923
Net cash flows (used in) from investing activities	<u>(193)</u>	<u>343,910</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Foreign Currency translation differences	240,684	(61,595)
Increase (Decrease) in loans	127,068	(195,012)
Net cash flows (used in) financing activities	<u>(113,616)</u>	<u>(256,607)</u>
Net (decrease) increase in cash and at banks	<u>(85,582)</u>	<u>52,486</u>
Cash on hand and at banks - beginning of year	<u>142,167</u>	<u>89,681</u>
Cash on hand and at banks -end of year	<u>56,585</u>	<u>142,167</u>

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL
PART OF THESE STATEMENTS

JORDAN INDUSTRIAL RESOURCES COMPANY
(PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

Notes, Comprising a Summary of Significant Accounting Policies and Other
Explanatory Information's

1- GENERAL

The Company was established and registered as a public shareholding limited company in Jordan under no.(211) on October 22, 1991 with its head office in Amman-Jordan. Branches or agencies of the company can be established in The Hashemite Kingdom of Jordan and abroad. In accordance with the controller of the companies' approval, the company commenced its operations as of march 1, 1992.

The objectives of the Company:

- 1- Manufacturing and production of vegetable oils and their derivatives for human consumption, industrial purposes and marketing.
- 2-Import and export of raw materials for these industries and related accessories

Furthermore the company has the right to undertake all types of investments, borrow, lend, mortgage, and join or cooperate with any establishment within Jordan or outside, in order to achieve its objectives.

- General Assembly held its extraordinary meeting on July 31, 2008 decided to adjust the Memorandum of association and articles of association and add other related objectives :

- 1-The company guarantee debts and obligations of corporations owned by the company , subsidiaries and its related party including mortgage of company funds movable and immovable to ensure that such debts and obligations of banks and financial institutions inside and outside the Kingdom.
- 2-Purchase, sell and invest properties and land within the organization and outside the organization of all types and uses according to the laws and regulations.
- 3-Purchase and sale of land after development, regulation, improving, dividing, sorting and delivery of all services to them by the laws and regulations and exploit its resources and preparing it for all kinds of investment including agricultural and manufacturing management on condition not to undertake brokerage business.

4-Establishment of real estate projects of all types and purposes of residential, tourist, commercial, industrial and investment according to the laws and regulations.

5-Purchase of land and the establishment of buildings and apartments are sold without interest.

6-Building trade and apartments.

7-Maintenance and rehabilitation of existing buildings, updating and development, commensurate with the regulations and requirements of modern buildings and perform all related services according to the laws and regulations in force.

8-Import of all materials, machinery, equipment, machinery, raw materials and all building materials needed to implement the objectives of the company according to the laws and regulations.

9-To undertake the work and management / supervision / implementation for the work and the projects mentioned above.

10-To act the work of management, operation and development of investment activities in various fields, establishing and participating.

11-To undertake the work of buying, selling, leasing, investment, distribution and supply of all products, materials, tools, supplies, devices and services.

12-The sale and purchase and possess of securities, stocks, bonds, shares in public companies or private company, and in the establishment and management of companies of different types and objectives alone or jointly with others.

- General Assembly held its extraordinary meeting on 19 March 2009 and decided the following adjustments:

1-Restructuring the company's capital amounted to JD (13,250,000), amortize the accumulated losses amounting to JD (7,368,894) of capital by an amount JD (6,625,000) and the premium by JD (743,894) , according to Article (114 / d) of the Companies law and the adjustment of article No. (4) of the articles of association and the Memorandum of Association to read as follows:

- The capital of the company JD (6,625,000) divided into (6,625,000) six million six hundred and twenty five thousand shares par value and each share has one vote in the General Assembly.

- General Assembly decided to increase the capital of the company from JD (6,625,000) to JD (16,625,000), all procedures were completed legally.

B- International Industrial Resources - exempt was established and registered with the Ministry of Industry and trade under number (10) on 9 August 1997 with a capital of JD (30,000), the general assembly decided in its extraordinary meeting held on 25 August, 1999 to increase the capital to JD (1,250,000) and decided in its meeting held on 17 January, 2002 to increase the capital by JD (3,000,000) to JD (4,250,000), the general assembly decided in its extraordinary meeting held on 11 January, 2003 to increase capital to JD (6,250,000) .

The objectives of the Company are:

- Establishing factories of toilet soap, granules, detergents and cosmetics.
- To participate or contribute in any company, project or other works have an interest in, or with.
- To sell or behave in any of its assets and shares and stocks and bonds in companies owned.
- Engage in bidding and tenders of government and private regarding the realization of the company.
- Be bought, buys and leases and rents and mortgage imports of any property, movable or immovable, or any rights or privileges see the company necessary or appropriate to its goals, including the land, buildings, machinery, transportation, and goods and create, evaluate and act and conduct the necessary changes in the buildings and works where necessary or appropriate for the purposes of The company without end be trafficking land immovable or just achieved.
- borrow the funds necessary for the realization of the company to achieve its earnings and its projects as it deems appropriate and that of any party and that are proven money movable and immovable guarantee of debts and obligations.
- The company conducts all actions that are necessary and will help to achieve the goals of the company in accordance with the provisions of the law and regulations in force.
- To do all the things mentioned in the above objectives or any of them, either by itself or through agents or trustees about, or otherwise, and whether alone or in combination with other.

- The company credited the achievement of its goals tightly applicable laws and regulations in force.

C-Ukrainian company resources were established on May 6,1999 in Donetsk – Ukraine under no.593 with a capital of U.S \$ 2,504,573 equivalent to JD 1,778,247 the capital was increased during 2008 to U.S \$ 4,356,323 equivalent to JD 3,092,990 there was increase in capital during the year 2011 to become US dollars 7,634,808 equivalent to JD 5,420,714 and there was another increased in capital through the year 2014 to become US dollar 10,657,436 equivalent to JD 7,566,708, The capital was increased during the year 2015 to be US dollar 11,781,896 equivalent to JD 8,365,146.

The objectives of the Company:

Manufacturing soap, detergents, perfumes and any other chemicals for industrial purposes.

D-The Company had (83) and (84) employees as of December 31, 2018 and 2019.

E-The board of directors approved the financial statements for issuance in their meeting held on February 4, 2020 And the F/S requires the approval of the general assembly of shareholders.

2 - Basis of consolidation

The consolidated financial statements include the assets, liabilities, revenues and expenses of both the holding and subsidiary companies.

Inter – company transactions are eliminated.

Percentage of ownership %

<u>Company name</u>	<u>Country of incorporation</u>	<u>direct & indirect</u>
International Industrial Resources - Exempted	Jordan	99.960
Ukraine Industrial Resources	Ukraine	99.350

3- Significant Accounting Policies

a. Basis of preparation :

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

b. Inventories :

Raw materials , packing materials , finished goods , goods under process and semi-finished goods are stated at cost using the first – in first –out or net realizable value.

c. Revenues :

Revenue from sales of goods is recognized when charging the goods and issuing an invoice to the customer

d. Fixed assets :

Fixed assets are stated at cost and depreciated using the straight-line method at annual rates ranging from 2% to 100%.

e. Investment in associates :

Investments appear in the shares of the associate and sister companies which increase the proportion of its capital contribution the company's capital over 20% share of the company's net equity of these companies.

f. Foreign Currency exchange differences :

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar at the average exchange rates prevailing at year-end. Transactions in foreign currencies are translated to Jordanian Dinar using the prevailing rates of exchange at the date of comprehensive transaction, and exchange differences are taken to the statement of income.

4- Financial instruments

The IAS no. 32 Financial Instruments requires the disclosure of certain financial matters within the financial position. And identifies the information that should be disclosed and related to financial instruments within and outside the financial statements.

-Financial instruments are represented in the contracts company that results in financial assets or financial liabilities or debt securities in another company.

A- Fair value:

The carrying value of cash in hand and at banks, accounts receivable, creditor bank, accounts payable, long-term loans and some debit balances and other payables approximate their fair value in accordance with International Accounting Standard no. (32).

- General

The carrying value of financial instruments of the Company approximates their fair value because the maturity of these tools within one year from the Date of the financial statements.

B- Financial Assets:

-Impairment of Assets

At the end of the financial year the Company reviews the carrying value of financial assets, except for those financial assets through the statement of comprehensive income whether there is objective evidence of impairment in the financial assets, and have a financial asset low in case there is objective evidence to suggest an event resulting in a loss after recognition The initial financial asset, and it is recognized lows when you become a book value in excess of the amount expected to be recovered from a financial asset, in accordance with the requirements of international financial reporting standards.

- Financial assets are stated at cost amortized

Represents the impairment loss reduced the present value of future cash flows expected to be collected discounted at Murabaha original when recognition at the beginning of financial assets (recoverable value) for the financial value of the asset on the books, and this represents the difference impairment loss is recognized in the statement of comprehensive income and in the case of low value decline the decline recorded in the statement of comprehensive income.

-Loans

The fair values of loans represent at the present value for the future cash flows to be paid using prevalent interest rates which is similar to it.

- Minority rights

Minority rights represent non-owned by the Company of ownership rights in subsidiaries companies.

C- Risk interest rate:

IAS no.(39) requires disclosure about the interest rates risks which most financial instruments in the financial position is not subject to the risk of interest rates with the exception of creditor banks and long-term loans, the interest rates amount as at December 31, 2019 as follows :

Loans	Interest rate
FUIB bank loan amount 34,300,292 UAH	0%

D- Credit risk:

The Company reserves the currency with high solvency of banking institutions.

E- The risk of currency fluctuations:

Most of the company's transaction are in Jordan dinar and US dollar.

F- Income tax:

The company deducts provision for income tax in accordance with laws and regulations and current instructions valid the company calculate provision on the basis of estimates of tax obligations expected, as the company calculates and record deferred tax if it exist, in accordance with the requirements of IAS No. (12).

The company was reconciled until 2017.

6- Cash on Hand and at Banks

This item consists of the following:

Local accounts
Foreign accounts

December 31,	
2019	2018
JD	JD
38,330	97,585
18,255	44,582
56,585	142,167

7 - Accounts Receivable and Other Debit balances

This item consists of the following:

Foreign
Local
Foreign Sales tax
Income foreign & local tax
Foreign other debit balances

December 31,	
2019	2018
JD	JD
383,673	345,194
63,304	68,364
1,496,506	1,485,446
26,497	26,968
9,166	-
1,979,146	1,925,972

8- Inventory

This item consists of finished goods , goods under process , raw materials & packing materials

Local goods
Foreign goods

December 31,	
2019	2018
JD	JD
331,384	331,384
958,937	963,334
1,290,321	1,294,718

9 - Prepaid Expenses

This item consists of the following:

Foreign others

December 31,	
2019	2018
JD	JD
748	301
748	301

10 - Local and foreign investments

This item consists of the following:

Foreign investments - Ukraine

December 31,	
2019	2018
JD	JD
3,287,483	3,287,483
3,287,483	3,287,483

10 - Fixed Assets

This item consists of the following:

10 - Fixed Assets	
This item consists of the following:	
	<div>Buildings and Machinery and Furniture and Total</div>
	<div>Lands Constructions equipments Fixtures except lands Total</div>
	<div>JD JD JD JD JD JD</div>
Cost	
Balance - beginning of year - local *	1,934,304
Balance - beginning of year - abroad	907,191
Additions - local	-
Balance - Ending of year	2,841,495
	177,545
	6,179,533
	-
	6,357,078
	2,101,826
	2,373,917
	193
	4,475,936
	110,377
	123,568
	-
	233,945
	2,389,748
	8,677,018
	193
	11,066,959
	4,324,052
	9,584,209
	193
	13,908,454
Accumulated Depreciation	
Balance - beginning of year - local	-
Balance - beginning of year - abroad	-
Additions - internal & abroad	-
Balance - Ending of year	-
	100,154
	483,927
	7,102
	591,183
	1,311,768
	1,087,603
	25,960
	2,425,331
	110,376
	51,950
	-
	162,326
	1,522,298
	1,623,480
	33,062
	3,178,840
Net book value as of	
December 31, 2019	2,841,495
	5,765,895
	2,050,605
	71,619
	7,888,119
	10,729,614
Net book value as of	
December 31, 2018	2,841,495
	5,772,997
	2,076,372
	71,619
	7,920,988
	10,762,483

* Local lands include an amount of JD1,917,160 value of land and glicirine factory located in Ukraine.

* Soap factory was not depreciated for the year 2019 amounted JD 790.000 for the reason of selling the land on which the factory was established . The assets of the factory machineries and others were gathered and deposited in containers .

11 - Accounts Payable and Other Credit Balances

This item consists of the following:

	December 31,	
	2019	2018
	JD	JD
Local	-	33,758
Foreign	70,385	18,944
Chairman board of Directors Payable	521,743	533,353
Members board of Directors Payable	26,433	54,064
Deposit	110,995	112,857
Others local and Foreign	4,000	4,000
	<u>733,556</u>	<u>756,976</u>

12- Sales

This item consists of the following:

	For the year ended December 31,	
	2019	2018
	JD	JD
Foreign sales - Ukraine	<u>732,797</u>	<u>677,032</u>
	<u>732,797</u>	<u>677,032</u>

Jordan Industrial Resources Company did not conducted any business or commercial productions since the year 2006 till date .

13 - Selling and distribution expenses

This item consists of the following:

	For the year ended December 31,	
	2019	2018
	JD	JD
Salaries and wages	24,195	20,856
Custom fees	1,261	-
Forwarding & portorage	3,357	3,125
Others	2,108	6,938
	<u>30,921</u>	<u>30,919</u>

14- Cost of production

This item consists of the following:

		For the year ended December 31,	
		2019	2018
		JD	JD
Materials Used in production :			
Raw materials-beginning of year after evaluation	B/4	734,452	649,848
Purchases of raw materials		224,538	314,079
Less: Raw materials-end of year		(634,078)	(638,654)
Raw materials Used in production		<u>324,912</u>	<u>325,273</u>
Packing materials - beginning of year after evaluation	B/4	89,664	77,467
Purchase of packing materials		33,454	34,169
Less: Packing materials-end of year		(84,701)	(77,969)
Packing materials Used in production		<u>38,417</u>	<u>33,667</u>
Total materials used in production		<u>363,329</u>	<u>358,940</u>
Salaries & wages		<u>72,875</u>	<u>71,908</u>
Other industrial expenses :			
Rent equipments		20,164	-
Transportation fees		2,436	3,490
Fuel		11,210	9,317
Quality Management		126	406
Consumables		1,008	734
Other expenses		84,789	74,453
Total other industrial expenses		<u>119,733</u>	<u>160,308</u>
Depreciation of fixed assets		<u>25,960</u>	<u>27,983</u>
Semi - finished goods - beginning of year	B/4	6,639	966
Semi - finished goods - end of year		(3,169)	(5,024)
Total cost of production		<u>585,367</u>	<u>543,173</u>

15 - General, Administrative and Financial Expenses

This item consists of the following:

	For the year ended	
	Year ended December 31,	
	2019	2018
	JD	JD
Salaries and wages	80,334	116,570
Social security contribution	1,127	8,273
Mail , telephone & fax	2,034	2,418
Car fuel	1,948	2,195
Printing and stationery	1,749	1,770
Advertising	450	625
Maintenance and repairs	542	3,082
Electricity, water and heating	1,951	2,242
Hospitality	207	272
Fees , licenses , subscriptions and bids	15,498	26,740
Local professional fees	1,000	1,000
Insurance	1,969	2,094
Travel & transportation	3,700	3,904
Depreciation of fixed assets	7,102	613,028
Other expenses	17,958	26,574
	<u>137,569</u>	<u>810,787</u>

16- Loans

A- Jordan Ahli Bank Loan for Jordan industrial resources.

The balance of Jordan Ahli bank loan as of December 31, 2017 amounted to U.S \$257,172

The origin of loan amounted US \$4,462,000 after the reconciliation agreement dated

April 20, 2005 to be paid by equal monthly installments, The 132 consecutive installments starting July 31, 2005 the value of each premium is US \$21,500 at interest rate of 4%. Guarantees provided still as it before reconciliation , with a mortgage of first degree The loan was repaid in full in 2018.

B - Prominvest Bank loan to the Ukranian Industrial Resources

The value of the loan granted to the Ukranian company is approximately equal to U.S \$2,200,000 The balance of the loan is US \$1,488,113 as of 31 December 2019 at an interest rate of 0% During the year 2016 the loan balance was converted from US dollar to UAH - Ukranian griffin. the balance of loan is UAH 34,300,292 with an interest rate of 0% .

Agreement took place with FUBI BANK not to pay any interest on the balance of the loan but to pay only the original loan balance with a monthly instalment amounted 70,000 griffin which is equal to griffin 840,000 per year .