



شركة مصانع الزيوت النباتية الأردنية م.ع.م  
Jordan Vegetable Oil Industries Co. Ltd.

Date : 11/05/2017

التاريخ : 2017/05/11

Ref : 50/2017/Shareholder

اشارتنا : 2017/50/مساهمين

السادة هيئة الاوراق المالية

To: Jordan Securities Commission

الموضوع: التقرير ربع الاول السنوي كما هي في  
Subject: First Quarterly Report as of 31/03/2017  
2017/03/31

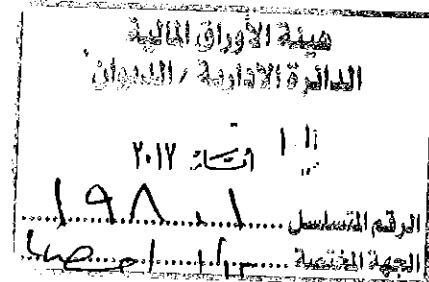
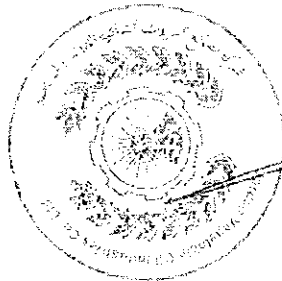
مرفق طيه نسخة من البيانات المالية ربع السنوية ( الربع الاول ) لشركة مصانع الزيوت النباتية الاردنية م.ع.م كما هي بتاريخ 2017/03/31 باللغة الانجليزية.  
Attached the Audited Quarterly Report (First Quarterly) of Jordan Vegetable Oil Industries Co.Ltd. As of 31/03/2017 in English.

Kindly accept our highly appreciation and respect

وتفضلوا بقبول فائق الاحترام

Shareholders Liaison Officer  
Basem Kokash

ضابط ارتباط المساهمين  
باسم كوكاش



JORDAN VEGETABLE OILS INDUSTRIES  
PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS

31 MARCH 2017

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF  
JORDAN VEGETABLE OILS INDUSTRIES  
PUBLIC SHAREHOLDING COMPANY  
AMMAN - JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed financial statement of Jordan Vegetable Oils Industries (The Company) comprising the interim statements of financial position as of 31 March 2017, and the related interim statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-months period then ended, and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these condensed interim financial information in accordance with IAS 34 "*Interim Financial Reporting*". Our responsibility is to express a conclusion on these condensed interim financial information based on our review.

**Scope of review**

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

**Conclusion**

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

Amman – Jordan  
24 April 2017



**JORDAN VEGETABLE OILS INDUSTRIES**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF FINANCIAL POSITION**  
**As At 31 MARCH 2017**

	Notes	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
<b><u>ASSETS</u></b>			
<b>Non-current assets -</b>			
Property and equipment	4	929,311	932,912
Investment properties		493,678	495,459
Financial assets at fair value through other comprehensive income		498,574	299,060
		<u>1,921,563</u>	<u>1,727,431</u>
<b>Current assets -</b>			
Inventories		839,054	854,368
Accounts receivable and other current assets		2,207,766	2,380,290
Cash on hand and at banks	8	1,911,494	1,925,770
		<u>4,958,314</u>	<u>5,160,428</u>
<b>Total assets</b>		<u>6,879,877</u>	<u>6,887,859</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity -</b>			
Paid in capital	1	4,000,000	4,000,000
Statutory reserve		1,000,000	1,000,000
Fair value reserve		43,825	44,620
Retained earnings		613,766	614,299
Profit for the period		78,452	-
<b>Total Equity</b>		<u>5,736,043</u>	<u>5,658,919</u>
<b>Current liabilities -</b>			
Accounts payable and other current liabilities		1,112,123	1,085,341
Due to related parties	7	1,069	2,020
Income tax provision	5	30,642	141,579
<b>Total liabilities</b>		<u>1,143,834</u>	<u>1,228,940</u>
<b>Total equity and liabilities</b>		<u>6,879,877</u>	<u>6,887,859</u>

THE ACCOMPANYING NOTES FROM 1 TO 9 REPRESENT AN INTEGRAL PART OF THESE INTERIM CONDENSED  
FINANCIAL STATEMENTS

**JORDAN VEGETABLE OILS INDUSTRIES**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	For the three months ended 31 March	
<u>Note</u>	<u>2017</u>	<u>2016</u>
	<u>JD</u>	<u>JD</u>
<b>Sales</b>	<u>1,161,271</u>	<u>1,212,546</u>
<b>Cost of Sales -</b>		
Finished goods- beginning balance	269,976	303,613
Cost of goods manufactured and purchase	779,142	618,809
Finished goods- ending balance	<u>(300,428)</u>	<u>(210,645)</u>
Cost of Sales	<u>748,690</u>	<u>711,777</u>
<b>Gross Profit</b>	<u>412,581</u>	<u>500,769</u>
Selling and distribution expenses	(44,523)	(41,981)
Administrative expenses	(135,173)	(95,211)
Provision for doubtful debts	(125,000)	(102,500)
Provision for slow moving items	(9,500)	(9,500)
Provision for lawsuits	<u>-</u>	<u>(52,635)</u>
<b>Operating Profit</b>	<u>98,385</u>	<u>198,942</u>
Bank commissions	(179)	(20)
Gain from sale of property and equipment	-	2,999
Other Income	<u>10,868</u>	<u>12,310</u>
<b>Profit for the period before tax</b>	<u>109,074</u>	<u>214,231</u>
Income tax	5 <u>(30,622)</u>	<u>(51,764)</u>
<b>Profit for the period</b>	<u>78,452</u>	<u>162,467</u>
	<u>Fils/ JD</u>	<u>Fils/ JD</u>
<b>Basic and diluted earnings per share for the period</b>	<u>0/0196</u>	<u>0/0406</u>

THE ACCOMPANYING NOTES FROM 1 TO 9 REPRESENT AN INTEGRAL PART OF THESE INTERIM CONDENSED  
FINANCIAL STATEMENTS

**JORDAN VEGETABLE OILS INDUSTRIES**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

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	For the three months ended 31 March	
	2017	2016
	JD	JD
Profit for the period	78,452	162,467
<b>Other comprehensive income items</b>		
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:		
Loss on sale from financial assets at fair value through other comprehensive income	(533)	-
Change in fair value of financial assets at fair value through other comprehensive income	(795)	(10,938)
<b>Net other comprehensive income items not to be reclassified to profit or loss in subsequent periods, net of tax</b>	<b>(1,328)</b>	<b>(10,938)</b>
<b>Total comprehensive income for the period</b>	<b>77,124</b>	<b>151,529</b>

THE ACCOMPANYING NOTES FROM 1 TO 9 REPRESENT AN INTEGRAL PART OF THESE INTERIM CONDENSED  
FINANCIAL STATEMENTS



**JORDAN VEGETABLE OILS INDUSTRIES**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF CHANGES IN EQUITY**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

	Paid in capital	Statutory Reserve	Fair Value Reserve	Retained Earnings	Profit for the period	Total
	JD	JD	JD	JD	JD	JD
<b>For period ended 31 March 2017 -</b>						
Balance at 1 January 2017	4,000,000	1,000,000	44,620	614,299	-	5,658,919
Total comprehensive Income for the period	-	-	(795)	(533)	78,452	77,124
<b>Balance at 31 March 2017</b>	<b>4,000,000</b>	<b>1,000,000</b>	<b>43,825</b>	<b>613,766</b>	<b>78,452</b>	<b>5,736,043</b>
<b>For period ended 31 March 2016 -</b>						
Balance at 1 January 2016	4,000,000	947,531	24,298	502,660	-	5,474,489
Total comprehensive Income for the period	-	-	(10,938)	-	162,467	151,529
<b>Balance at 31 March 2016</b>	<b>4,000,000</b>	<b>947,531</b>	<b>13,360</b>	<b>502,660</b>	<b>162,467</b>	<b>5,626,018</b>

THE ACCOMPANYING NOTES FROM 1 TO 9 REPRESENT AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS

**JORDAN VEGETABLE OILS INDUSTRIES**  
**PUBLIC SHAREHOLDING COMPANY**  
**INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)**

		For the three months ended 31 March	
	Notes	2017 JD	2016 JD
<b><u>OPERATING ACTIVITIES</u></b>			
Profit for the period before income tax		109,074	214,231
<b>Non-cash Adjustments:-</b>			
Depreciation		22,136	27,963
Provision for doubtful debts		125,000	102,500
Provision for slow moving items		9,500	9,500
Provision for lawsuits		-	52,635
Gain from sale of property and equipment		-	(2,999)
Interest Income		(3,847)	(2,551)
<b>Working capital changes:</b>			
Inventories		5,814	55,881
Related parties		(951)	(238)
Accounts receivable and other current assets		47,524	(167,271)
Accounts payable and other current liabilities		26,782	(77,938)
Income tax paid		(141,559)	(29,961)
<b>Net cash flows from operating activities</b>		<b>199,473</b>	<b>181,752</b>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of financial assets through other comprehensive income		(235,401)	-
Proceeds from sale of financial assets through other comprehensive income		34,559	-
Purchase of property, plant and equipment	4	(16,754)	(4,085)
Interest Received		3,847	2,551
Proceeds from sale of property and equipment		-	3,000
<b>Net cash flows (used in) from investing activities</b>		<b>(213,749)</b>	<b>1,466</b>
<b>Net (decrease) increase in cash and cash equivalents</b>		<b>(14,276)</b>	<b>183,218</b>
Cash and cash equivalents, beginning of the period		1,925,770	955,988
<b>Cash and cash equivalents, end of the period</b>	8	<b>1,911,494</b>	<b>1,139,206</b>

THE ACCOMPANYING NOTES FROM 1 TO 9 REPRESENT AN INTEGRAL PART OF THESE INTERIM CONDENSED FINANCIAL STATEMENTS



**JORDAN VEGETABLE OILS INDUSTRIES**  
**PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS**  
**As At 31 MARCH 2017 (UNAUDITED)**

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**(1) GENERAL**

Jordan Vegetable Oils Industries (the Company) was established in 1953 and registered as a Public Shareholding Company with an authorized and paid capital of JD 500,000 divided into 500,000 shares at par value of JD 1 each. The Company increased its paid in capital through the years to become JD 4,000,000 in 2010 divided into 4,000,000 shares at par value of JD 1.

The Company's main activity is to produce vegetable oils and other related and complimentary products.

The financial statements were approved for issuance by the Company's board of directors in its meeting No. (4) held on 24 April 2017.

**(2) BASIS OF PREPARATION**

The accompanying condensed interim financial information was prepared in accordance with the International Accounting Standard (IAS) 34 "interim financial reporting".

The condensed interim financial information is presented in Jordanian Dinar, which is the Company's functional currency.

The interim condensed financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as at 31 December 2016. In addition, the results for the three months ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

**(3) SIGNIFICANT CHANGES IN ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017.

**Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative**

Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

## **Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses**

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's/ interim condensed financial statements.

### **(4) PROPERTY AND EQUIPMENT**

During the three months period ended 31 March 2017, The Company acquired property and equipment with a cost of JD 16,754 (March 31, 2016: JD 4,085).

### **(5) INCOME TAX**

Income tax provision was calculated for the period ended 31 March 2017 and 2016 in accordance with Income Tax Law No. (34) of 2014.

The Company reached a final settlement with the Income Tax Department up to the year 2014.

The movement on income tax provision is as follows:

	31 March 2017 JD (Unaudited)	31December 2016 JD (Audited)
Balance as at the beginning of the period/ year	141,579	118,086
Income tax expense for the period/ year	30,622	187,973
Income tax paid	(141,559)	(164,480)
Balance as at the ending of the year period/ year	<u>30,642</u>	<u>141,579</u>

## **(6) CONTINGENT LIABILITIES**

### **Guarantees –**

As at 31 March 2017, the Company has contingent liabilities which represented in letter of guarantees with an amount of JD 225,880 (2016: JD 221,880).

### **Law suits against the company –**

The Company is a defendant in number law suits representing legal action and claims related to its ordinary course of business amounting to JD 23,439 as at 31 March 2017 (31 December 2016: 23,439).

A decision from the federal court of the Republic of Iraq to compel the Company to pay JD 631,610 for the General Company for Food Trading, the Company was notified of this decision on 28 March 2017. The management and legal advisor believe that the provision recorded for this lawsuit is sufficient to meet obligations may arise.

### **Lawsuits raised by the company –**

As at 31 March 2017 lawsuits raised by the Company amounted to JD 2,434,473 (31 December 2016: 2,494,282) representing accounts receivable, and returned checks related to its ordinary course of business.

## **(7) RELATED PARTIES**

Related parties represent sister companies, major shareholders and key management personnel of the Company and other companies where the directors or senior managers are principal owners.

Pricing policies and terms of these transactions are approved by the Company's management.

A summary of related party balances as shown in the interim statement of financial position:

	31 March 2017 JD	31December 2016 JD
<b>Due to related parties</b>		
Vegetable Oils Industries Co. Ltd. – Nablus (Sister company)	1,069	2,020

Balances with related parties arise from normal operations and are not subject to interest.



A summary of related party balances as shown in the statement of profit or loss:

	31 March 2017 JD	31 December 2016 JD
<b>Sales of goods</b>		
Astra Food Company – Saudi Arabia (Sister company)	-	10,995
<b>Board of directors transportation and remuneration</b>	5,250	4,200
<b>Salaries and benefits</b>	45,441	37,965

#### **(8) CASH AND CASH EQUIVALENTS**

The cash and cash equivalents that appear in the statement of cash flows represent the following:

	For the three months ended 31 March	
	2017 JD	2016 JD
Cash on hand and at banks	1,394,697	636,783
Bank deposits*	516,797	502,423
	1,911,494	1,139,206

\* This represents a deposit at Cairo Amman Bank, its interest matures on monthly basis at a rate of 3% per annum.

#### **(9) LEGAL RESERVES**

No legal reserves was taken in accordance with the Jordanian Companies' Law, as these are interim financial statements.