

الرقم : ت خ ت / 025 / 2017

التاريخ: 2017 /05/15

السادة بورصة عمان المحترمين

تحية واحتراما وبعد ،،،

عملا بتعليمات الافصاح يرجى العمل على استلام القوائم المالية الموحدة لشركة التجمعات لخدمات
التغذية و الاسكان المترجمه للغة الانجليزية لعام 2016.

وتفضلوا بقبول فائق الاحترام ،،،

شركة التجمعات لخدمات التغذية و الاسكان

المدير المالي

فائق التلاوي

شركة التجمعات
لخدمات التغذية والإسكان م.ع.م.

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ ايار ٢٠١٧
الرقم المتسلسل 3084
رقم الملف 31076
الجهة المختصة 211/6/1

نسخة الى : هيئة الاوراق المالية

المرفق: قوائم المالية لعام 2016 (مترجمه باللغة الانجليزية)

**AL TAJAMOUAT FOR CATERING AND
HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL
STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S
REPORT
YEAR ENDED DECEMBER 31, 2016**

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT
CERTIFIED PUBLIC ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2016

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INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders of
AL-Tatajamouat for catering and housing company.

Report on the Consolidated Financial Statements

Qualified Opinion

We have audited the accompanying consolidated financial statements of Al-Tatajamouat For Catering and Housing Company (P.L.C), which comprise of the consolidated statement of financial position as of December 31, 2016, and the related consolidated statements of comprehensive income, consolidated Statement of owners' equity and consolidated statement of cash flows, for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the stated in the qualification basis paragraph the accompanying consolidated financial statements present fairly, in all material respects, the consolidated statement of financial position of Al-Tatajamouat For Catering and Housing Company (P.L.C) as of December 31, 2016, and its consolidated financial performance and consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

QualificationBasis

As disclosed in note (6) the company has not amortized the goodwill that amounts JD 1,694,857 due to the increase of the purchasing cost of investment in Al-Tajamouat for Support Services Company (Subsidiary company) for its fair value of assets on the purchasing date, due to the decline in its operational activities, which is an indication of impairment on its recoverable amount.

Basis for Opinion

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of the Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

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

Key audit matters

Key audit matters, according to our professional judgment are matters that had the significant importance in our auditing procedures that we performed to the consolidated financial statement. The basic auditing matters have been addressed in our auditing workflow to consolidated financial standards as we do not express separate opinions.

Goodwill

In accordance with International Financial Reporting Standards, the Company is required to evaluate goodwill and to test impairment. Goodwill as of December 31, 2016 was amounted to JD 1,694,857 generated from a single cash-generating unit, Al-Tajamouat for Support Services (L.td). The company has not provided the goodwill evaluation as of December 31, 2016 which was the basis for the qualified opinion.

The annual impairment of goodwill is considered to be a fundamental audit because of the complexity of the accounting requirements and the general provisions required in determining the assumption to be used in estimating the recoverable amount. The recoverable amount of the cash-generating units, which is based on the value in use or the fair value, whichever is higher, less costs to sell, is calculated from discounted cash flow models. These models use several basic assumptions including estimates of future sales volume and prices, Operating, end-to-end value and weighted average cost of capital.

Other information:

The management is responsible for other information. Which includes other information reported in the final report, but not included in the consolidated financial statements and our audit report on it?

Our opinion does not include these other information, and we do not express any assertion over it. Regarding our audit on consolidated financial statement we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. In this context, we have nothing to report.

Management responsibility of the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. And for such internal control, management is determined to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Certified public accountant responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require us to comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

As part of an audit in accordance with The International Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the initial 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 the Management.
- Conclude on the appropriateness of the 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 auditor's 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 Auditor's 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 initial Financial Statements, including the disclosures, and whether the initial Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.
- We communicated with audit the Financial Management 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.

Legal requirements report

The Company maintains proper books of accounts and the accompanying consolidated financial statements and the consolidated financial statements contained in the report of the board of directors in accordance with the proper books of accounts.

Ghosheh & Co.

Waleed M. Taha

License No. (703)

Amman-Jordan

March 12, 2017



AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
ASSETS			
Non-current assets			
Property and equipment	4	568,106	504,350
Rented real estate, Net	5	4,990,308	5,132,399
Goodwill	6	1,694,857	1,694,857
Financial assets designated at fair value through statement of other comprehensive income		7,482	5,600
Total non-current assets		7,260,753	7,337,206
Current assets			
Prepaid expenses and other accounts receivable	7	138,288	103,661
Inventories		33,742	50,937
Due from related party	9	9,372	9,372
Financial assets designated at fair value through statement of other comprehensive income		835,729	858,263
Accounts receivable	8	480,297	461,046
Cash and cash equivalents	10	152,906	255,164
Total current assets		1,650,334	1,738,443
TOTAL ASSETS		8,911,087	9,075,649
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	10,000,000	10,000,000
Statutory reserve	11	379,604	379,604
Fair value reserve		(34,139)	(36,021)
Accumulated Losses		(1,635,573)	(1,536,670)
Total owners' equity		8,709,892	8,806,913
Current liabilities			
Accrued expenses and other liabilities	12	95,790	157,611
Accounts payable and deferred checks		94,553	111,125
Banks overdraft		10,852	-
Total current liabilities		201,195	268,736
TOTAL LIABILITIES AND OWNERS' EQUITY		8,911,087	9,075,649

Chairman of Board of Directors

General Director

Chief Financial Officer

The accompanying notes are an integral part of these financial statements

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Note	2016	2015
Revenues	13	1,262,312	1,609,892
Cost of revenues	14	(1,099,610)	(1,456,700)
Gross profit		162,702	153,192
Selling and marketing expenses		(524)	(1,647)
General and administrative expenses	15	(254,346)	(420,224)
Financial charges		(1,644)	(938)
Unrealized (losses) /gains from financial assets designated at fair value through statement of comprehensive income		(22,534)	7,237
Impairment of accounts receivable		(105,264)	-
Other revenues and expenses		108,207	139,416
Gain on sale of properties and equipments		14,500	-
Return of contingent liabilities		-	82,839
Net loss before income tax		(98,903)	(40,125)
Income tax provision	16	-	(44,657)
Net loss		(98,903)	(84,782)
Changes in fair value reserve		1,882	(6,000)
Total comprehensive income for the year		(97,021)	(90,782)
Earnings per share:			
Earnings per share-JD/Share		(0.01)	(0.01)
Weighted average of outstanding shares		10,000,000	10,000,000

The accompanying notes are an integral part of these financial statements

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF OWNERS' EQUITY
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Fair value reserve	Accumulated losses	Total
Balance at January 1, 2015	10,000,000	379,604	(30,021)	(1,451,888)	8,897,695
Comprehensive income for the year	-	-	(6,000)	(84,782)	(90,782)
Balance at December 31, 2015	10,000,000	379,604	(36,021)	(1,536,670)	8,806,913
Comprehensive income for the year	-	-	1,882	(98,903)	(97,021)
Balance at December 31, 2016	10,000,000	379,604	(34,139)	(1,635,573)	8,709,892

The accompanying notes are an integral part of these financial statements

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

	2016	2015
OPERATING ACTIVITIES		
Net loss before income tax	(98,903)	(40,125)
Adjustments for net loss before income tax:		
Deprecation	326,765	358,812
Unrealized (losses) /gains from financial assets designated at fair value through statement of comprehensive income	22,534	(7,237)
Gain on sale of properties and equipments	(14,500)	-
Financial charges	1,644	938
Changes in operating assets and liabilities:		
Accounts receivables	(19,251)	211,729
Financial assets designated at fair value through statement of comprehensive income	-	(203,993)
Inventories	17,195	21,666
Prepaid expenses and other accounts receivable	(34,627)	46,414
Accounts payable and deferred checks	(16,572)	(186,198)
Accrued expenses and other liabilities	(61,821)	(319,733)
Cash available from /(used in) operating activities	122,464	(117,727)
Financial charges paid	(1,644)	(938)
Net cash available from /(used in) operating activities	120,820	(118,665)
INVESTING ACTIVITIES		
Changes in rented real estate	(117,306)	-
Purchase of property and equipment	(131,124)	(225,234)
Proceeds from sale of properties and equipments	14,500	-
Net cash used in investing activities	(233,930)	(225,234)
FINANCING ACTIVITIES		
Banks overdraft	10,852	-
Net cash available from financing activities	10,852	-
Net change in cash and cash equivalents	(102,258)	(343,899)
Cash and cash equivalents, January 1	255,164	599,063
Cash and cash equivalent, December 31	152,906	255,164

The accompanying notes are an integral part of these financial statements

AL TAJAMOAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

1. ORGANIZATION AND ACTIVITIES

Al Tajamouat for catering and housing Company ("the Company") is a Jordanian public shareholding company registered on November 13, 1994 declared and paid up capital JD10,000,000 divided into 10,000,000 shares each for JD 1.

The principal activity of the Company includes construction, purchasing and managing all kinds of catering and restaurants utilities to present catering service for companies and individuals as well as construction and purchases all kinds of housing building and performing housing services.

The company located at Amman.

Subsidiary company name	Registration place	Registration year	Vote and equity percentage	Principal activity
AL-Tajamouat for Support Services Co.(Ltd)	The Hashemite kingdom of Jordan	2003	100 %	constructing, purchasing and managing of all facilities for catering and housing
AL-Tajamouat For University Facilities	The Hashemite kingdom of Jordan	2006	100 %	purchasing and managing of all kinds of catering and restaurants utilities and purchase all kinds housing and performing housing services

According to net equity method, the Company's share in subsidiaries net operation results for the year ended December 31, 2016 amounting JD 147,204 (2015: JD(7,287)) based on net equity method are as follows:

	2016	2015
AL-Tajamouat for Support Services Company	141,757	145,642
AL-Tajamouat For University Facilities Company	5,447	(152,929)
	147,204	(7,287)

According to Net Equity Method, book value of investment in subsidiaries as of December 31, 2016: JD 8,851,137 (2015: JD 8,703,933) is as follows:

	2016	2015
Book value of investment in AL-Tajamouat for Support Services Company*	8,250,362	8,108,605
Book value of investment in AL-Tajamouat For University Facilities Company **	600,775	595,328
	8,851,137	8,703,933

* The investment in Al-Tajamouat for Support Services Company include Goodwill which amount to JD 1,694,857.

** The investment in Al-Tajamouat For University Facilities Company include an investment in Aqaba Branch

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

The subsidiaries' assets, liabilities, revenues, profits and major item of assets and liabilities as of December 31, are as follows:

A- Al-Tajamouat for Support Services Company (Ltd)

	2016	2015
Total assets	7,100,666	7,106,607
Total liabilities	573,180	721,819
Total owners' equity	6,527,486	6,384,788
Gross profit	249,668	285,209
Income for the year	141,757	145,642
Accounts receivable	223,049	174,623
Due from related party	2,327,212	2,327,961
Due to related party	479,118	549,548
Rented real estate, Net	3,385,576	3,424,213
Property and equipment	476,817	462,152
Accrued expenses and other liabilities	7,145	62,000

B- AL-Tajamouat for University Facilities Company (Ltd)

	2016	2015
Total assets	1,107,562	1,082,092
Total liabilities	506,787	486,764
Total owners' equity	600,775	595,328
Accounts receivable	247,476	150,055
Property and equipment	91,289	42,199
Gross profit / (loss)	15,896	(28,563)
Income / (loss) for the year	5,447	(152,929)

2. NEW AND REVISED STANDARDS AND AMENDMENTS TO IFRSs ISSUED BUT NOT YET EFFECTIVE:-

The following new standards and amendments to the standards have been issued but not yet effective and the Company intends to adopt these standards, where applicable, when they become effective.

<u>New Standards</u>	<u>Effective Date</u>
(IFRS) No.9 – Financial Instruments	January 1, 2018
(IFRS) No.15 – Contract Revenues	January 1, 2016
(IFRS) No.16 – Leases	January 1, 2019

Board of directors of the company is expecting that the application of these standards and interpretations will not have a substantial impact on the Company's financial statements.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of Financial Statements

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

Basis of preparation

These consolidated financial statements, were presented in Jordanian Dinar as the majority of the Company's transactions are recorded in the Jordanian Dinar.

The consolidated financial statements have been prepared on historical cost basic, However financial assets and financial liabilities are stated at fair value. The following is a summary of significant accounting policies applied by the Company.

Basis of consolidation financial statements

The consolidated financial statements incorporate the financial statements of Afaq Holding Investment and Real Estate Development Company (Public Shareholding Company) and the subsidiaries controlled by the Company.

Control is achieved where the Company:

- Ability to exert power over the investee.
- Exposure, or rights, to variable returns from its involvement with the investee.
- Ability to exert power over the investee to affect the amount of the investor's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described in the accounting policy for subsidiaries above.

When the Company has less than a majority of the voting, The Company shall have control over the investee when the voting rights sufficient to give it the ability to direct relevant activities of the investee individually.

When The Company reassesses whether or not it controls an investee, it consider all the relevant facts and circumstances which includes:

- Size of the holding relative to the size and dispersion of other vote holders
- Potential voting rights, others vote-holders, and Other parties
- Other contractual rights
- Any additional facts and circumstances may indicate that the company has, or does not have, the current ability to direct the activities related to the time needed to make decisions, including how to vote at previous shareholders meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular Income and expenses of subsidiaries acquired or disposed of during the year are included in the consolidated income statement, and the consolidated comprehensive income statement from the effective date of acquisition and up to the effective date of which it loses control of a subsidiary Company.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Financial assets designated at fair value through statement of comprehensive income

Financial assets are classified as at fair value through statement of income when the financial asset is either held for trading or it is designated as at fair value through statement of income. A financial asset is classified as held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- It is a derivative that is not designated and effective as a hedging instrument.

A financial asset other than a financial asset held for trading may be designated as at fair value through statement of income upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial asset forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and IAS 39 *Financial Instruments: Recognition and Measurement* permits the entire combined contract (asset or liability) to be designated as at fair value through statement of income.

Financial assets at fair value through statement of income are stated at fair value, with any gains or losses arising on re-measurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'other gains and losses' line item in the consolidated income statement.

Financial assets designated at fair value through statement of other comprehensive income

Specific financial assets at fair value through statement of other comprehensive income are non-derivative financial assets, the purpose of the acquisition is to keep them as available for sale until the date of maturity, not for trading.

Differences in the change in fair value of financial assets specified at fair value through other comprehensive income statement are recorded in other comprehensive income statement. Financial assets specified at fair value through statement of other comprehensive income that is have a market prices stated at fair value after deducting any accumulated Impairment losses in its fair value.

Financial assets specified at fair value through statement of other comprehensive income that is do not have a market prices and cannot determine the fair value stated at cost and any Decline in its value recorded in other comprehensive income statement.

Profits and losses resulting from differences of foreign currency translation for the debt instruments are recorded within the financial assets specified at fair value through other comprehensive income statement in the statement of other comprehensive income, while differences from foreign currency translation for the debt instruments are recorded in the accumulated change in fair value in owners' equity.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Revenues

Revenue from services is recognized when the service is performed and the invoice is issued. Rental income is recognized on a time basis to reflect the actual yield of the lease period of the site.

Expenses

Selling and marketing expenses principally comprise of costs incurred in the distribution and sale of the Company's products, all other expenses are classified as general and administrative expenses.

General and administrative expenses include direct and indirect costs which are not specifically part of production costs as required under Generally Accepted Accounting principles. Allocations between general and administrative expenses and cost of sales are made on a consistent basis when required.

Cash and cash equivalents

Cash and cash equivalents include cash, demand deposits, and highly liquid investments with original maturities of three months or less.

Accounts receivable

Receivable are non- derivative financial assets with fixed payments that are quoted in an active market. Accounts receivable are stated at invoice amount less any provision for doubtful and a provision for doubtful debts is taken when there is an indication that the receivable may not be collected, and are written off in the same period when there is impossible recovery of them.

Sectorial Reports

Section is a group of elements that is subjected to risks, and is ventured to provide products and services which is called the operational section or in specific economical environments the company's principal objectives is the establishing and purchasing nourishing facilities and restaurants to provide nourishing Services to companies and individuals, and purchasing buildings and providing housing services, And it only operates inside the Hashemite kingdom of Jordan.

Accounts payable 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

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Inventories

The cost of the goods is determined by the weighted average method, which includes the cost of materials, labor, direct industrial expenses and a certain proportion of indirect industrial expenses, while the raw materials and other materials are stated at cost and the cost is determined based on the moving average cost.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Expenditure on maintenance and repairs is expensed. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

	<u>Annual Depreciation Rate</u>
Catering Building	4%
Tools and equipments	15%
Furniture	15%
Electrical Devices	10%
Computers	25%
Air conditions	15%
Vehicles	15%
Decoration	12%
Billboards	15%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment. Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets. At the exclusion of any subsequent property and equipment, recognize the value of gains or losses resulting, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

Rented real estate, Net

Real estate investments of leased buildings are stated at cost less accumulated depreciation and provision for impairment. Buildings are depreciated on a straight-line basis with an annual depreciation of 4%.

Goodwill

Goodwill represents the excess of the cost of acquisition of investment in subsidiaries over the fair value of its net assets at the date of acquisition. In accordance with IAS 38, goodwill is not amortized and if there is indication of impairment the estimated recoverable amount is reduced to its estimated value.

AL TAJAMOUAT FOR CATERING AND HOUSING COMPANY
(PUBLIC SHAREHOLDING COMPANY)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)
YEAR ENDED DECEMBER 31, 2016
(EXPRESSED IN JORDANIAN DINAR)

Offsetting

Financial assets and financial liabilities are offset, and the net amount is reflected in the consolidated statement of financial position only when there are legal rights to offset the recognized amounts, the Bank intends to settle them on a net basis, or assets are realized and liabilities settled simultaneously.

Income tax

The company is subject to Income Tax Law and its subsequent amendments and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on accrual basis, Income Tax is computed based on adjusted net income. According to International Accounting Standard number (12), the company may have deferred taxable assets resulting from the differences between the accounting value and tax value of the assets and liabilities related to the provisions, these assets are not shown in the financial statements since it's immaterial.

The use of estimation

The preparation of the consolidated financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of financial assets and liabilities and disclose contingent liabilities. These estimates and judgments also affect the income, expenses and provisions, as well as changes in fair value that appear in the consolidated statement of comprehensive income. In particular, the Company's management requires judgments to estimate the amounts and timing of future cash flows. These estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and non- And that actual results may differ from estimates as a result of changes resulting from the conditions and circumstances of those estimates in the future.

We believe that our estimates in the financial statements are reasonable and detailed as follows:

- Impairment provision: The provision for impairment is reviewed on the basis of the principles laid down by the management and IFRS and the provision is calculated on a more stringent basis.
- The management reviews periodically financial assets that are stated at cost to assess any impairment in value and are taken to the consolidated statement of comprehensive income for the year.
- The estimated useful lives of tangible assets are periodically determined by the management for the purpose of calculating the estimated depreciation and future estimated useful lives of the asset and the impairment loss (if any) is taken to the statement of comprehensive income.
- Provision for contingent liabilities where provisions are made to meet any legal liabilities based on the opinion of the Company's legal counsel.

Google Translate

Foreign currency translation

Foreign currency transactions are translated into Jordanian dinar at the rates of exchange prevailing at the time of the transactions. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the exchange rates prevailing at the date. Gains and losses from settlement and translation of foreign currency transactions are included in the consolidated statement of comprehensive income.

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The Provisions

The provision had been formed, when the Company has a present obligation (legal or expected) from past events which its cost of repayment consider accepted and it has ability to estimate it reliably.

The provision had been measured according to the best expectations of the required alternative to meet the obligation as of the consolidated statement of financial position date after considering the risks and not assured matters about the obligation. When the provision is measured with the estimated cash flows to pay the present obligation, then the accounts receivable are recognized as asset in case of receipt and replacement of the amount is certain and it able to measure the amount reliably.

4. PROPERTY AND EQUIPMENT

	January 1	Additions	Disposal	December 31
Cost:				
Lands	48,904	-	-	48,904
Catering building	713,958	-	-	713,958
Tools and equipments	330,213	21,357	-	351,570
Furniture	84,153	224	-	84,377
Electrical Devices	110,099	3,902	-	114,001
Computers	26,697	5,339	-	32,036
Air conditions	13,032	1,870	-	14,902
Vehicles	90,809	34,204	(19,600)	105,413
Decorations	17,299	36,371	-	53,670
Billboards	3,358	1,225	-	4,583
Projects under construction	-	26,632	-	26,632
Total cost	1,438,522	131,124	(19,600)	1,550,046
Depreciation:				
Catering building	306,423	28,558	-	334,981
Tools and equipments	310,848	19,478	-	330,326
Furniture	71,072	8,948	-	80,020
Electrical Devices	101,684	2,389	-	104,073
Computers	26,607	1,312	-	27,919
Air conditions	13,031	63	-	13,094
Vehicles	84,423	6,386	(19,600)	71,209
Decorations	16,726	220	-	16,946
Billboards	3,358	14	-	3,372
Total depreciation	934,172	67,368	(19,600)	981,940
Book value at January 1	504,350			
Book value at December 31				568,106

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5. RENTED REAL ESTATE, NET

	2016	2015
Cost	4,015,870	3,898,564
Lands	710,660	710,660
Total	4,726,530	4,609,224
Increase in lands and rented real estate value	2,586,368	2,586,368
Net increase in lands and real estate value	7,312,898	7,195,592
Less: Accumulated Depreciation	(2,322,590)	(2,063,193)
	4,990,308	5,132,399

6. GOODWILL

This item represents the resulted goodwill amounting to JD 1,694,857 due to the increase in the cost of purchasing investment in Al-Tajamouat Support Services Limited (the subsidiary) for the fair value of its assets at the date of purchase. Due to the decrease in the operating activity of the subsidiary, it will be considered an indication of Impairment of goodwill.

The Company has not provided us with an assessment of goodwill as of December 31, 2016 and therefore has been retained in the Company's consolidated financial statements.

7. PREPAID EXPENSES AND OTHER ACCOUNTS RECEIVABLE

	2016	2015
Prepaid expenses	28,198	19,298
Refundable deposit	14,659	13,641
Bank guarantee deposits	13,550	-
Due from income tax	68,243	68,243
Due from employees	13,638	2,479
	138,288	103,661

8. ACCOUNTS RECEIVABLE

	2016	2015
Accounts receivables	978,756	854,241
Accounts receivables impairment	(498,459)	(393,195)
	480,297	461,046

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9. RELATED PARTIES TRANSACTIONS

During the year, the Company made the executed transactions with the related parties:-

NAME	RELATIONSHIP
Specialized Investment Compounds – Syria	Sister Company

Due from related parties as at December 31 contains as the following:

	2016	2015
Specialized Investment Compounds – Syria	9,372	9,372
	9,372	9,372

During the year the company made the following transactions with the board of directors and general manager:

	2016	2015
Board of Director's transportation	25,677	17,847
Board of Director's remuneration	-	13,054

10. CASH AND CASH EQUIVALENTS

	2016	2015
Cash on hand	13,746	7,791
Cash at banks	139,160	247,373
	152,906	255,164

11. STATUTORY RESERVE

In accordance with the Companies' Law in the Hashemite Kingdom of Jordan and the Company's Article of Association, the Company has established a statutory reserve by the appropriation of 10% of net income until the reserve equals 25% of the capital. However, the Company may, with the approval of the General Assembly continue deducting this annual ratio until this reserve is equal to the subscribed capital of the Company in full. This reserve is not available for dividends distribution.

12. ACCRUED EXPENSES AND OTHER LIABILITIES

	2016	2015
Unpaid accrued expenses	-	11,477
Due to sales and income tax	4,400	9,656
Contingencies	24,261	24,261
Income tax provision	-	44,657
Unearned revenue	-	4,500
Jordanian Universities fees	22,420	22,420
Scientific Research support	13,568	13,568
Due to employees social security and income tax / employees	9,297	5,228
Shareholder's deposits	21,844	21,844
	95,790	157,611

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13. REVENUES

	2016	2015
Catering revenues	104,006	329,776
Housing revenues	703,265	667,184
University Facilities services revenues	455,041	612,932
	1,262,312	1,609,892

14. COST OF REVENUES

	2016	2015
Salaries and wages	243,605	317,646
Cost for catering and housing	320,781	500,482
Property tax expenses	55,059	58,890
Work permits expenses	7,404	8,825
Depreciation	317,954	343,363
Maintenance and repairs	7,414	16,043
Consumable material	1,961	24,431
Transfer expenses	1,075	7,470
Rent expenses	20,699	40,129
Water and electricity	9,164	47,442
Fuel expense	14,645	18,069
Vehicles expenses	3,702	5,830
Travel and transportation	610	955
Insurance expenses	2,133	5,504
Cleaning	78,459	40,848
Safety and security	8,370	14,940
Other	6,575	5,833
	1,099,610	1,456,700

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15. GENERAL AND ADMINISTRATIVE EXPENSES

	2016	2015
Salaries and wages	131,189	190,019
Licenses and subscription	11,136	14,417
Depreciation and amortization	8,811	15,449
Telephone, post-mail, and telegraph	2,737	2,080
Travel and transportation	4,688	3,210
General assembly expenses	1,788	2,041
Stationary and printing	5,165	2,842
Board of director's transportation	25,677	22,420
Remuneration and staff courses expenses	5,983	927
Managerial fees	-	13,054
Professional and consultancy fees	28,414	52,492
Maintenance	5,753	12,391
Water and electricity	7,985	12,602
Safety and security	2,100	-
Hospitality	2,929	1,776
Cleaning expenses	4,657	2,507
Civil services expenses	2,500	70,561
Other	2,834	1,436
	254,346	420,224

16. INCOME TAX

The change in income tax provision as December 31 as follows:

	2016	2015
January 1	44,657	-
Repaid during the year	(44,657)	-
Provision for the year	-	44,657
December 31	-	44,657

Income Tax in the statement of comprehensive income represents the following:

	2016	2015
Income tax on the current year profit	-	44,657
	-	44,657

A summary on the adjustment of the accounting profit and the tax profit:

	2016	2015
Profit for the subsidiary company	141,757	190,299
Add: rejected expenses	7,428	58,890
Deduct: untaxable revenues	-	(25,904)
Taxable income	149,185	223,285
	29,837	44,657
Property tax expenses	(29,837)	-
Income tax	-	44,657
Legal income tax rate	%20	%20
Actual income tax rate	%-	%23

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The Holding Company settled its tax position with the income and sales tax department until 2013, for 2014 and 2015 the company has provided its self-assessed tax report for 2015 and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

Al-Tajamouat for Support Services Company (Subsidiary company) settled its tax position with the income and sales tax department until 2013, for 2014 and 2015 the company has provided its self-assessed tax report for 2015 and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

Al-Tajamouat for University Facilities Company (Subsidiary company) settled its tax position with the income and sales tax department until 2014, for 2015 the company has provided its self-assessed tax report for 2015 and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

17. FINANCIAL INSTRUMENTS

The Fair Value

The fair value of financial assets and financial liabilities. Financial assets include cash and cash equivalents and checks under collection and receivables, securities, and include accounts payable, credit facilities and loans and credits and other financial liabilities.

First level: the market prices stated in active markets for the same financial instruments.

Level II: assessment methods depend on the input affect the fair value and can be observed directly or indirectly in the market.

Level III: valuation techniques based on inputs affect the fair value cannot be observed directly or indirectly in the market.

December 31, 2016	level one	Second Level	third level	Total
Financial assets designated at fair value through statement of comprehensive income	835,729	-	-	835,729
Financial assets designated at fair value through statement of other comprehensive income	7,482	-	-	7,482
	843,211	-	-	843,211
December 31, 2015	level one	Second Level	third level	Total
Financial assets designated at fair value through statement of comprehensive income	858,263	-	-	858,263
Financial assets designated at fair value through statement of other comprehensive income	5,600	-	-	5,600
	863,863	-	-	863,863

The value set out in the third level reflect the cost of buying these assets rather than its fair value due to the lack of an active market for them, this is the opinion of Directors that the purchase cost is the most convenient way to measure the fair value of these assets and that there was no impairment.

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Share Capital Risks Management

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and owners' equity balances the Company overall strategy did not change from 2015.

Structuring of Company's capital includes debt which includes borrowing, and the owners' equity in the Company which includes share capital, statutory reserve, and accumulated losses and partner's current account as it listed in the changes in owners' equity statement.

The debt rate

The General Assembly is reviewing the share capital structure periodically, As a part of this reviewing, the general assembly consider the cost of share capital and the risks that is related in each faction from capital and debt factions, The Company capital structure includes debts from the borrowing, The Company's doesn't determine the highest limit of the debt rate.

Financial risks management

Company activities could mainly be exposed to financial risks that arising from the following:

Foreign currencies risks management

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

Interest rate risk

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

The sensitivity of the income statement is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held.

Sensitivity analysis of the owner investments prices

Sensitivity analysis followed based on that the Company exposed to investments prices risks in owner's equity of other companies at the date of the financial statements.

In case investments prices in owners' equity of other companies higher/ lower in rate 5%, The Company's owners equity reserves become higher/ lower in 374 JD (2015:higher/ lower in 280JD) is resulting to company's portfolio that classified as available for sale investments.

The Company's sensitivity to investments prices in owners' equity of others companies have changed substantially compared with the previous year are resulting to the disposal of important part from the investments portfolio during the year in addition to the decline in fair value of these investments.

Credit risk

Credit risk is defined as the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation, the Company maintains cash at financial institutions with suitable credit rating, the Company looks forward to reduce the credit risk by maintaining a proper control over the customer's credit limits and collection process and take provisions for doubtful accounts.

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Liquidity risk

Are the risks of inability to pay the financial obligations that were settled by receiving cash or another financial asset. Liquidity risk management by control on cash flows and comparing them with maturities of assets and financial liabilities.

The following table represents the contractual eligibilities to non-derivative financial liabilities.

The table has prepared on the non-deducted cash flows for the financial liabilities basis according to the early due dates that may required from the Company to pay or receive.

The table below contains cash flows for major amounts and interests.

	<u>Interest rate</u>	<u>Year or less</u>	<u>More than a year</u>	<u>Total</u>
December 31, 2016				
Instruments without interest		190,343	-	190,343
Instruments with interest		10,852	-	10,852
Total		<u>201,195</u>	<u>-</u>	<u>201,195</u>
December 31, 2015				
Instruments without interest		268,736	-	268,736
Instruments with interest		-	-	-
Total		<u>268,736</u>	<u>-</u>	<u>268,736</u>

18. SECTORIAL REPORTS

The company's principal objectives is the establishing and purchasing catering facilities and restaurants to provide cateringservices to companies and individuals, and purchasing buildings and providing housing services, and it only operates in one geographical area which is the Hashemite kingdom of Jordan.

19. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors and authorized for issuance March 12, 2017

20. COMPARATIVE FIGURES

Certain figures for 2015 have been reclassified to conform to the presentation in the current year.