

Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman-The Hashemite Kingdom of Jordan

Financial Statements
And Independent Auditor's Report
For The Year Ended December 31, 2017

Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman-The Hashemite Kingdom of Jordan

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Independent Auditor's Report

105180902

Messrs. Shareholders
Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Opinion

We have audited the financial statements of Jordan Gulf Freight Services Agencies Company (Limited Liability Company), which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and notes to the financial statements comprising significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects of the financial position of the Company as at December 31, 2017, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis of opinion

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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.

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 International Financial Reporting Standards, 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

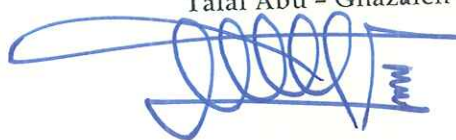
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing 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 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 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.

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.

Talal Abu - Ghazaleh & Co. International



Mohammad Alazraq
(License # 1000)
Amman - April 12, 2018



Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Statement of financial position as at December 31, 2017

	Notes	2017 JD	2016 JD
Assets			
Current Assets			
Cash and cash equivalents	3	149,150	25,710
Trade receivables	4	652,820	619,412
Other debit balances	5	42,777	23,589
Related parties Recievables	6	291,593	-
Total Current Assets		<u>1,136,340</u>	<u>668,711</u>
Non-Current Assets			
Checks on hand- non - current		5,492	-
Property and equipment	7	8,720	5,837
Total Non- Current Assets		<u>14,212</u>	<u>5,837</u>
Total Assets		<u><u>1,150,552</u></u>	<u><u>674,548</u></u>
Current Liabilities			
Bank over draft		-	25,983
Trade payables		98,546	316,223
Other credit balances	8	134,262	62,952
Related parties Payable	6	627,082	-
Total Liabilities		<u>859,890</u>	<u>405,158</u>
Equity			
Capital	9	50,000	50,000
Statutory reserve		50,000	50,000
Retained earnings		190,662	169,390
Total Equity		<u>290,662</u>	<u>269,390</u>
Total Liabilities and Equity		<u><u>1,150,552</u></u>	<u><u>674,548</u></u>

Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Statement of comprehensive income for the year ended December 31, 2017

	Notes	2017	2016
		JD	JD
Revenues		3,349,500	3,273,880
Cost of revenues		<u>(2,812,224)</u>	<u>(2,716,531)</u>
Gross profit		537,276	557,349
Other (expenses) revenues, net	10	(9,734)	1,540
Administrative expenses	11	<u>(500,952)</u>	<u>(525,432)</u>
Profit before income tax		26,590	33,457
Income tax	8	<u>(5,318)</u>	<u>(4,599)</u>
Profit		<u><u>21,272</u></u>	<u><u>28,858</u></u>

Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman - The Hashemite Kingdom of Jordan

Statement of changes in equity for the year ended December 31, 2017

	Capital	Statutory reserve	Reained earnings	Total
	JD	JD	JD	JD
Balance as at January 1, 2016	50,000	50,000	167,064	267,064
Distributed dividends	-	-	(26,532)	(26,532)
Profit	-	-	28,858	28,858
Balance as at December 31, 2016	50,000	50,000	169,390	269,390
Profit	-	-	21,272	21,272
Balance as at December 31, 2017	50,000	50,000	190,662	290,662

Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
Amman – The Hashemite Kingdom of Jordan

Statement of cash flows for the year ended December 31, 2017

	2017	2016
	JD	JD
Cash flows from operating activities		
Profit before income tax	26,590	33,457
Adjustments for:		
Depreciation	2,748	2,932
Changes in operating assets and liabilities:		
Trade receivables	(33,408)	(149,091)
Other debit balances	(19,188)	4,426
Related parties Recievables	(291,593)	-
Checks on hand	(5,492)	-
Trade payables	(217,677)	80,815
Other credit balances	70,591	23,705
Related parties payable	111,219	-
	(356,210)	(3,756)
Income tax paid	(4,599)	(32,687)
Net cash from operating activities	(360,809)	(36,443)
Cash flows from investing activities		
Purchase of property and equipment	(5,631)	(2,261)
Net cash from investing activities	(5,631)	(2,261)
Cash flows from financing activities		
Bank overdraft	(25,983)	4,651
Related parties payable	515,863	
Distributed dividends	-	(26,532)
Net cash from financing activities	489,880	(21,881)
Net change in cash and cash equivalents	123,440	(60,585)
Cash and cash equivalents - beginning of year	25,710	86,295
Cash and cash equivalents - end of year	149,150	25,710

Jordan Gulf Freight Services and Agencies Company
Limited Liability Company
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Notes to the financial statements

1. Legal status and activities

- The Company was established as a limited liability company on December 16, 1997, and registered with the Companies Control Department under No. (5129).
- The Company's main objectives are:
 - Marine agencies.
 - Air freight agent for non-dangerous materials.
- On the 19th of February 2017 the partner Mustafa Yakub Mustafa Kharoub withdrew from the company and was replaced by the partner EcuHold NV Company.

2. Basis for preparation of financial statements and significant accountant policies

- Financial statements preparation framework

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

- Measurement bases used in preparing the financial statements

The financial statements have been prepared on the historical cost basis except for measurement of certain items at bases other than historical cost.

- Functional and presentation currency

The financial statements have been presented in Jordanian Dinar (JD) which is the functional currency of the entity.

- Using of estimates

- When preparing of financial statements, management uses judgments, assessments and assumptions that affect applying the accounting policies and carrying amounts of assets, liabilities, revenue and expenses. Actual result may differ from these estimates.
- Change in estimates shall be recognized in the period of the change, and future periods if the change affects them.
- For example, estimates may be required for doubtful and bad debts, useful lives of depreciable assets, provisions, any legal cases against the entity.

- Financial instruments

Financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

- Financial assets

- A financial asset is any asset that is:
 - (a) Cash.
 - (b) An equity instrument of another entity.
 - (c) A contractual right to receive cash or another financial asset from another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially favorable to the entity.
 - (d) A contract that will or may be settled in the entity's own equity instruments.
- Financial assets are initially measured at fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.
- All recognized financial assets are subsequently measured either at amortized cost or fair value, on the basis of both:
 - (a) The entity's business model for managing the financial assets, and
 - (b) The contractual cash flow characteristics of the financial assets.

- A financial asset is measured at amortized cost if both of the following conditions are met:
 - (a) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
 - (b) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- All other financial assets are subsequently measured at fair value.
- A gain or loss on a financial asset that is measured of fair value and is not part of a hedging relationship is recognized in profit or loss unless the financial asset is an investment in an equity instrument and the entity has elected to present gains and losses on that investment in other comprehensive income.

Cash and cash equivalents

- Cash comprises cash on hand, current accounts and demand deposits with banks.
- Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade receivables

- Trade receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.
- Trade receivables are stated at invoice amount net of allowance for doubtful receivables which represents the collective impairment of receivables.

Impairment of financial assets

- Financial assets, other than those at Fair value through profit and loss, are assessed for indicators of impairment at the end of each period.
- For financial assets carried at amortized cost, the amount of impairment loss is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate. The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets. The amount of the impairment loss shall be recognized as loss.

Financial liabilities

- Financial liability is any liability that is:
 - (a) A contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavorable to the entity.
 - (b) A contract that will or may be settled in the entity's own equity instruments.
- Financial liabilities are initially recognized at fair value plus transaction costs, directly attributable to the acquisition or issue of those liabilities, except for the financial liabilities classified as at fair value through profit or loss, which are initially measured at fair value.
- After initial recognition, the entity measures all financial liabilities at amortized cost using the effective interest method, except for financial liabilities at fair value through profit or loss which are measured at fair value and other determined financial liabilities which are not measured under amortized cost method.
- Financial liabilities at fair value through profit or loss are stated at fair value, with any resulting gain or loss from change in fair value is recognized through profit or loss.

Trade payables and accruals

Trade payables and accruals are liabilities to pay for goods or services that have been received or supplied and have been either invoiced or formally agreed with the suppliers or not.

– Property and equipment

- Property and equipment are initially recognized at their cost being their purchase price plus any other costs directly attributable to bringing the assets to the location and condition necessary for them to be capable of operating in the manner intended by management.
- After initial recognition, the property and equipment are carried, in the statement of financial position, at their cost less any accumulated depreciation and any accumulated impairment.
- The depreciation charge for each period is recognized as expense. Depreciation is calculated on a straight line basis, which reflects the pattern in which the asset's future economic benefits are expected to be consumed over the estimated useful life of the assets using the following rates:

Category	Depreciation
	rate
	%
Furniture	10-20
Computers and softwares	20

- The estimated useful lives are reviewed at each year-end, with the effect of any changes in estimate accounted for on a prospective basis.
- The carrying values of property and equipment are reviewed for impairment when events or changes in the circumstances indicate the carrying value may not be recoverable. If any such indication of impairment exists, impairments losses are calculated in accordance with impairment of assets policy.
- On the subsequent derecognition (sale or retirement) of the property and equipment, the resulting gain or loss, being the difference between the net disposal proceed, if any, and the carrying amount, is included in profit or loss.

– Impairment of assets

- At each statement of financial position date, management reviews the carrying amounts of its assets to determine whether there is any indication that those assets have been impaired.
- If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss, if any, being the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of asset's fair value less costs to sell and the value in use. The asset's fair value is the amount for which that asset could be exchanged between knowledgeable, willing parties in arm's length transaction. The value in use is the present value of the future cash flows expected to be derived from the asset.
- An impairment loss is recognized immediately as loss.
- Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but the increased carrying amount due to reversal should not be more than what the depreciated historical cost would have been if the impairment had not been recognized in prior years. A reversal of an impairment loss is recognized immediately as income.

– Statutory reserve

Statutory reserve is allocated according to the Jordanian Companies Law by deducting 10% of the annual net profit until the reserve equals of the company's subscribed capital. Such reserve is not available for dividends distribution.

– Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable.

Rendering of services

- Revenue from a contract to provide services is recognized by reference to the stage of completion of the transaction at the statement of financial position date.
- The outcome of the transaction can be estimated reliably when all the following conditions are satisfied:
 - The amount of revenue can be measured reliably.
 - It is probable that the economic benefits will flow to the entity.
 - The stage of completion at the statement of financial position date can be measured reliably.
 - The costs incurred, or to be incurred, in respect of the transaction can be measured reliably.
- When the above criteria are not met, revenue arising from the rendering of services is recognized only to the extent of the expenses recognized are recoverable

Income tax

Income tax is calculated in accordance with Jordanian laws and regulations.

Foreign currencies

- In preparing the financial statements, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the statement date (closing rate). Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rates at the date when the fair value was determined.
- Exchange differences arising on the settlement of monetary items or on translating monetary items at rates different from those at which they were translated on initial recognition during the period or in previous financial statements shall be recognized in profit or loss in the period in which they arise.

Contingent liabilities

- Contingent liabilities are possible obligations depending on whether some uncertain future events occur, or they are present obligations but payments are not probable or the amounts cannot be measured reliably.
- Contingent liabilities are not recognized in the financial statements.

3. Cash and cash equivalents

	2017	2016
	JD	JD
Current account at a bank - JD	125,125	20,738
Current accounts at banks - foreign currencies	24,025	4,972
Total	149,150	25,710

4. Trade receivables

	2017	2016
	JD	JD
Trade receivables (*)	534,447	424,048
Checks on hand	109,926	187,562
Checks under collection	21,560	20,915
Deduct: allowance for doubtful receivables (**)	(13,113)	(13,113)
Net	<u>652,820</u>	<u>619,412</u>

(*) The following are aging of trade receivables based on issued invoices:

	2017	2016
	JD	JD
1 - 60 days	198,619	410,935
61 - 121 days	98,677	-
121 - 180 days	237,151	13,113
Total	<u>534,447</u>	<u>424,048</u>

(**) Movement of allowance for doubtful receivables during the year was as follows:

	2017	2016
	JD	JD
Balance-beginning of year	13,113	23,571
Recovery of provision	-	(10,458)
Balance-end of year	<u>13,113</u>	<u>13,113</u>

5. Other debit balances

	2017	2016
	JD	JD
Guarantees deposit	11,750	11,750
Employees receivable	21,542	6,605
Prepaid expenses	6,237	5,040
Other	2,624	-
Refundable deposits	624	194
Total	<u>42,777</u>	<u>23,589</u>

6. Related parties

- The transaction with related parties consists of the transactions with shareholders and the companies that shareholders owns' an significant shares in it.
- Transactions with related parties are financing and operating in nature.
- The related parties receivable consist the following:

	2017
	JD
China Consolidated Company Limited	254,694
Ecu Line Qatar	16,574
Ecu Line UK Southampton	6,134
Ecu Line N.V	3,077
Ecu Line Canada	2,608
Ecu Line De Panama S.A	1,924
Ecu Line France	1,787
Ecu Line Spain	1,188
Vanguard Logistics Services Argentina	1,057
Ecu Line Germany	627
Ecu Line Lebanon	539
Ecu Line Japan	496
Ecu Line Tunisie	248
Ecu Logistics DO Brazil	248
Ecu Worldwide New Zealand LTD	178
Ecu Line Ningbo	118
Premiere Logistics Shanghai	96
Total	291,593

– The related parties payable consist the following:

	2017
	JD
Ecu Hold Inv	515,863
Ecu Line Portugal	28,712
BFG BEST FOR GOOD	26,831
Ecu Line Turkey	10,747
RIF Worldwide	6,756
Ecu Line Italia S.R.L	4,068
Allcargo Movers (INDIA) LTD	3,828
Ecu Line CZECH	3,671
Ecu Line France	3,172
Tigers Int'l Transort BV	2,826
Ecu Line N.V	2,476
Ecu Line Mexico	2,429
Ecu Line Hong Kong LTD	2,276
Ecu Line Singapore	2,221
Econocaribe USA	2,182
Ecu Line Middle East LLC	1,418
Ecu Line Pakistan	1,312
Translogistik GMBH	1,095
Ecu Line Egypt	854
JIT Logistics LTD	708
Logfortra Air	695
Ecu Line China LTD. C/O Shanghai	487
Ecu Line Guangzhou	391
Ecu Line Shenzhen	382
Ecu Line Antwerp EUR	342
TIGERS (USA) GLOBAL LOGISTICS INC	249
Ecu Line Finland	247
Ecu Line Denmark	238
Ecu Line Dalian	223
Ecu Line Malaysia (Johr Bahru)	221
Ecu Line Australia Melbourne	89
inforta Ecu Germany	55
Ecu Line Qingdao	18
Total	627,082

7. Property and equipment

		Computers	
	Furniture	and softwares	Total
2017	JD	JD	JD
Cost			
Beginning of year balance	61,468	33,580	95,048
Additions	2,646	2,985	5,631
Disposals	-	(699)	(699)
End of year balance	64,114	35,866	99,980
Accumulated depreciation			
Beginning of year balance	58,855	30,356	89,211
Depreciation	1,159	1,589	2,748
Disposals	-	(699)	(699)
End of year balance	60,014	31,246	91,260
Net	4,100	4,620	8,720
2016			
Cost			
Beginning of year balance	60,577	32,840	93,417
Additions	1,521	740	2,261
Disposals	(630)	-	(630)
End of year balance	61,468	33,580	95,048
Accumulated depreciation			
Beginning of year balance	58,097	28,812	86,909
Depreciation	1,388	1,544	2,932
Disposals	(630)	-	(630)
End of year balance	58,855	30,356	89,211
Net	2,613	3,224	5,837

8. Other credit balances

	2017	2016
	JD	JD
Accrued expenses	128,944	58,353
Income tax provision (*)	5,318	4,599
Total	134,262	62,952

(*) Movement of income tax provision during the year was as follows:

	2017	2016
	JD	JD
Balance-beginning of year	4,599	32,687
Provided during the year	5,318	4,599
Paid during the year	(4,599)	(32,687)
Balance-end of year	5,318	4,599

Final settlement has not been reached with Income Tax Department for years 2015 and 2016.

9. Capital

	2017		2016	
	Share	Capital	Share	Capital
	%	JD	%	JD
Ecu Line Hold Inv	45	22,500	-	-
Wafa'a Khalil Hanna Haddadin	55	27,500	55	27,500
Mostafa Yacoub Mostafa Kharoub	-	-	45	22,500
Total	100	50,000	100	50,000

10. Other (expenses) revenues, net

	2017	2016
	JD	JD
Currency differences	(9,734)	(9,063)
Recovery of provision	-	10,458
Other	-	145
Total	(9,734)	1,540

11. Administrative expenses

	2017	2016
	JD	JD
Salaries, wages and related benefits	325,585	353,216
Social security	38,368	39,267
Rent	27,586	19,900
Professional fees	21,451	13,128
Insurance	15,674	14,973
Communication	12,939	11,117
Travel and accommodation	9,875	6,232
Maintenance	7,719	6,275
Vehicles expenses	7,065	8,050
Fuel	6,557	5,643
Stationery and printings	5,255	6,725
Entertainment	4,943	3,409
Governmental fees	3,812	5,800
Bank charges	3,234	4,704
Water and electricity	2,985	9,264
Depreciation	2,748	2,932
Training	2,075	1,899
Subscriptions	1,475	7,337
Miscellaneous	1,037	755
Promotion and advertising	569	4,806
Total	500,952	525,432

12. Legal cases

According to the Company legal counselor's letter, there are cases raised against others amounting to JD 43,872 and there are cases raised against company amounting to JD 194,123 that are still outstanding in courts.

13. Contingent liabilities

The Company has contingent liabilities, at the statement of financial position date, for letters of guarantee amounting to JD 55,000 with a cash deposit of JD 11,750.

14. Risk management

a) Capital risk:

Regularly, the capital structure is reviewed and the cost of capital and the risks associated with capital are considered. In addition, capital is managed properly to ensure continuing as a going concern while maximizing the return through the optimization of the debt and equity balance.

b) Currency risk:

- Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.
- The risk arises on certain transactions denominated in foreign currencies, which imposes sort of risk due to fluctuations in exchange rates during the year.
- Certain procedures to manage the exchange rate risk exposure are maintained.
- Most of foreign currency transactions are in USD and Euro. The exchange rate of foreign currencies as following:

Description	Currency risk	Change rate	foreign currency amount	Local currency amount
Current account at a bank - USD	USD	0.708	30,250	21,417
Current account at a bank - Euro	Euro	0.841	3,041	2,557
Accounts payables	Euro	0.841	52,644	44,274

c) Interest rate risk:

- Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.
- The risk arises on exposure to a fluctuation in market interest rates resulting from borrowings and depositing in banks.
- The risk is managed by maintaining an appropriate mix between fixed and floating interest rates balances during the financial year.

d) Other price risk:

- Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market.
- The risk arises from investing in equity investments. However, this risk is insignificant since no active trading on these investments is occurred.
- The entity is not exposed to other price risk.

e) Credit risk:

- Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.
- Credit policies are maintained to state dealing with only creditworthy parties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.
- Regularly, the credit ratings of debtors and the volume of transactions with those debtors during the year are monitored.
- Ongoing credit evaluation is performed on the financial condition of debtors.
- The carrying amount of financial assets recorded in the financial statements represents the maximum exposure to credit risk without taking into account the value of any collateral obtained.

f) Liquidity risk:

- Liquidity risk is the risk of encountering difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.
- Liquidity risk is managed through monitoring cash flows and matching with maturity dates of the financial assets and liabilities.

- The following table shows the maturity dates of financial assets and liabilities as of December 31:

Description	less than one year		More than 1 year	
	2017	2016	2017	2016
	JD	JD	JD	JD
Financial assets:				
Cash and cash equivalents	149,150	25,710	-	-
Trade receivables	652,820	619,412	-	-
Other debit balances	36,540	18,549	-	-
Related parties Recievables	291,593	-	-	-
Checks on Hand	-	-	5,492	-
Total	1,130,103	663,671	5,492	-
Financial liabilities:				
Banks over draft	-	25,983	-	-
Trade payables	98,546	316,223	-	-
Other credit balances	128,944	58,353	-	-
Related parties Payable	627,082	-	-	-
Total	854,572	400,559	-	-

15. Standards and Interpretations issued but not yet effective

Up to the date of these financial statements, the following Standards and Interpretations were issued by the International Accounting Standards Board but not yet effective:

Standard or Interpretation No.	Description	Effective date
IFRS (9) - New	Financial Instruments.	Jan 1, 2018 or after
IFRS (15) - New	Revenue from contracts with customers.	Jan. 1, 2018 or after
IFRS (16) - New	Leases – all leases are being recognized in the statement of financial position, without distinctions between operating and finance leases.	Jan 1, 2019 or after
IFRS (17) - New	Insurance contracts.	Jan 1, 2021 or after
IFRIC No. (22)	Foreign currency transactions.	Jan 1, 2018 or after
IFRIC No. (23)	Uncertainty over income tax treatments.	Jan 1, 2019 or after

Management anticipates that the adoption of these Standards and Interpretations in current or future periods may not have material impact on the financial statements.

16. Reclassification

Certain 2016 balances have been reclassified to conform to the adopted classification in 2017.