شركـة وادي الشتا للاستثمارات السياحيـة ش.م.ع
Winter Valley Tourism Investment Company PLC

الرقم : 2017/5/4954
التاريخ :2017/5/15

To: Jordan Securities Commission
Amman Stock Exchange

Audited Financial Statements for the fiscal year ended 31/12/2016.

Attached the Audited Financial Statements of (Winter Valley Tourism Investment Company)for the fiscal year ended 31/12/2016.

Kindly accept our highly appreciation and respect

Winter Valley Tourism Investment Company

بورصة عمان
الدائـــرة الإدارية والمالية
الديـــوان
١٥ أيـــار ٢٠١٧
الرقم المتسلسل: 3144
رقم الملـــف: 31255
الجهة المختصة: [illegible]

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WINTER VALLEY FOR TOURISM INVESTMENT
PUBLIC SHAREHOLDING COMPANY

FINANCIAL STATEMENTS

31 DECEMBER 2016

Ernst & Young Jordan
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Jordan

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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Winter Valley for Tourism Investment Company – Public Shareholding Company
Amman - Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Winter Valley for Tourism Investment Company - Public Shareholding Company** (the Company), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's 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 in Jordan, 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.

Emphasis of a Matter

We draw attention to note (8) to the accompanying financial statements, that the Company's Board of Directors has recorded provisions related to unsupported transactions. In addition, the Board of Directors has resolved to perform a comprehensive review on these transactions in order to quantify the required amount of provisions. The company's management and its Board of Directors believe that the provision taken is adequate and will not exceed JD 83,184.

Material Uncertainty Related to Going Concern

The Company's current liabilities exceeded its current assets by JD 1,377,017 as at 31 December 2016, in addition the Company incurred losses of JD 1,886,210 during the year ended 31 December 2016 and the accumulated losses reached to JD 10,171,837 as at 31 December 2016. The Company's ability to recover its assets and to continue its operations is dependent on its ability to obtain the required funding and success of its operations, these financial statements have been prepared on a going concern basis. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter provided in that context. We have determined the matters described below to be the key audit matters to be communicated in our report. In addition to the matters described in the Emphasis of a Matter and Material Uncertainty Related to Going Concern paragraphs.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Revenue Recognition

We have considered revenue recognition as key audit matter as there is a risk of misstatement of revenue due to high volume of transactions. In addition, We focus on this area because there is a risk that billing to guests and customers may be done for services that are not rendered or services rendered but not billed or recorded and hence may result in an overstatement or understatement of revenue. The Company focuses on revenue as a key performance measure, which may create an incentive for revenue to be recognized before rendering the service.

How the Key audit Matter was addressed

We considered the appropriateness of the Company's revenue recognition accounting policies. We tested the Company's controls around revenue recognition and key controls in the revenue cycle. We performed analytical procedures for the gross margin for rooms and food and beverages departments.

Having built expectations about revenue figures for the year we performed substantive analytical procedures using financial and non-financial information. We selected and tested a sample of journal entries on revenue accounts.

Refer to note 5 of the financial statements for more details about the significant accounting policies related to the revenue recognition.

Other information included in the Company's 2016 annual report.

Other information consists of the information included in the annual report, other than the financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, 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.

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Auditor's 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 auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exist. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exist, 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period, and are therefore the key audit matters. We describe these matters in our auditor's report, unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonable be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts and the accompanying financial statements are in agreement therewith and we recommend approving them.

Ernst & Young / Jordan

Ernst + Young

Mohammad Ibrahim Al Karaki
Registration No. 882

Amman – Jordan
9 April 2017

WINTER VALLEY TOURISM INVESTMENT PUBLIC SHAREHOLDING COMPANY
STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Notes	2016	2015
ASSETS		JD	JD
Non-current assets -			
Property and equipment	5	11,297,757	11,633,350
Advance payments to redeem sold lands	6	218,119	218,119
		11,515,876	11,851,469
Current assets -			
Inventory	7	57,531	79,845
Accounts receivable	8	154,845	9,027
Other current assets	9	109,312	29,821
Cash on hand and at banks	10	63,845	501,578
		385,533	620,271
Total assets		11,901,409	12,471,740
EQUITY AND LIABILITIES			
Equity			
Paid- in capital	13	39,000,000	18,179,935
Share premium	13	350,000	350,000
Share discount	13	(19,067,815)	(3,660,967)
Statutory reserve	13	28,511	28,511
Accumulated losses		(10,171,837)	(8,128,639)
Total equity		10,138,859	6,768,840
Liabilities			
Non-current liabilities -			
Long term bank loans	11	-	4,503,692
Current liabilities			
Current portion of long term loans	11	638,776	445,672
Accounts payable		759,449	571,031
Other current liabilities	12	357,153	181,795
Due to related parties	17	7,172	710
		1,762,550	1,199,208
Total liabilities		1,762,550	5,702,900
TOTAL EQUITY AND LIABILITIES		11,901,409	12,471,740

The attached notes 1 to 22 form part of these financial statements

WINTER VALLEY TOURISM INVESTMENT PUBLIC SHAREHOLDING COMPANY
STATEMENT OF PROFIT OR LOSS
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		JD	JD
Departmental revenues -			
Rooms		912,885	699,936
Food and beverage		689,936	433,850
Other departments		46,367	49,478
		1,649,188	1,183,264
Departmental expenses -			
Rooms		(244,895)	(195,983)
Food and beverage		(588,440)	(361,924)
Other departments		(55,465)	(42,723)
Administrative departments		(1,541,366)	(1,635,481)
		(2,430,166)	(2,236,111)
Net operating loss		(780,978)	(1,052,847)
Expenses-			
Administrative expense	14	(217,740)	(221,493)
Depreciation		(654,453)	(652,027)
Interest income		7,839	13,327
Finance costs		(157,694)	(175,324)
Gain from sale of assets		-	7,650
Provision for doubtful debts	8	(83,184)	(2,000)
Loss for the year		(1,886,210)	(2,082,714)
Other comprehensive income items		-	-
Comprehensive income for the year		(1,886,210)	(2,082,714)
		Fils/JD	Fils/JD
Basic and diluted losses per share for the year	15	(0/086)	(0/115)

The attached notes 1 to 22 form part of these financial *statements*

Winter Valley Tourism Investment Public Shareholding Company
Statement of Changes in Equity
For the year ended 31 December 2016

	Paid in capital	Share premium	Share discount	Statutory reserve	Accumulated losses	*Total*
	JD	*JD*	*JD*	*JD*	*JD*	*JD*
Balance at 1 January 2016	18,179,935	350,000	(3,660,967)	28,511	(8,128,639)	6,768,840
Capital increase (note 1)	20,820,065	-	(15,406,848)	-	-	5,413,217
Comprehensive income for the year	-	-	-	-	(1,886,210)	(1,886,210)
Capital increase expenses	-	-	-	-	(156,988)	(156,988)
Balance at 31 December 2016	39,000,000	350,000	(19,067,815)	28,511	(10,171,837)	10,138,859
Balance at 1 January 2015	18,179,935	350,000	(3,660,967)	28,511	(6,023,728)	8,873,751
Comprehensive income for the year	-	-	-	-	(2,082,714)	(2,082,714)
Capital increase expenses	-	-	-	-	(22,197)	(22,197)
Balance at 31 December 2015	18,179,935	350,000	(3,660,967)	28,511	(8,128,639)	6,768,840

The attached notes 1 to 22 form part of these financial statements

WINTER VALLEY TOURISM INVESTMENT PUBLIC SHAREHOLDING COMPANY
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Notes	2016	2015
		JD	JD
OPERATING ACTIVITIES			
Loss of the year		(1,886,210)	(2,082,714)
Adjustments for:			
Depreciation		654,453	652,027
Gain from sale of assets		-	(7,650)
Finance costs		157,694	175,324
Interest income		(7,839)	(13,327)
Provision for doubtful debts		83,184	2,000
Working capital changes:			
Inventories		22,314	(20,928)
Accounts receivable		(229,002)	70,968
Other current assets		(79,491)	(8,490)
Accounts payable		188,418	(209,978)
Other current liabilities		175,358	(257,371)
Due to related parties		6,462	710
Due from related parties		-	712
Net cash flows used in operating activities		(914,659)	(1,698,717)
INVESTING ACTIVITIES			
Purchase of property and equipment		(318,860)	(242,073)
Proceeds from sale of property and equipment		-	7,650
Interest received		7,839	13,327
Net cash flows used in investing activities		(311,021)	(221,096)
FINANCING ACTIVITIES			
Bank loans		-	1,893,900
Repayment of loans		(4,310,588)	(20,872)
Paid finance costs		(157,694)	(175,324)
Capital increase expenses		(156,988)	(22,197)
Capital increase		5,413,217	-
Net cash flows from financing activities		787,947	1,675,507
Decrease in cash and cash equivalent		(437,733)	(244,306)
Cash and cash equivalents at the beginning of the year		501,578	745,884
Cash and cash equivalents at the end of the year	10	63,845	501,578

The attached notes 1 to 22 form part of these financial statements

(1) GENERAL

Winter Valley Tourism Investment Company public shareholding company ("the Company") was established on 29 August 2005 with paid up capital of JD 1,500,000 divided into 1,500,000 shares with par value of JD 1 per share.

During 2016, the company increased its capital by issuing 20,820,065 shares for subscription with par value JD 1 per share and share discount of JD 0.74 per share were the authorized and paid in capital has become JD 39,000,000 divided into 39,000,000 shares with par value JD 1 per share.

The company signed an agreement with a new operator (Ramada) on 10 July 2015 for managing the hotel which started its operation on 1 December 2015.

The objective of the company is to construct, own, operate, manage and invest in hotels and touristic resorts and residential and commercial buildings and to operate in everything related to or sub related to or from a part of hotels activities, tourism, commercial and residential buildings and owning and purchasing lands for development.

The financial statements were authorized for issuance by the Board of Directors in its meeting held on 9 April 2017. The financial statement requires the general assembly's approval.

(2) BASIS OF PREPARATION AND CHANGES IN ACCOUNTING POLICIES

Basis of preparation -

The financial statements are prepared in accordance with international financial reporting standards.

The financial statements are prepared under the historical cost convention.

The financial statements are presented in Jordanian Dinars, Which is the functional currency of the Company.

Changes in accounting policies-

The accounting policies used in the preparation of the financial statement are consistent with those used in the preparation of the annual financial statement for the year ended 31 December 2015, except to the following which started from 1 January 2016:

Equity Method in Separate Financial Statements (Amendments to IAS 27 and IFRS 1)
In August 2014, the IASB amended IAS 27 Separate Financial Statements which restore the option for entities, in the separate financial statements, to account for investments in subsidiaries, associates and joint ventures using the equity method as described in IAS 28 Investments in Associates and Joint Ventures. A consequential amendment was also made to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment to IFRS 1 allows a first-time adopter accounting for investments in the separate financial statements using the equity method, to apply the IFRS 1 exemption for past business combinations to the acquisition of the investment.

IAS 1 Presentation of Financial Statements – Amendments to IAS 1
The amendments to IAS 1 include narrow-focus improvements related to:

- Materiality
- Disaggregation and subtotals
- Notes structure
- Disclosure of accounting policies
- Presentation of items of other comprehensive income (OCI) arising from equity accounted investments

Investment entities (Amendments to IFRS 10 and IAS 28)
The amendments address the issues arising in practice in the application of the investment entities consolidation exception and clarify that:

- The exemption from presenting consolidated financial statements applies to a parent entity that is a subsidiary of an investment entity, when the investment entity measures all of its subsidiaries at fair value.
- Subsidiary that is not an investment entity itself and provides support services to the investment entity is consolidated. All other subsidiaries of an investment entity are measured at fair value.
- Application of the equity method by a non-investment entity that has an interest in an associate or joint venture that is an investment entity: The amendments to IAS 28 Investments in Associates and Joint Ventures allow the investor, when applying the equity method, to retain the fair value measurement applied by the investment entity associate or joint venture to its interests in subsidiaries.

Amendments to IAS 16 and IAS 38: Clarification of Acceptable Methods of Depreciation and Amortization

The amendments clarify the principle in IAS 16 and IAS 38 that revenue reflects a pattern of economic benefits that are generated from operating a business (of which the asset is part) rather than the economic benefits that are consumed through use of the asset. As a result, a revenue-based method cannot be used to depreciate property, plant and equipment and may only be used in very limited circumstances to amortize intangible assets.

Amendments to IFRS 11 Joint Arrangements: Accounting for Acquisitions of Interests

The amendments to IFRS 11 require that a joint operator accounting for the acquisition of an interest in a joint operation, in which the activity of the joint operation constitutes a business, must apply the relevant IFRS 3 principles for business combinations accounting. The amendments also clarify that a previously held interest in a joint operation is not remeasured on the acquisition of an additional interest in the same joint operation while joint control is retained. In addition, a scope exclusion has been added to IFRS 11 to specify that the amendments do not apply when the parties sharing joint control, including the reporting entity, are under common control of the same ultimate controlling party.

The amendments apply to both the acquisition of the initial interest in a joint operation and the acquisition of any additional interests in the same joint operation.

The implementation of the new amendments did not have impact on the Company's financial position.

(3) USE OF ESTIMATES

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

(4) SIGNIFICANT ACCOUNTING POLICIES

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line method (except land) using annual depreciation rates as follows:

	%
Buildings	2
Furniture and fixture	15
Vehicles	15
Machines and equipment	10 - 20
Computers & Software	25

When the recoverable amount of the property and equipments items are lower than its carrying value they are written down to their recoverable amount and the impairment is recorded in the statement of compressive income.

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

Inventories –

Inventories are valued at the lower of cost or net realizable value. Costs are those expenses incurred in bringing each item to its present location and condition and is determined using the weighted average method.

Non-current assets available for sale -

Property and equipment are classified as a non-current assets available for sale If the recovery of the carrying value will be through the process of sale rather than through continuing use and if they meet the following conditions:

- The management of the company is obliged to sell these assets within one year from the date of classification as non-current-assets available for sale.

- The selling process should be highly probable and the assets should be available for sale in its present condition.

Non-current-assets available for sale are recorded at the lower of the carrying value or fair value less cost to sell.

Property and equipment that have been classified as non-current available-for-sale are not depreciated.

Accounts receivable –

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of any amount is no longer probable.

Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents consists of cash on hand, bank balances, and short term deposits with an original maturity of three months or less, net of bank overdrafts.

Accounts payable and accruals

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

Loans

All loans are initially recognized at fair value of the consideration received less directly attributable transaction costs. After initial recognition, loans are subsequently measured at amortized cost using the effective interest method.

Borrowing costs

Direct borrowing directly attributable to the acquisition, construction or production of an asset that necessarily takes substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the assets. All other borrowing costs are recognized as an expense in the period in which they are incurred. borrowing cost consist of interest and other costs incurred by the Company in connection with obtaining the loan.

Provisions
Provisions are recognized when the Company has a present obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and can be reliably measured.

Revenue recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Hotel's revenues are recognized upon rendering of services or sales of food and beverages to guests.

Interest revenue is recognized on an tine basis to reflect the effective interest.

Other revenues are recognized on an accrual basis.

Income tax
Current income tax is calculated in accordance with the Income Tax Law applicable in the Hashemite Kingdom of Jordan.

Current tax is calculated based on taxable profits, which may differ from accounting profits published in the statement of comprehensive income. Accounting profits may include non-taxable profits or expenses which may not be tax deductible in the current but in subsequent financial years.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date. All differences are taken to the income statement.

5) PROPERTY AND EQUIPMENT –

2016-	Lands	Buildings	Furniture and fixtures	Vehicles	Machinery and equipment	Computers & Software	Total
	JD		JD	JD	JD	JD	JD
Cost							
At 1 January 2016	307,614	10,047,682	1,447,360	143,473	1,614,923	245,254	13,806,306
Additions	-	288,728	5,632	24,500	-	-	318,860
At 31 December 2016	307,614	10,336,410	1,452,992	167,973	1,614,923	245,254	14,125,166
Accumulated depreciation							
At 1 January 2016	-	630,753	708,378	83,106	536,881	213,838	2,172,956
Depreciation for the year	-	223,256	217,144	22,440	160,197	31,416	654,453
At 31 December 2016	-	854,009	925,522	105,546	697,078	245,254	2,827,409
Net book value							
At 31 December 2016	307,614	9,482,401	527,470	62,427	917,845	-	11,297,757

2015-	Lands	Buildings	Furniture and fixtures	Vehicles	Machinery and equipment	Computers and Software	Total
	JD		JD	JD	JD	JD	JD
Cost							
At 1 January 2015	307,614	9,894,278	1,396,671	162,973	1,576,943	245,254	13,583,733
Additions	-	153,404	50,689	-	37,980	-	242,073
Disposals	-	-	-	(19,500)	-	-	(19,500)
At 31 December 2015	307,614	10,047,682	1,447,360	143,473	1,614,923	245,254	13,806,306
Accumulated depreciation							
At 1 January 2015	-	431,954	496,657	81,085	377,986	152,747	1,540,429
Depreciation for the year	-	198,799	211,721	21,521	158,895	61,091	652,027
Disposals	-	-	-	(19,500)	-	-	(19,500)
At 31 December 2015	-	630,753	708,378	83,106	536,881	213,838	2,172,956
Net book value							
At 31 December 2015	307,614	9,416,929	738,982	60,367	1,078,042	31,416	11,633,350

(6) ADVANCE PAYMENTS TO REDEEM SOLD LANDS

During 2008, the company signed an agreement to sell 7 land lots located at Swiemeh using irrevocable proxy by the amount of JD 480,000. There was a dispute between the company and the other party to this agreement, were the parties reached to a settlement agreement through the court by which the company will recover 3 land lots out of the 7 sold by an amount of JD 218,119 which was paid during 2014. The Land lots were not transferred to the company due to unpaid fines due to Department of Lands. The judge decided that land registration fees should be paid by the other party as part of this settlement agreement.

(7) INVENTORY

	2016	2015
	JD	JD
Food	21,136	23,045
Beverage	8,393	12,975
Consumed items	19,532	33,972
Other	8,470	9,853
	57,531	79,845

(8) ACCOUNTS RECEIVABLES

	2016	2015
	JD	JD
Accounts receivable	267,440	41,592
Allowance for doubtful debts	(112,595)	(32,565)
	154,845	9,027

The movement of allowance for doubtful debts is as follows:

	2016	2015
	JD	JD
Beginning balance	32,565	30,565
Provision for the year*	83,184	2,000
Used during the year	(3,154)	-
Ending balance	112,595	32,565

The Company's Board of Director's has requested to record provisions related to unsupported transactions. In addition, the Board of Directors has resolved to perform a comprehensive review on these transactions in order to quantify the required amount of provisions. The board of directors has approved the booking of such provisions in order to protect the interests of the shareholders and the company and will take corrective measures when the outcome of the review is finalized. The company's management and its Board of Directors believe that the taken provision is adequate and will not exceed JD 83,184.

At 31 December, the aging of the unimpaired receivables was as follows:

		Past due but not impaired receivables					
	Neither past due nor impaired	1-30 Days	31-60 Days	61-90 Days	91-120 Days	> 121 days	Total
		JD	JD	JD	JD	JD	JD
2016	86,582	11,589	28,274	25,751	1,116	1,533	154,845
2015	1,191	1,912	1,418	818	751	2,937	9,027

The management of the Company expects to fully collect its not impaired receivables, the Company does not obtain guarantees against receivables therefore they are not guaranteed

(9) OTHER CURRENT ASSETS

	2016	2015
	JD	JD
Prepaid expenses	73,816	21,598
Advanced to suppliers	16,000	-
Refundable deposits	662	1,032
Other	18,834	7,191
	109,312	29,821

(10) CASH ON HAND AND AT BANK

	2016	2015
	JD	JD
Cash on hand	7,030	6,257
Current account	28,486	85,341
Call deposits*	28,329	409,980
	63,845	501,578

* Cash at banks include call deposits with annual interest ranging from 2,9% to 3,4%.

(11) LOANS

This item represents the utilized credit facilities from the following banks:

	2016			2015		
	Loans installments			Loans installments		
Bank	Short term	Long term	Total	Short term	Long term	Total
	JD	JD	JD	JD	JD	JD
Blom bank (1)	5,882	-	5,882	20,872	5,882	26,754
Blom bank (2)	-	-	-	424,800	2,603,910	3,028,710
Gandoul for investment company (Related party)	632,894	-	632,894	-	1,893,900	1,893,900
	638,776	-	638,776	445,672	4,503,692	4,949,364

BLOM BANKS LOAN (1)

During 2012, the company obtained a series of loans from BLOM bank by the amount of JD 133,508 to finance the purchase of cars with annual interest rate ranging from 5% to 5, 75%, These loans are repayable on 60 equal monthly installments for each loan. The first installment was due on 31 March 2012, The last installment is due on 3 May 2017.

BLOM BANK LOAN (2)

During 2010, the company obtained a loan from BLOM bank by the amount of USD 5,000,000 equivalent to JD 3,543,000 in order to complete the final finishing work for Winter Valley – Dead Sea resort and purchase the necessary equipment and financing it's working capital with interest rate of six months LIBOR plus 3,5% and with minimum rate of 5%. The loan will be repaid on 20 equal quarterly installments by the amount of USD 250,000 equivalent to JD 177,150. The first installment was due on 25 July 2015, the last installment is due on 25 July 2018. On 19 January 2016, the company signed agreement to reschedule the repayment of the loan and its related interest amounted to USD 4,275,000 equivalent to JD 3,026,700 the loan will be repaid on 75 monthly installments with interest rate of six months LIBOR plus 4% with a minimum rate of 5.5% annually. The first installment was due on 25 January 2016. On 13 January 2016, the company repaid the complete balance of the loan from the loan received from Gandoul for Investment Company.

The company has mortgaged the land of the hotel in favor to the Bank.

Gandoul for investments Company

On 26 April 2015, the company signed a short loan term agreement with Gandoul for Investment Company by the amount of USD 4,500,000 with 3% annual interest rate. The loan amount was used for paying all the company's liabilities. The loan will be paid together with its interests in one payment after one year from its withdrawal.

(12) OTHER CREDIT BALANCES

	2016	2015
	JD	JD
Contractors retention	1,397	1,397
Shareholders payable	15,859	15,859
Accrued expenses	129,978	34,591
Social Security payable	8,046	56,038
Income tax provision	41,832	25,074
Sales tax payable	135,319	13,327
Service tax payable	7,909	20,609
Other	16,813	14,900
	357,153	181,795

(13) EQUITY

Paid in capital

The company has an authorized capital of JD 39,000,000 and paid in capital of JD 39,000,000 divided into 39,000,000 shares as of 31 December 2016 with par value JD 1 per share.

Share Premium

The share premium represents the excess amount of the par value of the subscribed shares.

Share Discount

The shares discount represents the amount of the decrease in the par value of the subscribed shares.

Statutory Reserve

The amounts collected under this heading represent 10% of the annual profit before tax during the years in accordance with the Companies Law and it is not available for distribution to shareholders.

(14) ADMINISTRATIVE EXPENSES

	2016	2015
	JD	JD
Salaries and wages	14,400	24,563
Company's contribution in social security	1,980	2,377
Governmental Expenses	17,972	20,605
Electricity and water	1,195	1,373
Insurance	32,560	29,271
Mail and telephone	1,917	2,638
Maintenance	1,007	3,941
Professional fees	82,336	77,231
Rent	36,306	37,941
Other	28,067	21,553
	217,740	221,493

(15) BASIC AND DILUTED LOSSES PER SHARE FOR THE YEAR

	2016	2015
	JD	JD
Losses for the year (JD)	(1,886,210)	(2,082,714)
Weighted average number of shares (shares)	21,932,772	18,179,935
	(Fils/JD)	(Fils/JD)
Basic shares losses for the year	(0/086)	(0/115)

The diluted shares of losses for the year are equal to the basic shares.

(16) INCOME TAX

Income tax provision was not calculated on the operations results of the company for the year ended 31 December 2016 and 31 December 2015, in accordance to the income tax law (34) for the year 2014 due to the excess of acceptable tax expenses over taxable revenues.

The company received final clearance from the income tax department until the end of the year 2011. The income tax department did not review the tax returns for the years 2012, 2013, 2014, 2015 until the date of preparation of these financial statements.

(17) RELATED PARTY TRANSACTIONS

Related parties transactions represent subsidiary companies, major shareholders, directors and key management personnel of the Company.

Transactions with related parties included in the statement of financial position are as follows:

	2016	2015
Due to related parties-	JD	JD
Due to the operator- Ramada	7,172	710

	2016	2015
Loans-	JD	JD
Gandoul for Investment Company (Note11)	632,894	1,893,900

(18) Contingent Liabilities

BANK GUARANTEES-

The company has bank guarantees as of 31 December 2016 amounted to JD 1,500 (2015: JD 300)

LAW SUITS –

The company has a number of lawsuits raised against it by the amount to JD 17,250 generated from its normal course of business. The management and its legal consultants believe that no obligation may rise from these lawsuits.

OPERATING LEASE COMMITMENTS –

As of 31 December, the company has future commitments in the form of operating lease contracts. The minimum operational lease payments are as follows:

	2016	2015
	JD	JD
For one year	37,040	37,040

(19) Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at bank, accounts receivables and some of the other current assets. Financial liabilities consist of accounts payable, loans and some of the other current liabilities.

The fair values of financial instruments are not materially different from their carrying values.

(20) Risk Management

Interest rate risk

The Company is exposed to interest rate risk, as there are significant interest bearing assets or liabilities such as loans and bank deposits.

The following table illustrate the sensitivity of the profit or loss statement over interest changes as of 31 December:

2016 -

	Interest rate increase	*Effect on the current year loss*
	(Basis point)	JD
JD	5	29
USD	5	3,164

2015 -

	Interest rate increase	*Effect on the current year loss*
	(Basis point)	JD
JD	5	134
USD	5	24,613

In the case of a negative change, the effect will be equal to the change above with the opposite effect.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company is exposed to credit risk on its bank balances.

The company believes it is not exposed to significant credit risk as it sets limits to its customers and monitors the outstanding receivable regularly. In addition, the Company maintains its cash balances and deposits in reputable financial institutions.

The company offers its service to a large number of customers, which no customer exceeds 10% of the accounts receivable as of 31 December 2015 and 2016.

Liquidity risk
The Company limits its liquidity risk by ensuring bank facilities are available when needed.

The table below summarises the maturities of the Company's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	Less than 3 months	*3 to 12 months*	*1 to 5 years*	*Total*
	JD	JD	JD	JD
Year ended 31 December 2016				
Accounts payable	449,007	282,757	27,685	759,449
Other current liabilities	129,966	207,834	19,353	357,153
Loans	-	657,910	-	657,910
Total	578,973	1,148,501	47,038	1,774,512
Year ended 31 December 2015				
Accounts payable	337,609	212,605	20,817	571,031
Other current liabilities	161,365	10,579	9,851	181,795
Loans	116,980	351,338	4,949,120	5,417,438
Total	615,954	574,522	4,979,788	6,170,264

Currency risk
Most of the company's transactions are in Jordanian Dinar and US dollars. The Jordanian Dinar is pegged to the US Dollar (USD 1.41 for 1 JD). Accordingly to the company is not exposed to significant currency risk

(21) Capital Management

The primary objective of the Company's capital management is to ensure that it maintains capital ratios in order to support its business and maximize shareholder value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions.

The items included in the capital structure consist of paid in capital , share premium, share discount, statutory reserve and accumulated losses totaling JD 10,036,087 as of 31 December 2016 (2015: JD 6,768,840).

(22) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

IFRS 9 Financial Instruments

During July 2014, the IASB issued IFRS 9 "Financial Instruments" with all the three phases. IFRS 9 sets out the requirements for recognizing and measuring financial assets, financial liabilities and some contracts to buy or sell non-financial items. IFRS 9 replaces IAS 39 "Financial Instruments: Recognition and Measurement". IFRS 9 as issued in July 2014 will be implemented at the mandatory date on 1 January 2018, which will have an impact on the recognition and measurement of financial assets.

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17.
Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

IAS 7 Disclosure Initiative – Amendments to IAS 7

The amendments to IAS 7 Statement of Cash Flows are part of the IASB's Disclosure Initiative and require an entity to provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes. On initial application of the amendment, entities are not required to provide comparative information for preceding periods. The amendments will be effective for annual periods beginning on or after 1 January 2017, with early application permitted. The application of amendments will result in adding limited amount of disclosure information.

IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.

Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss at the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

Transfers of Investment Property (Amendments to IAS 40)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the de-recognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognizes the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed.