الشركة النموذجية للمطاعم م.ع.م. | Model Restaurants Company

To: Jordan Securities Commission Amman Stock Exchange Date:-18/06/2017. Ref:-MRC07-06-017. **Subject:** Audited Financial Statements for the fiscal year ended 31/12/2016.	السادة هيئة الأوراق المالية المحترمين السادة بورصة عمان المحترمين التاريخ:-18 /2017/06. الإشارة:- MRC07-06-017 **الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 2016/12/31**
Attached the Audited Financial Statements of (Model Restaurant Company)In English for the fiscal year ended 31/12/2016.	مرفق طيه نسخة من البيانات المالية المدققة لشركة (النموذجية للمطاعم) باللغة الانجليزية عن السنة المالية المنتهية في 2016/12/31 .
Kindly accept our high appreciation and respect Model Restaurant Company General Manager's Signature N. Abu...	وتفضلوا بقبول فائق الاحترام،،، الشركة النموذجية للمطاعم م.ع.م توقيع المدير العام N. Abu...

الشركة النموذجية للمطاعم م.ع.م | Model Restaurants Company

هيئة الأوراق المالية
الدائرة الادارية / الديوان
١٩ حزيران ٢٠١٧
الرقم المتسلسل ....
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MODEL RESTAURANT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED FINANCIAL STATEMENTS
31 DECEMBER 2016

CONTENT

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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS
MODEL RESTAURANT GROUP
PUBLIC SHAREHOLDING COMPANY
AMMAN, JORDAN

Qualified Opinion

We have audited the consolidated financial statements of the Model Restaurant Group, which comprise the consolidated statement of the financial position as of 31 December 2016, the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the "Basis for Qualified Opinion" section of our report, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Model Restaurant Group as of 31 December 2016, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

Basis for Qualified Opinion

We were not provided with a financial statement of Asia Tourism Restaurants Company as of 31 December 2016. Therefore, the consolidated financial statements of the Group did not include the Company's financial statements. The Board of Directors of the Group considers that the decision of the previous Boards of Directors to consolidate the financial statements of Asia Tourism Restaurants from the date of acquisition on 14 July 2011 is incorrect and there is no control over the Company by the Group. The Group has no knowledge of its accounting records and has no information on the relative importance of the Company's financial statements and their impact on the Group's consolidated financial statements as at 31 December 2016. Due to the lack of sufficient information, Therefore, we were unable to determine the impact of the Group's consolidated financial statements, and were also unable to verify these amounts by performing alternative audit procedures on the consolidated statement of financial position, and on the consolidated statement of comprehensive income for the year ended 31 December 2016.

As stated In Note (5), and Note (6) to the consolidated financial statements, the Group reached a settlement of the Gulf General Investment Company During the year 2015 for investment properties / lands in the United Arab Emirates in Scilicon Wadi area, number 1344 and 1215, the land number 1344 was registered into favor of Model Jordanian DMCC on 15 July 2015 under a utility right up to 15 August 2103 which was sold in 2016. In addition to the land number 1171 was registered in place of land number 1215 as a result of settlement the Gulf General Investment Company dues. the Group's did not re-evaluate its investment property by real state evaluators and perform impairment testing as of 31 December 2016. We were unable to determine the impact of the Group's consolidated financial statements, and were also unable to verify these amounts by performing alternative audit procedures on the consolidated statement of financial position, and on the consolidated statement of comprehensive income for the year ended 31 December 2016.

As stated In Note (16) to the consolidated financial statements, the Income and Sales Tax Department reviewed, the Group's records for the year 2008. The review resulted in tax differences of approximately JD 2 223 484. Consequently, the Group filed a lawsuit objecting to the review, decision by the Tax Court of First Instance was issued to oblige the Group, the Income Tax Court of Appeal adopted the report on 17 March 2014, and Court of Cassation adopted the report on 25 August 2014. Accordingly, the Group should pay the claim with a penalty of 4% every week delay in payment with full payment, the Group's did not settle or offset any provision against this obligation.

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As stated In Note (9), and Note (28) to the consolidated financial statements, we were unable to verify other debit balances, due from related parties, and due to related parties with amounted respectively of JD 251 406, JD 63 709, and JD 519 870, We were not provided with fundamental settlement of these accounts, Therefore, we were unable to determine the impact of the Group's consolidated financial statements, and were also unable to verify these amounts by performing alternative audit procedures on the consolidated statement of financial position, and on the consolidated statement of comprehensive income for the year ended 31 December 2016.

We conducted our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated financial statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements in Jordan that are relevant to our audit of the Group financial statements, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material Uncertainty Related to Going Concern

Without further qualification in our opinion, as stated In Note (29), to the consolidated financial statements which state the financial statements of the Group have been prepared based on the fact that the Group has the ability and intent to continue as a going concern. The accumulated losses have reached a total amount of JD 20 061 463 Moreover, it's current liabilities exceeded its current assets by JD 5 455 981 as of 31 December 2016. these losses cast significant doubt on the Group ability to continue as a going concern. The management of the Group create available financial resources when needed and through the Group's operation, based on that, the management foresees no issues in meeting the current liabilities when these liabilities due. The Group's management opinion, there is no doubt from the Group ability to continue as a going concern with shareholders will continue to provide the necessary financial support to the Group to continues its operational activities and the ability to meet its obligations when these liabilities due. In this regard, the Group's management has prepared a new plan to address the risk of sustainability.

Emphasis of Matter

Without further qualification in our opinion, as stated In Note (16), to the consolidated financial statements, The Group has received a claim from the Income and Sales Tax Department for JD 2 180 010, In addition to an added tax of JD 523 202 for the year 2008 resulted from selling lands in the United Arab Emirates. Consequently, the Group filed a lawsuit objecting to the review, decision by the Tax Court of First Instance was issued to compulsion the Group from the obligation, the Court of Appeal was issued to reject the decision by the Tax Court of First Instance, and the lawsuit is still before the Tax Court of Appeal. The expected results of the issue cannot be reliably determined at present; therefore, no provision has been booked for any possible effects on the Group.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters:

Property, plant and equipment

Property, plant and equipment net book value totaling JD 4 142 276 as of 31 December 2016, the Group has to review the useful life and depreciation method and perform and impairment test to the reported amount of property and equipment in the financial position, and in case of any impairment indications in the recoverable amount, the losses are calculated according to the impairment method in which the Group determines the impairment in property and equipment by using assumptions and evaluations (if any).Consequently, Property, plant and equipment was significant to our audit.

Scope of Audit to Address the Risk

The Auditing procedures included examining the control procedures used in the assertion of existence and completeness and reviewing the purchases and sells of property, and the basis of depreciation calculation, inspection matching as in ascertaining the procedures and there is no decline in value through evaluating the assumption and the efficiency of disclosures the Group used for the property and equipment.

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Other matter
The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements which are in the Arabic language to which reference should be made.

Other Information
Management is responsible for the other information. The other information comprises of the information stated in the Annual Report and does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information when it becomes available to us and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Responsibilities of Management and Those Charged with Governance for 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 as management determines is necessary to enable the preparation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group 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 Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group financial reporting process.

Auditor's Responsibilities for the Audit of the consolidated Financial Statements
Our objectives are to obtain reasonable assurance about whether the consolidated 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 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 they, individually or in the aggregate, could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 Group 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group 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 consolidated 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 Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit and we remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any material 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 consolidated financial statements of the current year and are therefore the key audit matters. We describe these matters in our auditor's report unless law and regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records, duly organized and in line with the accompanying consolidated financial statements, and we recommend that they be approved by the General Assembly shareholders these financial statements, taking into consideration the possible effect of what is mentioned under the "Basis for Qualified Opinion" section and the effect of what is mentioned under the "Emphasis of a Matter" section.

Amman – Jordan
6 April 2017

المجموعة المهنية العربية · محاسبون قانونيون
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RSM Jordan · Certified Public Accountants

MODEL RESTAURANT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
31 DECEMBER 2016

Assets	Notes	2016 JD	2015 JD
Non - Current Assets			
Property, plant and equipment	3	4 142 276	4 553 055
Intangible assets	4	553 476	611 785
Investments properties	5	6 353 583	3 441 760
Long term accounts receivable	6	-	6 353 583
Long term prepaid rent	7	662 618	740 377
Projects under construction	8	22 464	-
Total Non - Current Assets		**11 734 417**	**15 700 560**
Current Assets			
Other debit balances	9	879 707	826 851
short term prepaid rent	7	281 549	450 189
Inventory	10	1 101 079	852 915
Due from related parties	28	71 908	14 798
Checks under collection		-	11 600
Cash and cash equivalents	11	36 186	346 586
Total Current Assets		**2 370 429**	**2 502 939**
Total Assets		**14 104 846**	**18 203 499**
Liabilities and Equity			
Equity	12		
Share capital		25 000 000	25 000 000
Statutory reserve		159 119	159 119
Accumulated losses		(24 061 463)	(20 984 242)
Total Equity		**1 097 656**	**4 174 877**
Liabilities			
Non - Current Liabilities			
Long term loans	13	1 129 079	74 813
Long term Due to related parties	28	3 182 300	2 849 699
Long term postdated checks	13	869 401	876 953
Total Non - Current Liabilities		**5 180 780**	**3 801 465**
Current Liabilities			
Short term loan	13	1 078 079	2 491 548
Other credit balances	14	1 373 553	1 937 366
Short term Due to related parties	28	581 277	657 228
Accounts payable	15	615 605	2 068 664
short term postdated checks	13	2 169 099	1 056 608
Banks overdraft	13	2 008 797	2 015 743
Total Current Liabilities		**7 826 410**	**10 227 157**
Total Liabilities		**13 007 190**	**14 028 622**
Total Liabilities and Equity		**14 104 846**	**18 203 499**

The accompanying notes from 1 to 31 are an integral part of these consolidated financial statements

MODEL RESTAURANT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
31 DECEMBER 2016

	Notes	2016 JD	2015 JD
Sales	17	6 231 649	6 453 260
Food and beverage	18	(2 654 334)	(2 518 427)
Operating expenses	19	(4 635 790)	(4 797 618)
Franchise fees	20	(393 668)	(409 795)
Gross losses		**(1 452 143)**	**(1 272 580)**
Marketing expenses	21	(368 270)	(153 139)
Administration expenses	22	(675 716)	(1 186 799)
Provision for impairment – Investments properties	5	-	(1 100 000)
Financing expenses		(536 720)	(654 523)
Bad debts accounts		-	(34 828)
(Other expenses) Other revenue	23	(44 372)	43 962
Loss and comprehensive income for the year		**(3 077 221)**	**(4 357 907)**
Basic and diluted loss per share		**(JD 0.123)**	**(JD 0.174)**

The accompanying notes from 1 to 31 are an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2016

	Share capital JD	Statutory reserve JD	Accumulated losses JD	Total JD
Balance at 31 December 2014	25 000 000	159 119	(16 626 335)	8 532 784
Loss and comprehensive income for the year	-	-	(4 357 907)	(4 357 907)
Balance at 31 December 2015	**25 000 000**	**159 119**	**(20 984 242)**	**4 174 877**
Loss and comprehensive income for the year	-	-	(3 077 221)	(3 077 221)
Balance at 31 December 2016	**25 000 000**	**159 119**	**(24 061 463)**	**1 097 656**

The accompanying notes from 1 to 31 are an integral part of these consolidated financial statements

MODEL RESTAURANT GROUP
PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
31 DECEMBER 2016

	Notes	2016 JD	2015 JD
Operating activities			
Loss and comprehensive income for the year		(3 077 221)	(4 357 907)
Adjustments for:			
Depreciation and Amortisation	3,4	575 241	565 323
Provision for impairment – Investments properties	5	-	1 100 000
Financing expenses		536 720	654 523
Gain from sale of Property, plant and equipment		-	(690)
Projects under construction		-	43 750
Changes in operating assets and liabilities			
Account receivables		-	156 405
Advance payment for purchase Investments		-	61 084
Other debit balances		(52 856)	(44 558)
Prepaid rent		246 399	17 083
Inventory		(248 164)	412 200
Due from related parties		(57 110)	-
Checks under collection		11 600	(11 600)
Other credit balances		(563 813)	172 491
Accounts payable		(1 453 059)	329 292
Net cash used in operating activities		**(4 082 263)**	**(902 604)**
Investing activities			
Purchase of Property, plant and equipment	3	(95 333)	(515 591)
Sale of Property, plant and equipment		-	6 326
Sale of Investments properties		3 441 760	-
Intangible assets	4	(10 820)	(28 400)
Projects under construction	8	(22 464)	(2 000)
Net cash from (used in) investing activities		**3 313 143**	**(539 665)**
Financing activities			
Due to related parties		256 650	211 312
Loans		(359 203)	2 081 734
postdated checks		1 104 939	(316 521)
Bank overdraft		(6 946)	170 771
Paid financing expenses		(536 720)	(654 523)
Net cash from financing activities		**458 720**	**1 492 773**
Net change in cash and cash equivalents		**(310 400)**	**50 504**
Cash and cash equivalents at 1 January	11	346 586	296 082
Cash and cash equivalents at 31 December	11	**36 186**	**346 586**

The accompanying notes from 1 to 31 are an integral part of these consolidated financial statements

1) General

The Company was registered at the Ministry of Industry and Trade as a Jordanian public shareholding company under No. (439) on 26 June 2007. The share capital is JD 25 000 000

The Company's main activities are to manage, and own and establish tourist restaurants of all sorts and provide services to restaurants in accordance with prevailing laws and regulations.

The accompanying consolidated financial statements were approved by the Board of Directors in its meeting on 6 April 2017 and are subject to the approval of the General Assembly of Shareholders.

2) Significant Accounting Policies

Basis of preparation of the financial statement
The accompanying financial statements of the Group have been prepared in Accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and their related interpretations issued by IASB.

The financial statements are prepared using the historical cost principle.

The Financial statements are presented in Jordanian Dinars, which is the functional currency of the Group.

The accounting policies adopted for the current year are consistent with those applied in the year ended 31 December 2015 except for what is stated in note (30 A) to the financial statements.

Principles of consolidation
The consolidated financial statements comprise of the financial statements of the Company and its subsidiaries where the Company has the power to govern the financial and operating policies of the subsidiaries to obtain benefits from their activities. The financial statements of the subsidiaries are prepared for the same reporting year as the Company using consistent accounting policies. All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases.

The results of operations of the subsidiaries are consolidated in the income statements from the acquisition date, which is the date on which control over subsidiaries is transferred to the Company. The results of operation of the disposed subsidiaries are consolidated in the income statement to the disposal date, which is the date on which the Company loses control over the subsidiaries

The following subsidiaries have been consolidated:

	Share capital		Ownership percentage %	Principle activity
The Jordan American Food	JD	1 000 000	%100	Catering Services
Model Investment for Projects Development	JD	15 000	%100	Projects Development
Asia Tourism Restaurants	JD	15 000	%100	Catering Services
Model Jordanian DMCC	AED	50 000	%100	Restaurant Management
The Jordanian First for Restaurants Investment	JD	1 000	%100	Catering Services

Segment reporting
Business segments represent distinguishable components of the Group that are engaged in providing products or services which are subject to risks and rewards that are different from those of other segments and are measured based on the reports sent to the chief operating decision maker.

Geographical segments are associated to products and services provided within a particular economic environment, which are subject to risks and rewards that are different from those of other economic environments.

Property and Equipment
Property and equipment are stated at cost net of accumulated depreciation and any impairment loss in its value, Moreover Property and Equipment (except for land) are depreciated according to the straight- line method over the estimated useful lives when ready for use of these assets using the following annual rates.

	%
Building Improvement	2 - 10
Furniture	9 - 20
Kitchen equipment	10 - 12
Electric equipment	15 - 20
Computers equipment	15
Vehicles	20
Tools and equipment	10
Advertising boards	10
Air Coolers	10
Play area equipment	10

• When the carrying amount of property and equipment exceeds their recoverable value, assets are written down and impairment loss is recorded in the consolidated statement of income.
• The useful lives of property and equipment are reviewed at the end of each year, in case the expected useful life is different from what was determined before the change in estimate is recorded in the following years being a change in estimates.
• Property and equipment are derecognized when disposed or when there is no expected future benefit from their use.

Intangible Assets
Intangible assets, which have finite useful lives, are amortised over their useful lives. Amortisation
is recognized in the statement of profit or loss and other comprehensive income; however, intangible assets without definite useful lives should not be Amortised and are required to be tested for impairment as of the date the financial statement. Impairment loss shall be recognized in the statement of statement of profit or loss and other comprehensive income.

Intangible assets arising from Group operation are not capitalized and should be recognized in the statement of profit or loss and other comprehensive income when incurred.

Intangible assets are assessed at each reporting date to determine whether there is any objective evidence that they are impaired as well as the useful lives of the intangible asset are annually reassessed and any adjustments raised are recognized in the subsequent years.

The Amortisation expense is recognized in the statement of comprehensive income on a straight-line basis over the estimated useful life of each item of intangible assets. Intangible assets are stated at cost less accumulated Amortisation and any accumulated impairment losses. They are Amortised annually as follows

	%
Entrance Fees	20
Computer software	10
Franchise right	5

Projects under construction

Projects under construction are stated at cost, which represents cost of constructions, equipment and direct costs. Projects under construction are not depreciated until they become ready for use where it is transferred to property and equipment or investment properties.

Inventories

Inventories are valued at cost (weighted average costing) *or* net realizable value whichever is lower. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Accounts Receivable

Accounts receivable are stated at net realizable value after deducting a provision for doubtful debts.

A provision for doubtful debts is booked when there is objective evidence that the Group will not be able to recover whole or part of the due amounts at the end of the year. When the Group collects previously written-off debts, it recognizes the collected amounts in other revenues in the consolidated statement of income and comprehensive income. Furthermore, revenue and commission from doubtful debts are suspended and recognized as revenue upon collection.

Moreover, debts are written-off when they become uncollectible or are derecognized

Cash and cash equivalents

Cash and cash equivalents comprise cash on, and balances at banks and deposits at banks maturing within three months, less bank overdrafts and restricted balances.

Fair value

Fair value represents the closing market price (Assets Purchasing / Liabilities Selling) of financial assets and derivatives on the date of the consolidated financial statements.

In case declared market, prices do not exist active trading of some financial assets and derivatives is not available or the market is inactive fair value is estimated by one of several methods including the following:

- Comparison with the fair value of another financial asset with similar terms and conditions.
- Analysis of the present value of expected future cash flows for similar instruments.
- Adoption of the option pricing models.
- Evaluation of long-term assets and liabilities that bear no interest through discounting cash flows and Amortising premium / discount using the effective interest rate method within interest revenue / expense in the consolidated statement of income.

The valuation methods aim to provide a fair value reflecting the market's expectations taking into consideration the market expected risks and expected benefits when the value of the financial assets. When the financial assets fair value can't be reliably measured, they are stated at cost less any impairment.

Trade payables and Accruals

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Offsetting

Financial assets and financial liabilities are offset, the net amount is presented in the statement of financial position only when there is a legal right to offset the recognized amounts, and the Group intends to either settle them on a net basis or to realize the assets and settle the liabilities simultaneously.

Provisions

Provisions are recognized when the Group has an obligation as of the date of the financial statements as a result of past events, the obligation is likely to be settled, and a reliable estimate can be made of the amount of the obligation.

Provision for employees' end-of-service indemnity

The required provision for end-of-service indemnity for the year is recorded in the consolidated statement of income while payments to departing employees are deducted from the provision amount, Indemnities paid in excess of the provision is taken to the consolidated statement of income upon payment while the required provision for end-of-service indemnities for the year is recorded in the consolidated statement of income.

Revenue recognition

Revenues are recognized upon rendering services and issuance of invoice.
Dividends are recognized when the shareholders' right to receive payment is established.
Rental income is recognized on a straight-line basis over
The lease term as other income.
Other revenues are recognized on an accrual basis.
Expenses are recognized on an accrual basis.

Related parties

Transactions with related parties represent transfer of resources, services, or obligations between related parties. Terms and conditions relating to related party transactions are approved by management

Income Taxes

Income tax expenses represent current and deferred taxes for the year.

Income tax expense is measured based on taxable income. Taxable income differs from income reported in the financial statements, as the latter includes non-taxable revenue, tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses approved by tax authorities and items not accepted for tax purposes or subject to tax.

Taxes are calculated based on the enacted tax rates according to the prevailing laws, regulations and instructions of The Hashemite Kingdom of Jordan.

Deferred taxes are Taxes expected to be incurred or recovered as a result of temporary timing differences between the value of the assets and liabilities in the financial statements and their respective tax basis. Deferred taxes are calculated based on the liability method, and according to the rates expected to be enacted when it is anticipated that the liability will be settled or when tax assets are recognized.

Foreign currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in 'Jordanian Dinar', which is the Group's functional and presentation currency.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured

Accounting Estimates

Preparation of the financial statements and the application of the accounting policies require the Group's management to perform assessments and assumptions that affect the amounts of financial assets, financial liabilities, and fair value reserve and to disclose contingent liabilities. Moreover, these assessments and assumptions affect revenues, expenses, provisions, and changes in the fair value shown in the statement of other comprehensive income and owners' equity. In particular, this requires the Group's management to issue significant judgments and assumptions to assess future cash flow amounts and their timing. Moreover, the said assessments are necessarily based on assumptions and factors with varying degrees of consideration and uncertainty. In addition, actual results may differ from assessments due to the changes resulting from the conditions and circumstances of those assessments in the future.

3) Property, plant and equipment

	Building Improvement JD	Furniture JD	Kitchen equipment JD	Electric equipment JD	Computers equipment JD	Vehicles JD	Tools and equipment JD	Advertising boards JD	Air Coolers JD	Play area equipment JD	Total JD
Cost											
31 December 2015	3 992 228	704 424	1 695 579	570 449	382 610	447 789	496 709	496 234	669 447	359 564	9 815 033
Additions	13 797	1 432	2 402	2 812	42 742	000	3 842	25 971	1 903	432	95 333
31 December 2016	**4 006 025**	**705 856**	**1 697 981**	**573 261**	**425 352**	**447 789**	**500 551**	**522 205**	**671 350**	**359 996**	**9 910 366**
Accumulated depreciation											
31 December 2015	1 185 232	511 611	1 027 155	348 078	328 453	264 430	404 468	360 601	495 243	336 707	5 261 978
Depreciation	105 063	52 389	123 870	41 808	19 121	36 829	39 317	28 123	48 428	11 164	506 112
31 December 2016	**1 290 295**	**564 000**	**1 151 025**	**389 886**	**347 574**	**301 259**	**443 785**	**388 724**	**543 671**	**347 871**	**5 768 090**
Book value											
31 December 2015	2 806 996	192 813	668 424	222 371	54 157	183 359	92 241	135 633	174 204	22 857	4 553 055
31 December 2016	**2 715 730**	**141 856**	**546 956**	**183 375**	**77 778**	**146 530**	**56 766**	**133 481**	**127 679**	**12 125**	**4 142 276**

4) Intangible assets

	Goodwill JD	Entrance Fees JD	Computer software JD	Franchise right JD	Total JD
Cost					
31 December 2015	6 962 649	32 000	128 817	1 019 295	8 142 761
Additions	-	-	10 820	-	10 820
31 December 2016	**6 962 649**	**32 000**	**139 637**	**1 019 295**	**8 153 581**
Accumulated Amortisation					
31 December 2015	6 962 649	11 733	107 946	448 648	7 530 976
Amortisation	-	6 400	7 759	54 970	69 129
31 December 2016	**6 962 649**	**18 133**	**115 705**	**503 618**	**7 600 105**
Book value					
31 December 2015	-	20 267	20 871	570 647	611 785
31 December 2016	-	**13 867**	**23 932**	**515 677**	**553 476**

There is no difference between the cost and market value, the fair value of the assets and liabilities of the companies on acquisition date is as follows:

	2 December 2008 JD	JD
Net assets	1 037 351	
Goodwill	6 962 649	
Cash paid	**8 000 000**	
Cash flow on acquisition		
Net cash owned by subsidiary acquisition		92 791
Cash paid		(8 000 000)
Net cash paid		**(7 907 209)**

	Net assets JD
Share capital	1 000 000
Statutory reserve	187 658
Accumulated losses	(150 307)
	1 037 351

5) Investments properties

	2016 JD	2015 JD
Land cost	3 441 760	4 541 760
Provision for impairment – Investments properties	-	(1 100 000)
Sale of Investments properties	(3 441 760)	-
Purchase of Investments properties	6 353 583	-
	6 353 583	**3 441 760**

This item represents the cost of land number 1344 into favor of Model Jordanian DMCC on 15 July 2015 under a utility right up to 15 August 2103, in addition to the land number 1171 was registered in place of land number 1215 as a result of settlement of the Gulf General Investment Company dues.

6) Long term accounts receivable

During the year 2015, the Group reached a settlement of the Gulf General Investment Company for investment properties / lands in the United Arab Emirates in Scilicon Wadi area, number 1344 and 1215, the land number 1344 was registered into favor of Model Jordanian DMCC on 15 July 2015 under a utility right up to 15 August 2103 which was sold in 2016. in addition to the land number 1171 was registered in place of land number 1215 as a result of settlement agreement of the Gulf General Investment Company dues.

7) Prepaid Rent

	2016 JD	2015 JD
Short term	281 549	189 450
Long term	662 618	740 377
	944 167	**566 1901**

8) Projects under construction

	2016 JD	2015 JD
Papa john's Shmeisani	**22 464**	**-**

9) Other debit balances

	2016 JD	2015 JD
Income tax deposit	209 616	157 943
Social security receivable *	95 439	-
Refundable deposit	140 375	140 375
Activity, and staff receivable	54 866	261 556
Advance payment to contractor *	89 289	95 829
Other	199 196	82 706
Prepaid expenses	82 717	72 317
Advance payment services *	11 812	19 728
Cash margin	2 866	2 866
	886 176	**833 320**
Provision for impairment	(6 469)	(6 469)
	879 707	**826 851**

* No confirmations or fundamental settlement was received for these accounts as of 31 December 2016.

10) Inventory

	2016 JD	2015 JD
Warehouses Inventories	927 642	708 137
Restaurants Inventories	173 437	144 778
	1 101 079	**852 915**

11) Cash and cash equivalents

	2016 JD	2015 JD
Cash	14 619	87 549
Cash at banks	21 567	259 037
	36 186	**346 586**

19) Operating expenses

	2016	2015
	JD	JD
Salaries, wages and other benefit	1 232 116	1 185 375
Rent	994 962	1 024 449
Electricity, water, and fuels	726 982	768 873
Depreciation, and Amortisation	496 104	486 252
Delivery services *	362 488	433 314
Storage cost **	171 030	187 409
Cleaning	131 588	121 561
Group contribution social security	121 531	112 189
License and fees	73 047	93 157
Training	35 190	82 584
Maintenance	89 716	70 282
Transportation	40 055	51 470
Consumable	37 469	26 791
Vehicles expenses	15 933	25 387
Other	4 007	24 058
Postage, telecommunication, and internet	36 813	21 513
Insurance	18 631	19 510
Foreign worker	9 328	17 829
Stationery	11 660	17 232
Security guarding	7 340	14 485
Uniform	12 751	11 442
Credit card commission	7 049	2 456
	4 635 790	**4 797 618**

***Delivery services**

	2016	2015
	JD	JD
Salaries, wages and other benefit	296 476	324 114
Vehicles expenses	50 531	72 052
Postage, telecommunication, and internet	5 635	12 262
Other	2 475	7 119
Rent	-	6 457
Electricity, water	3 376	5 218
Uniform	436	3 060
Depreciation	3 559	3 032
	362 488	**433 314**

**** Storage cost**

	2016	2015
	JD	JD
Rent	82 637	87 736
Shipping and transport	55 966	63 770
Salaries, wages and other benefit	21 600	24 973
Other	6 763	6 028
Group contribution social security	2 970	2 378
Depreciation	1 094	2 524
	171 030	**187 409**

20) Franchise fees

	Date of agreements	Agreement term	percentage of sales	2016 JD	2015 JD
Burger king	2014	20	% 7	283 575	302 630
Papa John's	2004	20	% 5,5	85 016	78 941
Fuddruckers	2006	10	% 5,75	25 077	28 224
				393 668	**409 795**

21) Marketing expenses

	2016 JD	2015 JD
Advertising	333 263	133 793
Salaries, wages and other benefit	32 423	18 708
Other	2 584	638
	368 270	**153 139**

22) Administration expenses

	2016 JD	2015 JD
Salaries, wages and other benefit	331 978	437 510
License and fees	42 462	378 784
Professional fees	21 525	78 022
Depreciation, and Amortisation	74 617	70 489
Transportation	45 900	51 254
Rent	38 110	44 417
Group contribution social security	36 639	33 901
Vehicles expenses	11 511	23 468
Hospitality	4 891	13 657
Donation	13 750	12 926
Electricity, water, and fuel	9 213	10 891
Postage, telecommunication, and internet	11 305	9 713
Maintenance	18 475	7 783
Stationery	7 103	6 404
Cleaning	1 338	4 907
Insurance	5 684	2 220
Other	1 215	453
	675 716	**1 186 799**

23) (Other expenses) Other revenue

	2016 JD	2015 JD
Rent	281 240	267 642
Other revenue	-	8 203
Other expense	(325 612)	(231 883)
	(44 372)	**43 962**

24) Risk management

Interest Rate Risk
Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Moreover, the Group manages interest rate risks through applying the sensitivity analysis of Interest rate in instruments a manner that does not negatively affect net interest income.

Currency Risks
The Group's main operations are in Jordanian Dinar. Moreover, currency risk relates to the risk of changes in currency rates that relate to payments denominated in foreign currencies. As for transactions in US Dollars, management believes that the foreign currency risk relating to the US Dollar is immaterial as the Jordanian Dinar (the functional currency) is pegged to the US Dollar.

Credit Risk
Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Group. Moreover, the Group adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from the Group's default on its liabilities. The Group does not follow a policy of taking guarantees against accounts receivable. Consequently, accounts receivable is not guaranteed.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	2016 JD	2015 JD
Cash at Banks	21 567	259 037
Due From related parties	71 908	14 798
Other debits balances	994 318	734 806
Long term accounts receivable	-	6 353 583
	1 087 793	**7 362 224**

Liquidity risk
Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group reputation.

The following are the contracted maturities of financial liabilities:

	Maturing during the year JD	Maturing during more than a year JD	Total JD
31 December 2015			
Other credit balances	1 937 366	-	1 937 366
Postdated checks	1 056 608	876 953	1 933 561
Accounts payable	2 068 664	-	2 068 664
Loans	2 491 548	74 813	2 566 361
Bank overdraft	2 015 743	-	2 015 743
Due to related parties	657 228	2 849 699	3 506 927
	10 227 157	**3 801 465**	**14 028 622**
31 December 2016			
Other credit balances	1 466 542	-	1 466 542
Postdated checks	2 169 099	869 401	3 038 500
Accounts payable	615 605	-	615 605
Loans	1 078 079	1 129 079	2 207 158
Bank overdraft	2 008 797	-	2 008 797
Due to related parties	581 277	3 182 300	3 763 577
	7 919 399	**5 180 780**	**13 100 179**

25) Fair Value of Financial Instruments

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and banks, checks under collection, due from related parties, and other debits balances. Financial liabilities consist of banks overdraft, postdated checks, accounts payable, due from related parties, other credit balances, and loans.

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

26) Contingent Liabilities

At the date of the consolidated statement of financial position, the Group was responsible for:

	2016 JD	2015 JD
Legal claims	301 719	164 848

27) Segmental Information

Segmental Information for the basic sectors:
For management purposes, the Group is organized into three major business segments:
Food and Beverage - Principally providing food and beverage services.

Information on Geographical Distribution
This note represents the geographical distribution of the Group's operations. Moreover, the Group conducts its operations mainly in the Kingdom, representing local operations.

28) Transaction with related parties

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

Balances with related parties included in the consolidated financial statements are as follows:

Due from related parties	Nature of the relationship	2016 JD	2015 JD
Asia Tourism Restaurants *	Subsidiary company	15 657	14 798
Papa John's International	Franchise owner	8 199	-
Other *	-	48 052	-
		71 908	14 798

Long term Due to related parties	Nature of the relationship	2016 JD	2015 JD
Scilicon Wadi for Investment and Hotel Services	Sister company	1 026 286	1 026 286
Amer Khader Jamil Al Kawthar	Chairman	1 619 729	1 623 413
Ala'a Khader Jamil Al Kawthar	Member of the BOD	536 285	200 000
		3 182 300	2 849 699

Short term Due to related parties	Nature of the relationship	2016 JD	2015 JD
Burger king Middle East (Hana International)*	Franchise owner	416 417	397 155
Burger king European Union	Franchise owner	103 453	103 453
Burger king United Kingdom	Franchise owner	47 397	131 053
Fuddruckers International	Franchise owner	14 010	4 774
Papa John's International	Franchise owner	-	20 793
		581 277	657 228

* No confirmations or fundamental settlement was received for these accounts as of 31 December 2016.

29) Capital Management (Going Concern)

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2016 and 2015.

Capital comprises share capital, reserves and retained earnings, and is measured at JD 1 097 656 as at 31 December 2016 (2015: JD 4 174 877).

The managements plan describes the Group's main activities and its ability to continue in its line of business as follows:

The Group has filed a cash flow plan for 2017 is being developed through increase 51% in the group sales over 2016.

Re-examine all branches and identify the problems of each branch and identify the branches that will be closed or that must be restored.

The Group's was sold land in United Arab Emirates in Scilicon Wadi area, number 1344 amounted to JD 3.5 Million, and the managements plan to sale the land number 1171 in the same area during 2017 to provide funds for marketing plans developed by the managements to return the Group's owned brands to the competition market as soon as possible.

The extraordinary General Assembly decided in its meeting held on 14 July 2016 of the decrease the capital by JD 20 000 000 to become JD 5 000 000, resolved to write off an amount of JD 20 000 000 of accumulated losses, The Group is in the process of completing the legal procedures until the date of these consolidated financial statements. and the Board of Directors plan decided in its meeting to recommend to the extraordinary General Assembly meeting to increase the capital by JD 5 000 000 to become JD 10 000 000.

30) Adoption of New and Revised International Financial Reporting Standards (IFRSs)

A) New and revised IFRSs applied with no material effect on the financial statements:

The following new and revised IFRSs have been adopted in the preparation of the Group financial statements for which they did not have any material impact on the amounts and disclosures of the financial statements; however, they may affect the accounting for future transactions and arrangements.

Disclosure Initiative (Amendments to IAS 1)

Amends IAS 1' Presentation of Financial Statements' to address perceived impediments to preparers exercising their judgment in presenting their financial reports by making the following changes:

- Clarification that information should not be obscured by aggregating or by providing immaterial information, materiality considerations apply to the all parts of the financial statements, and even when a standard requires a specific disclosure, materiality considerations do apply;
- clarification that the list of line items to be presented in these statements can be disaggregated and aggregated as relevant and additional guidance on subtotals in these statements and clarification that an entity's share of OCI of equity-accounted associates and joint ventures should be presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss;
- additional examples of possible ways of ordering the notes to clarify that understandability and comparability should be considered when determining the order of the notes and to demonstrate that the notes need not be presented in the order so far listed in paragraph 114 of IAS 1.

Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

Amends IFRS 11' Joint Arrangements' to require an acquirer of an interest in a joint operation in which the activity constitutes a business (as defined in IFRS 3 'Business Combinations') to:

- apply all of the business combinations accounting principles in IFRS 3 and other IFRSs, except for those principles that conflict with the guidance in IFRS 11
- disclose the information required by IFRS 3 and other IFRSs for business combinations.

The amendments apply both to the initial acquisition of an interest in joint operation, and the acquisition of an additional interest in a joint operation (in the latter case, previously held interests are not remeasured).

Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
Amends IAS 16'Property, Plant and Equipment' and IAS 38 'Intangible Assets' to:

- clarify that a depreciation method that is based on revenue that is generated by a use activity that includes the use of an asset is not appropriate for property, plant and equipment
- introduce a rebuttable presumption that an Amortisation method that is based on the revenue generated by an activity that includes the use of an intangible asset is inappropriate, which can only be overcome in limited circumstances where the intangible asset is expressed as a measure of revenue, or when it can be demonstrated that revenue and the consumption of the economic benefits of the intangible asset are highly correlated
- add guidance that expected future reductions in the selling price of an item that was produced using an asset could indicate the expectation of technological or commercial obsolescence of the asset, which, in turn, might reflect a reduction of the future economic benefits embodied in the asset.

Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
Amends IAS 16' Property, Plant and Equipment' and IAS 41 'Agriculture' to:

- include 'bearer plants' within the scope of IAS 16 rather than IAS 41, allowing such use assets to be accounted for a property, plant and equipment and measured after initial recognition on a cost or revaluation basis in accordance with IAS 16
- introduce a definition of 'bearer plants' as a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales
- clarify that produce growing on bearer plants remains within the scope of IAS 41.

Equity Method In Separate Financial Statements (Amendments to IAS 27)
Amends IAS 27 'Separate Financial Statements' to permit investments in subsidiaries, joint ventures and associates to be optionally accounted for using the equity method in separate financial statements.

Annual Improvements 2012-2014 Cycle
Makes amendments to the following standards:

- IFRS 5 – Adds specific guidance in IFRS 5 for cases in which an entity reclassifies an asset use from held for sale to held for distribution or vice versa and cases in which held-for-distribution accounting is discontinued
- IFRS 7 – Additional guidance to clarify whether a servicing contract is continuing involvement in a transferred asset, and clarification on offsetting disclosures in condensed interim financial statements
- IAS 19 – Clarify that the high quality corporate bonds used in estimating the discount rate for post-employment benefits should be denominated in the same currency as the benefits to be paid
- IAS 34 – Clarify the meaning of 'elsewhere in the interim report' and require a cross-reference

Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)
Amends IFRS 10'Consolidated Financial Statements', IFRS 12 'Disclosure of Interests in Other Entities' and IAS 28 'Investments in Associates and Joint Ventures' (2011) to address issues that have arisen in the context of applying the consolidation exception for investment entities by clarifying the following points:

- The exemption from preparing consolidated financial statements for an intermediate parent entity is available to a parent entity that is a subsidiary of an investment entity, even if the investment entity measures all of its subsidiaries at fair value.
- A subsidiary that provides services related to the parent's investment activities should not be consolidated if the subsidiary itself is an investment entity.
- When applying the equity method to an associate or a joint venture, a non-investment entity investor in an investment entity may retain the fair value measurement applied by the associate or joint venture to its interests in subsidiaries.

Recognition of Deferred Tax Assets for Unrealized Losses (Amendments to IAS 12)
Amends IAS 12'Income Taxes' to clarify the following aspects:

- Unrealized losses on debt instruments measured at fair value and measured at cost for tax purposes give rise to a deductible temporary difference regardless of whether the
- Debt instrument's holder expects to recover the carrying amount of the debt instrument by sale or by use.
- The carrying amount of an asset does not limit the estimation of probable future taxable profits.
- Estimates for future taxable profits exclude tax deductions resulting from the reversal of deductible temporary differences.
- An entity assesses a deferred tax asset in combination with other deferred tax assets. Where tax law restricts the utilization of tax losses, an entity would assess a deferred tax asset in combination with other deferred tax assets of the same type.

IFRS 14 Regulatory Deferral Accounts
IFRS 14 permits an entity, which is a first-time adopter of International Financial Standards to continue to account, with some limited changes, for 'regulatory deferral account balances' in accordance with its previous GAAP, both on initial adoption of IFRS 14 in its first IFRS financial statements must continue to apply it in subsequent financial statements. IFRS 14 cannot be applied by entities that have already adopted IFRSs.

Entities which are eligible to apply IFRS 14 are not required to do so, and so can chose to apply only the requirements of IFRS 1 First-time Adoption of International Financial Reporting Standards when first applying IFRSs. However, an entity that elects to apply IFRS 14 in its first IFRS financial statements must continue to apply it in subsequent financial statements. IFRS 14 cannot be applied by entities that have already adopted IFRSs.
(Effective for annual periods beginning on or after 1 January 2016)

B) New and Revised IFRSs issued but not yet effective

The Group has not applied the following new and revised IFRSs that are available for early application but are not effective yet:

Classification and Measurement of Share-based Payment Transactions (Amendments to IFRS 2)
Amends IFRS 2'Share-based Payment' to clarify the standard in relation to the accounting for cash-settled share-based payment transactions that include a performance condition, the classification of share-based payment transactions with net settlement features, and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

Applying IFRS 9 'Financial Instruments' with IFRS 4 'Insurance Contracts' (Amendments to IFRS 4)
Amends IFRS 4'Insurance Contracts' provide two options for entities that issue insurance contracts within the scope of IFRS 4:

- An option that permits entities to reclassify, from profit or loss to other comprehensive income, some of the income or expenses arising from designated financial assets; this is the so-called overlay approach;
- An optional temporary exemption from applying IFRS 9 for entities whose predominant activity is issuing contracts within the scope of IFRS 4; this is the so-called deferral approach.

The application of both approaches is optional and an entity is permitted to stop applying them before the new insurance contracts standard is applied.

Disclosure Initiative (Amendments to IAS 7)
Amends IAS 7'Statement of Cash Flows' to clarify that entities shall provide disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities.

IFRS 9 Financial Instruments
A finalized version of IFRS 9, which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement'. The standard contains requirements in the following areas:

- Classification and measurement. Financial assets are classified by reference to the business model within which they are held and their contractual cash flow characteristics. The 2014 version of IFRS 9 introduces a 'fair value through other comprehensive income' category debt instruments. Financial liabilities are classified in a similar manner to under IAS 39; however, there are differences in the requirements applying to the measurement of an entity's own credit risk.
- Impairment. The 2014 version of IFRS 9 introduces an 'expected credit loss' model for the measurement of the impairment of financial assets, so it is no longer necessary for a credit event to have occurred before a credit loss is recognized.
- Hedge accounting. Introduces a new hedge accounting model that is designed to be more closely aligned with how entities undertake risk management activities when hedging financial and non-financial risk exposures
- Derecognition. The requirements for the derecognition of financial assets and liabilities
- (Effective for annual periods beginning on or after 1 January 2018)

IFRS 15 Revenue from Contracts with Customers
IFRS 15 provides a single, principles based five-step model to be applied to all contracts the five steps in the model are as follows:

- identify the contract with the customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contracts; and
- recognize revenue when (or as) the entity satisfies a performance obligation.

Guidance is provided on topics such as the point in which revenue is recognized, accounting for variable consideration, costs of fulfilling and obtaining a contract and various related matters. New disclosures about revenue are also introduced.
(Effective for annual periods beginning on or after 1 January 2018)

IFRS 16 Leases
IFRS 16 specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset have a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. New disclosures about leases are also introduced.
(Effective for annual periods beginning on or after 1 January 2019)

Management anticipates that these new and revised standards, interpretations and amendments will be adopted in the Group financial statements when they are applicable and adoption of these new standards, interpretations and amendments except for IFRS 9, IFRS 15 and IFRS 16, may have no material impact on the financial statements of the Group in the period of initial application, Management anticipates that IFRS 15 and IFRS 9 will be adopted in the Group's financial statements for the annual year beginning 1 January 2018 and IFRS 16 for the annual year beginning on or after 1 January 2019. The application of IFRS 15 and IFRS 9 may have significant impact on amounts reported and disclosures made in the Group's financial statements in respect of revenue from contracts with customers and the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of effects of the application of these standards until the Group performs a detailed review.

31)Comparative Figures

Some of the comparative figures for the year ended 31 December 2015 have been reclassified to correspond with the year ended 31 December 2016 presentation.