

التاريخ : ٢٠١٧/٠٥/١٥

الرقم : ٢٠١٧/ sura /٤٠

السادة/ بورصة عمان المحترمين

تحية طيبة وبعد،،،

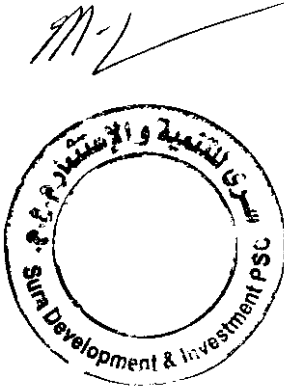
الموضوع : البيانات المالية باللغة الانجليزية

بالاشارة الى الموضوع اعلاه نرفق لكم نسخة من البيانات المالية لشركة سرى للتنمية و الاستثمار  
عن الفترة المنتهية بتاريخ ٢٠١٦/١٢/٣١ و الربع الاول من العام ٢٠١٧ باللغة الانجليزية .

وتفضلوا بقبول فائق الاحترام والتقدير ،،،

رئيس مجلس الادارة

محمود محمد مدحت الشامي



بورصة عمان	
الدائرة الإدارية والمالية	
الديوان	
١٥ أيار ٢٠١٧	
الرقم المتسلسل:	3156
رقم الملف:	31283
الجهة المختصة:	115/64

**SURA DEVELOPMENT AND INVESTMENT  
COMPANY  
(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL  
STATEMENTS AND REVIEW REPORT  
FOR THE PERIOD ENDED MARCH 31, 2017**

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED FINANCIAL STATEMENTS AND REVIEW**  
**REPORT**  
**FOR THE PERIOD ENDED MARCH 31, 2017**

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**REPORT ON REVIEWING THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

To the board of directors  
Sura Development and Investment Company.

**Introduction**

We have reviewed the accompanying Interim Consolidated Statement of Financial Position for Sura Development and Investment Company as of March 31, 2017, and the related statements of Interim Consolidated Comprehensive income, Owners' equity and cash flows for the period then ended. The management is responsible of preparing and presenting company's financial statements in accordance with International Accounting Standard No. 34 (Interim Financial Reporting) which is an integral part of International Financial Reporting Standards. Our responsibility is limited to issue a conclusion on these interim financial statements based on our review.

**Scope of Review**

We conducted our review in accordance with the International Standard on Review Engagements 2410 "Review of Interim Financial Information Performed by the Independent Auditor". This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. Our review is primarily limited to inquiries of the company's accounting and financial departments personnel as well as applying analytical procedures to financial data. The range of our review is narrower than the broad range of audit procedures applied according to International Auditing Standards. Accordingly, Getting assurances and confirmations about other important aspects checked through an audit procedure was not achievable, Hence, We don't express an opinion regarding in this regard.

**Qualification Basis**

The company has not registered its investment in the shares of Awtad for multiple investments (P.L.C), that was purchased upon the agreement of Amwal Invest and so the investment of JD 1,450,000 has been reclassified as an account receivable to Amwal Invests on December 31, 2012, the ability of collecting this amount depends on Amwal Invests ability to payback.

**Conclusion**

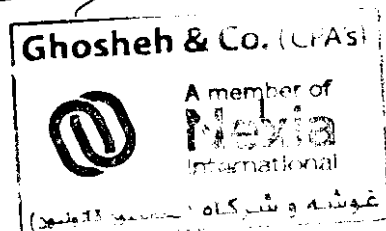
Based on our review, except what was mentioned in basis of qualification above, nothing has come to our attention that causes us to be believe that the accompanying interim consolidated financial statements do not give a true and fair view in accordance with International Accounting Standard No. 34.

**Emphasis of matter**

On January 25, 2017 the court issued a ruling on case no. 200/2013, which was filed on previous board of directors Mr. Mutasem Al fauori and Fayez Al fauori and obliged compensate Sura Development and Investment Company by JD 7,058,582 for the damage and legal fees, as this decision by the court can be appealed.

Ghosheh & Co.

Sinan Ghosheh  
License No.(580)



Amman- Jordan  
April 20, 2017

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION (UNAUDITED)**  
**AS OF MARCH 31, 2017 AND DECEMBER 31, 2016**  
**(EXPRESSED IN JORDANIAN DINAR)**

	Note	2017	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment		1,012	1,012
Investments in real estates		5,005,500	5,005,500
<b>Total non-current assets</b>		<b>5,006,512</b>	<b>5,006,512</b>
<b>Current assets</b>			
Prepaid expenses		13,897	10,476
Accounts receivables		1,450,000	1,450,000
Financial assets designated at fair value through statement of comprehensive income		26,751	26,751
<b>Total current assets</b>		<b>1,490,648</b>	<b>1,487,227</b>
<b>TOTAL ASSETS</b>		<b>6,497,160</b>	<b>6,493,739</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	11,500,000	11,500,000
Statutory reserve		140,622	140,622
Accumulated Losses		(5,579,497)	(5,564,328)
<b>Total owners' equity</b>		<b>6,061,125</b>	<b>6,076,294</b>
<b>Current liabilities</b>			
Accrued expenses and other liabilities		69,285	68,135
Due to related parties		131,370	91,975
Accounts payable		87,611	109,566
Deferred cheques		147,769	147,769
<b>Total current liabilities</b>		<b>436,035</b>	<b>417,445</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>6,497,160</b>	<b>6,493,739</b>

The accompanying notes are an integral part of these interim consolidated financial statements

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	<b>For the three months ended March 31, 2017</b>	<b>For the three months ended March 31, 2016</b>
General and administrative expenses	<u>(15,169)</u>	<u>(8,844)</u>
<b>Net loss for the period</b>	<b>(15,169)</b>	<b>(8,844)</b>
Other comprehensive income :	-	-
<b>Total comprehensive income for the period</b>	<u><b>(15,169)</b></u>	<u><b>(8,844)</b></u>
 <b>Loss per share:</b>		
Loss per share-JD/Share	<u>(0,0013)</u>	<u>(0,0008)</u>
Weighted average of outstanding shares	<u><b>11,500,000</b></u>	<u><b>11,500,000</b></u>

The accompanying notes are an integral part of these interim consolidated financial statements

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF OWNERS' EQUITY (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Accumulated losses	Total
Balance at January 1, 2017	11,500,000	140,622	(5,564,328)	6,076,294
Comprehensive income for the period	-	-	(15,169)	(15,169)
Balance at March 31, 2017	11,500,000	140,622	(5,579,497)	6,061,125
Balance at January 1, 2016	11,500,000	140,622	(5,542,113)	6,098,509
Comprehensive income for the period	-	-	(8,844)	(8,844)
Balance at March 31, 2016	11,500,000	140,622	(5,550,957)	6,089,665

The accompanying notes are an integral part of these interim consolidated financial statements

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	For the three months ended March 31, 2017	For the three months ended March 31, 2016
<b>OPERATING ACTIVITIES</b>		
Net loss for the period	(15,169)	(8,844)
Changes in operating assets and liabilities:		
Prepaid expenses	(3,421)	(6,713)
Accrued expenses and other liabilities	1,150	900
Due to related parties	39,395	522
Accounts payables	(21,955)	14,135
<b>Net cash available from operating activities</b>	-	-
<b>Net change in cash and cash equivalents</b>	-	-
Cash and cash equivalents, January 1	-	-
<b>Cash and cash equivalent, March 31</b>	-	-

The accompanying notes are an integral part of these interim consolidated financial statements



**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

**1. ORGANIZATION AND ACTIVITIES**

Sura Development and Investment Company (the "Company") registered as Public Shareholding Company under No. (453) of the companies controller on May 19, 2008 the company had the right to proceed with the business. The company's authorized and paid up capital is JD 11,500,000 divided into 11,500,000 shares each for of JD 1. The main activity of the company is to contribute to other companies, establishment and management of tourist hotels, owning agencies, patents, movable and immovable assets to carry out the objectives of the company and borrowing the necessary funds from banks.

The company located at Amman.

On March 31, 2017 the consolidated financial statement contained the subsidiaries' financial statements as follows:

Subsidiary company name	Registration place	Share Capital	Vote and equity percentage	Principal activity
Sura second Hotels and Tourist Resorts Development Company	The Hashemite kingdom of Jordan	10,000	100 %	Housing and Construction Projects
Nour Jordan Consulting Company	The Hashemite kingdom of Jordan	1,000	100 %	Real estate investments

On March 31, 2017 the consolidated financial statement for Nour Jordan Consulting contained the subsidiaries' financial statements as follows:

Subsidiary company name	Registration place	Share Capital	Vote and equity percentage	Principal activity
Sura Hotels and Tourist Resorts Development Company	The Hashemite kingdom of Jordan	50,000	100 %	Purchasing land and Construction hotels

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

According to net equity method, book value of investment in the subsidiaries as of March 31, 2017 and December 31, 2016 are as follows:

	2017	2016
Sura Second Hotels and Tourist Resorts Development Company book value	7,042	7,042

According to net equity method, the net book value for Nour Jordan Consulting subsidiary as of March 31, 2017 and December 31, 2016 are as follows:

	2017	2016
Sura Hotels And Tourist Resorts Development Company book value	42,878	42,878

According to net equity method, the Company share of losses from investment in the subsidiaries as of March 31, 2017 and December 31, 2016 are as follows:

	2017	2016
Company's share of losses from investment in Nour Jordan Consulting	-	(5,208)
Company's share of losses from investment in Sura second Hotels and Tourist Resorts Development	-	(470)

According to net equity method, Nour Jordan Consulting share of losses from investment in the subsidiaries as of March 31, 2017 and December 31, 2016, are as follows:

	2017	2016
Company's share of losses from investment in A-Sura Hotels And Tourist Resorts Development	-	(4,748)

The subsidiaries assets, liabilities and major item of assets and liabilities as of March 31, 2017 and December 31, 2016, are as follows:

**A- Sura Second Hotels and Tourist Resorts Development Company**

	2017	2016
Total assets	11,362	11,362
Total liabilities	4,320	4,320
Total owners' equity	7,042	7,042
loss for the year / period	-	(470)
Share capital	10,000	10,000

**B- Nour Jordan Consulting Company**

	2017	2016
Total assets	5,050,872	5,050,872
Total liabilities	58,115	58,115
Total owners' equity	4,992,757	4,992,757
Loss for the year / period	-	(5,208)
Partner current account	4,998,705	4,998,705

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

The subsidiary assets, liabilities and major items of assets and liabilities for the subsidiary of Nour Jordan Consulting Company as of March 31, 2017 and December 31, 2016, are as follows:

**C- Sura Hotels and Tourist Resorts Development Company**

	<u>2017</u>	<u>2016</u>
Total assets	<b>5,051,042</b>	5,051,042
Total liabilities	<b>56,085</b>	56,085
Total owners' equity	<b>4,994,957</b>	4,994,957
loss for the year / period	-	(4,748)
Investment real estate	<b>5,005,500</b>	5,005,500

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

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

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

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

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**3.SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of preparation**

The interim financial statements have been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting".

The interim consolidated financial statement is presented in Jordanian Dinar, since that is the currency in which the majority of the Company's transactions are denominated.

The interim financial statements have been prepared on historical cost basis.

The interim statement do not include all the information and notes needed in the annual financial statement and must be reviewed with the ended financial statement at December 31, 2016, in addition to that the result for the three months ended in March 31, 2017 is not necessarily to be the expected results for the financial year ended December 31, 2017.

**Significant accounting policies**

The accounting policies used in the preparation of the interim financial information are consistent with those used in the audited financial statements for the period ended 31 December 2016.

**Basis of consolidating interim financial statements**

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

Control is achieved where the Company:

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

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

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

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

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

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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

The profit or loss and each component of other comprehensive income elements distributed on the company's owners and owners of non-controlling interests, total comprehensive income for the subsidiary distributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balances.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the parent Company.

All intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

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

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

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

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

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

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

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

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**Financial assets specified at fair value through statement of other comprehensive income**

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

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

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

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

**Expenses**

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

**Cash and cash equivalents**

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

**Accounts receivable**

Accounts receivable are stated at invoice amount less any provision when there is an indication that the receivable may not be collected.

**Accounts payable and accruals**

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

**Offsetting**

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

**The use of estimation**

The preparation of financial statements and the application of accounting policies required of the Company's management to make estimates that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities, these estimates also affect the revenues, expenses and provisions. As well as changes in fair value that appears in the owners' equity.

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

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In particular, required of the Company's management to issue important judgments to estimate the amounts of future cash flows and its times. Mentioned that the estimates are shown necessarily on the assumptions and multiple factors have a varying degree of appreciation and uncertainty and that actual result may differ from estimates. As a result of changes resulting about the conditions and circumstances of these estimates in the future. We believe that our estimates in the consolidated financial statements are reasonable, detailed as follows:-

Impairment losses on receivable. Impairment losses are reviewed within the foundations established by the administration and International Financial Reporting Standards. The management reviewed periodically of financial assets which are stated at cost to assess any decline in its value.

This declining is recorded in the statement of comprehensive income.

Adoption of estimate useful lives of intangible assets periodically for the purpose of calculating depreciation declining losses is (if any) recorded in the consolidated statement of comprehensive income.

**The sectoral report**

The business sector represents a collection of assets and operation engaged together in providing product or services subjected to risks and returns that are different from those of other business sectors, which are measured according to the reports that are used by the executive director and the main decision – makers in the Company.

**The Decline in value of the financial assets**

In date of each consolidated statement of financial position, values of the financial assets have been reviewed, to determine if there is any indication to decline in its value.

As for the financial assets such as trade accounts receivable and assets were evaluated as individual low-value, were evaluated for the decline in the value on a collective basis. The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments. And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

The Reduce in the listed value of the financial assets is the amount of loss decline of value directly. And this is for all the financial assets except the trade accounts receivable as the listed value had been reduced by provisions accounts. When is one of the accounts receivables are non-collected then write off the amount of this debt and the equal amount from account of provisions.

The changes in the listed value for the provisions account recognized in the consolidated statement of comprehensive income.

As for the ownership equity tools which are available for sale, decline losses are not closed in the recognized value in the comprehensive income statement. However any increase in the fair value become after decline loss has recognized directly in consolidated owner's equity statement.

**De-recognition**

The Company cancels the derecognizing the financial assets only when the contractual rights about the receipt of cash flows from the financial assets had ended, and substantially all the risks and benefits of the ownership that belong to another firm. In the case of the Company doesn't transfer or retain substantially the risks and benefits of the ownership and continues its control of the transferred assets, the Company in this case recognizes it's share retained in the transferred assets and the related liabilities in the limits of the amounts excepted to be paid. In the other case, when the Company retained substantially all risks and benefits of the ownership of the transferred assets, the Company will continue to recognize the financial assets.

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

**Property and equipment**

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

	<u>Annual Depreciation Rate</u>
Computer	15-20%
Electrical equipments	10-15%

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

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

**Financial assets at amortized cost**

Financial instruments such as notes receivable, receivables, finance lease payments, bank loans, loans and other securities and expenses due to others are stated at amortized cost using the effective yield method after any impairment loss has been deducted.

**The decline in value of the non-current assets**

The decline in value of the non-current assets, in the date of each consolidated statement of financial position the Company reviews the listed values for its assets to specify if there is an indication to decline losses of the value. If there is an indication to that, the recovery value of the asset will be appreciated to determine the loss of decline in the value if it occurs. In case, in ability to appreciate the recovery value of specific asset. The company estimate the recovery value for unit producing of cash that related in the same asset. when there is ability to determine basis of distribution that is fixed and reasonable, the joint assets distribute to units producing of cash that related in the same asset. the common assets distribute to specific units producing of cash or it is distributed to specific units producing of cash or it distribute to smallest group from units producing cash that can determine basis of distribution fixed and reasonable for it.

The Recovery value is the fair value of asset minus the cost of sale or used value whichever is higher.

In case, the recovery value of an asset (or the unit producing of cash) is estimated lower than the listed value, reduce the listed value for asset should be reduced (or unit producing of cash) to the recovery value. Losses of the decline recognized directly in the comprehensive income statement unless the asset that is re-evaluated then losses are recorded of the decline as a reduction from re-evaluated provision.



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**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Investments in real estates**

Investments in land are stated at cost (in accordance with IAS 40). The Company's criteria for recording its real estate investments are either at cost or at fair value provided that there is no impediment to the ability to reliably determine the value of the investment. The management has chosen the cost to record its investments in the lands.

**The provisions**

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

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

**Income tax**

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

**Foreign currency translation**

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

**4. FINANCIAL INSTRUMENTS**

**Share Capital Risks Management**

The Company manages its capital to make sure that the Company will continue when it is take the highest return by the best limit for debts and owners' equity balances the Company overall strategy did not change from 2016.

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

**The debt rate**

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

**SURA DEVELOPMENT AND INVESTMENT COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE PERIOD ENDED MARCH 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**Financial risks management**

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

**Foreign currencies risks management**

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

**Interest rate risk**

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

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

**Credit risk**

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

**Liquidity risk**

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

**5. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors and authorized for issuance on April 20, 2017.