الشركة المتكاملة للنقل المتعدد
Comprehensive Multiple Transportation Company

autobus

Date : 27/3/2019
Ref :825 /27/3/2019

التاريخ : 2019/3/27
الرقم :2019/3/27/825

To: Jordan Securities Commission
Amman Stock Exchange
Date 27/3/2019

السادة هيئة الاوراق المالية
السادة بورصة عمان
التاريخ:- 2019/3/27

1. Subject: Audited Financial Statements for the fiscal year ended 31st of December 2019

الموضوع: البيانات المالية السنوية المدققة للسنة المنتهية في 2018/12/31

2. Attached the Audited Financial Statements of (Comprehensive Multiple Transportation company) for the fiscal year ended 31st of December 2018 Arabic and English	مرفق طيه نسخة من البيانات المالية السنوية للشركة المتكاملة للنقل المتعدد كما هي بتاريخ 2018/12/31 باللغة العربية واللغة الانجليزية

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٢٨ آذار ٢٠١٩
الرقم المتسلسل ٣١٤٤٥
الجهة المختصة

Best Regards,,

وتفضلوا بقبول فائق الاحترام،،،

The Comprehensive Multiple Transportation Company
Financial Manager
Ziad Al-horani

الشركة المتكاملة للنقل المتعدد
المدير المالي
زياد الحوراني

Comprehensive Multiple Transport Plc

COMPREHENSIVE MULTIPLE TRANSPORTATIONS COMPANY

(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

YEAR ENDED DECEMBER 31, 2018

COMPREHENSIVE MULTIPLE TRANSPORTATIONS
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT
YEAR ENDED DECEMBER 31, 2018

Nexia
Modern Accountants

Jabal Amman , 6th Circle
16 Djibouti St,
P.O.Box 940668
Amman 11194 , Jordan

T: +962 (6) 5561293
F: +962 (6) 5561204
E: info@modern-accountants.com

INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT

To the shareholders
Comprehensive Multiple Transportations Company (PLC)

Report on the audit of the consolidated financial statements

Opinion

We have audited the accompanying consolidated financial statements of Comprehensive Multiple Transportations Company(PLC), which comprise of the consolidated Statement of Financial Position as of December 31, 2018, consolidated Statement of Comprehensive income, consolidatedStatementof Owner's Equity andconsolidated Statement of Cash flows, for the year then ended, also a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidatedfinancial statements present fairly, in all material respects, thefinancial position of Comprehensive Multiple Transportation Company (PLC) as of December 31, 2018, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

Basis for Opinion

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

We believe that the Audit Evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

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

Key auditing matters	Followed procedures within key audit matters
Property and equipment According to international financial standards, the company must review the useful life and depreciation method, perform impairment test to the value of property, plant and equipment that is reported in the financial statements. In case of any events and conditions, the recoverable amount is calculated; the losses are calculated according to the decline of the value in assets. The management estimates the impairment of property, plant and equipment by assumptions and estimation (if any), and due to its significance, it is considered an important audit risk.	**Property and equipment** The audit procedures included examining the control procedures used in the verification of existence and completeness, reviewing the purchase and sale of the assets.During the year, review the calculation of the depreciation expense, matching the inventory in terms of presence and ensuring that the property and equipment are productive and there is no impairment in value. Management Assumptions Taking into account the available external information about the risk of impairment of property and equipment, we have also emphasized on the adequacy of the Company's disclosures about property and equipment.

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Key auditing matters	Followed procedures within key audit matters
Goodwill According to International Financial Reporting Standards, the company must assess the goodwill and test impairment, the goodwill, as of December 31, 2018 was 11,308,218 JD The annual goodwill impairment is a significant auditing matter, Due to the complexity of the accounting requirements and the general provisions required in determining the assumption to be used in estimating the recoverable amount. The recoverable amount for cash generation units, which is the value in use or fair value less cost of sales which is higher, Which is calculated using the expected discounted cash flow models methods These models and methods use several assumptions as in sales volumes and future prices estimation, operating cost, growth rates of final value and weighted average cost of capital..	**Goodwill** The assumptions and methodologies used by the Company were evaluated and the audit procedures included examining the assumptions and methodologies used, particularly those related to the expected revenue growth and profit margins. We also focused on the adequacy of the Company's disclosures about The most sensitive assumptions used in the impairment test have a significant impact on the determination of recoverable amount of goodwill, as the results of the examination show that there is no impairment in goodwill.
We emphasized on this matter because : Financial Instruments applied by the IFRS 9 January 2018 Requires complex accounting treatments, including the use of significant estimates and judgments based on the determination of modifications to the transition. resulted in significant changes in treatments, data and controls that should have been tested for the first time The amendment to the Company's retained earnings on the transition to IFRS9was JD 204,272 IFRS January Financial Instruments applied by the Company on January 1, 2018.	**Our audit procedures included, inter alia:** •Evaluate the appropriateness of choosing accounting policies. •Examining the appropriateness of the transition approach and practical methods applied. •Assess the management's approach to testing the "expected credit loss" methodology. •Studying the management's approach and the controls applied to ensure the completeness and accuracy of the transition modifications and accuracy. •Identify and test relevant controls. •Evaluate the appropriateness of judgments and key estimates made by management in preparing transition adjustments, particularly those related to the amendment to the future factor. •Involving financial risk management specialists to consider key assumptions / judgments regarding future adjustments and definition of default using the net flow method. •Evaluate the completeness, accuracy and appropriateness of the data used in the preparation of transitional adjustments. •Evaluating the adequacy of the company's disclosures.

Other Information
The management is responsible for other information. This includes other information reported in the annual report, but not included in the financial statements and our audit report on it.

Our opinion about consolidated financial statements does not include these other information, and we do not express any assertion over it.

Regarding our audit on consolidate financial statements we are obliged to review these other information, and while that, we consider the compatibility of these information with their consolidated financial statements or with the knowledge that we gained through audit procedure or seems to contain significant errors. If we detected based on our audit, the existence of significant errors in the information, we are obliged to report this fact. Regarding this, we have nothing to report.

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

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In preparing the consolidated Financial Statements, the management is responsible for assessing the Company's ability to continue as a Going Concern, disclosing, as applicable, matters related to Going Concern and using the Going Concern basis of accounting.Unless the management either intend to liquidate the company or to cease operations or have no realistic alternative but to do so.

Individuals responsible of governance are responsible of supervising the preparation of consolidated financial statements.

Certified Public Accountant's Responsibility
Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, and to issue and 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 or considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

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

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

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

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

- Conclude on the appropriateness of the Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, we have to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the initial Financial Statements, including the disclosures, and whether the initial Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.

We communicated with audit committee regarding the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Legal requirements report
The Company maintains proper books of accounting records that are in agreement with the accompanying consolidated financial statements and with the financial information included in the Board of Directors report, and we recommend the General Assembly to approve the financial statements.

Modern Accountants

Walid M. Taha
License No.(703)

Modern Accountants
A member of
Nexia
International
المحاسبون العصريون

Amman- Jordan
February 19, 2019

COMPREHENSIVE MULTIPLE TRANSPORTATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	Note	2018	2017
ASSETS			
Non-current assets			
Property and equipment	4	13,800,526	8,123,973
Intangible assets	6	-	35,800
Goodwill	7	11,308,218	11,308,218
Deferred tax assets	25	3,508,595	2,955,200
Total non-current assets		28,617,339	22,423,191
Current assets			
Prepaid expenses and other receivables	8	439,203	394,601
Spare parts, oil and cards	9	360,468	252,262
Due from Greater Amman Municipality	10	78,306	4,789,619
Accounts receivable	11	3,475,464	3,338,060
Due from related parties	12	7,941	6,439
Cash restricted in bank	13	-	3,492,000
Cash and cash equivalents	14	724,157	4,933,335
		5,085,539	17,206,316
Property and equipment held for sale	5	446,808	1,575,948
Total current assets		5,532,347	18,782,264
TOTAL ASSETS		34,149,686	41,205,455
LIABILITIES AND OWNERS' EQUITY			
Owners' equity			
Share capital	1	15,000,000	15,000,000
Statutory reserve	17	254,444	100,987
Voluntary reserve	17	12,670	12,670
Accumulated losses		(3,195,385)	(4,919,465)
Total shareholders' equity		12,071,729	10,194,192
Non-controlling interests		65,143	62,406
Total owners' equity		12,136,872	10,256,598
Non-current liabilities			
Long -term loans	16	15,146,654	17,044,736
Total non-current liabilities		15,146,654	17,044,736
Current liabilities			
Accrued expenses and other payables	15	1,631,937	2,120,859
Legal cases provision		1,588,418	753,042
Due to Greater Amman Municipality		-	1,020,619
Accounts payable		2,307,088	2,498,994
Due to related parties	12	580,410	601,839
Current portion of long term loan	16	633,298	6,837,777
Banks overdraft		125,009	70,991
Total current liabilities		6,866,160	13,904,121
TOTAL LIABILITIES AND OWNERS' EQUITY		34,149,686	41,205,455

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

COMPREHENSIVE MULTIPLE TRANSPORTATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
YEAR ENDEDDECEMBER 31, 2017
(EXPRESSED IN JORDANIAN DINAR)

	Note	2018	2017
Revenues	18	**8,082,448**	7,854,687
Cost of Revenues	19	**(10,624,865)**	(10,586,352)
Gross profit		**(2,542,417)**	(2,731,665)
General and Administrative expenses	20	**(1,496,599)**	(1,633,081)
Financial charges		**(1,580,471)**	(1,472,207)
Other revenues and expenses	21	**7,154,059**	4,058,873
Loss before income tax		**1,534,572**	(1,778,080)
Income tax surplus	25	**553,395**	222,779
Income tax	24	**(3,421)**	(8,066)
Profit /(Loss) for the year		**2,084,546**	(1,563,367)
comprehensive income:			
Other comprehensive income		-	
Total comprehensive income for the year:		**2,084,546**	(1,563,367)
Attributable to:			
Shareholder's equity		**2,081,809**	(1,566,380)
Non-Controlling Interests		**2,737**	3,013
		2,084,546	(1,563,367)
(Loss) /Earnings per share:			
(Loss) /Earnings per share JD/Share		**0,14**	(0,11)
Outstanding weighted average share		**15,000,000**	13,845,970

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

COMPREHENSIVE MULTIPLE TRANSPORTATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF OWNER'S EQUITY
YEAR ENDED DECEMBER 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total of shareholders' equity	Non-Controlling interests	Total
Balance at January 1, 2017		11,683,300	100,987	12.670	(3,353,085)	8,443,872	59,393	8,503,265
Increase in share capital	1	3,316,700	-		-	3,316,700	-	3,316,700
Comprehensive income for the year		-	-	-	(1,566,380)	(1,566,380)	3,013	(1,563,367)
Balance at December 31, 2017		**15,000,000**	**100,987**	**12,670**	**(4,919,465)**	**10,194,192**	**62,406**	**10,256,598**
Impact of expected credit loss 'ECL' IFRS 9	29	-	-	-	(204,272)	(204,272)	-	(204,272)
Balance at January 1, 2018		**15,000,000**	**100,987**	**12,670**	**(5,123,737)**	**9,989,920**	**62,406**	**10,052,326**
Comprehensive income for the year		-	-	-	**2,081,809**	**2,081,809**	**2,737**	**2,084,546**
Transfer to statutory reserve		-	**153,457**	-	**(153,457)**	-	-	-
Balance at December 31,2018		**15,000,000**	**254,444**	**12,670**	**(3,195,385)**	**12,071,729**	**65,143**	**12,136,872**

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

COMPREHENSIVE MULTIPLE TRANSPORTATIONS COMPANY
(PUBLIC SHAREHOLDING COMPANY)

CONSOLIDATED STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018
(EXPRESSED IN JORDANIAN DINAR)

	Note	2018	2017
OPERATING ACTIVITIES			
Profit /(Loss) for the year		1,534,572	(1,778,080)
Adjustments on Profit /(Loss for the year:			
Depreciation and amortization		2,278,228	2,310,902
Bad debt expense		3,229,272	-
Other provisions		2,258,028	281,078
Unneeded provisions returns		(167,240)	(357,905)
Financial charges		1,580,471	1,472,207
Gains on sale of property and equipment		(67,188)	(31)
Change in working assets and liabilities :			
Account Receivables		201,668	(1,839,538)
Prepaid expenses and other receivables		(59,373)	117,237
Spare parts, oil and cards		(94,635)	55,125
Due from Greater Amman Municipality		1,482,041	61,659
Due from related parties		(1,502)	(557)
Due to related parties		568,750	(17,972)
Legal cases provisions		(603,819)	-
Accounts payable		(806,983)	(47,701)
Accrued expenses and other payables		(640,758)	(422,368)
Due to Greater Amman Municipality		(1,020,619)	513,310
Cash available from operating activities		9,670,913	347,366
Financial charges Paid		(1,580,471)	(1,472,207)
Net cash available from / (used in)operating activities		8,090,442	(1,124,841)
INVESTING ACTIVITIES			
Purchase of property and equipment		(7,837,976)	(117,812)
Proceeds from sales of property and equipment		70,001	295
Net cash used in investing activities		(7,767,975)	(117,517)
FINANCING ACTIVITIES			
Banks overdraft financing		78,916	70,991
Loans financing		(8,102,561)	728,342
Increase in capital		-	3,316,700
Net cash (used in) /available from financing activities		(8,023,645)	4,116,033
Net change in cash and cash equivalents		(7,701,178)	2,873,675
Cash and cash equivalents, January 1		8,425,335	5,551,660
CASH AND CASH EQUIVALENTS, DECEMBER	26	724,157	8,425,335
Non-Cash			
Transferred from property and equipment intended for		-	1,575,948

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

1. ORGANIZATION AND ACTIVITIES

Comprehensive Multiple Transportations is a Jordanian public shareholding company registered under Jordanian Companies LawNo.(379) on December 19, 2005 after transferring its status from limited liability company to public shareholdingcompany.

The General Authority decided in an extraordinary meeting on December 15, 2015 with a unanimous approval of the restructuring of the company's capital as follows:

A- Declining the capital from JD 30 million to 6,5 million by amortizing 23.5 million JD from accumulated losses for December 31, 2014

B- Re-increasing the capital to JD 15 million and that came from subscription of existing shareholders with 8.5 million JD By private subscription to each shareholder's share of the increase Amounting to JD (8.5) million, if any shareholder had not proceeded to pay off, the Government of Jordan can proceed to cover their shares.

This was approved by the Minister of Industry, Trade and Supply on February 18, 2016Under the letter of the Controller General of Companies No. M / 1/379/14223 dated 22 February 2016 on the restructuring of the capital of the company in accordance with the aforementioned decision of the extraordinary general assembly of the company.

The registration of capital increase shares with the Jordan Securities Exchange were completed on May 15, 2016, according to the decision of Jordan Securities Exchange No. 124/2016.

During the period from June 7, 2016 to June 13, 2016, 8,500,000 shares were offered for private subscription to the shareholders of the Company. During the subscription period, the number of shares covered was 850,000 JD / share only. Accordingly, the paid up share capital reached 7,350,000 JD / share divided into 7,350,000 shares, each for JD 1.

According to the decision of Amman Stock Exchange No. (167/2016) on June 30, 2016, the non-subscribed shares of 7,650,000 shares were approved at a nominal value of JD 1 per share by allocating these shares to the Government of the Hashemite Kingdom of Jordan.

Under the Ministry of Transport's letter No. 4/8/334917 of July 26, 2016, the Government of the Hashemite Kingdom of Jordan agreed to transfer JD 4,333,300 from the 2016 appropriation to the company for 4,333,300 shares. The remaining amount of JD 3,316,700 will be paid for 3,316,700 shares upon the approval of the budget law for 2017.

The Government approved the payment of JD 4,333,300 to the Company on July 28, 2016. The paid-up capital of the Company became 11,683,3000 JD / share. On May 7, 2017 payment of the amount 3,316,700 JD was approved. The capital of the company become 15,000,000 dinars / share.

The current main activity of the company is to provide public transport services on public transport lines for passengers within Amman Municipality, the Capital Governorate and any lines within the Kingdom, owning public transport methods for passengers and establishing and investing passenger bus-stop on the lines served by the company.

The consolidated financial statements as at December 31,2017 comprise the financial statements of the following subsidiaries:

Name of subsidiary	Place of registration	Year of registration	Ownership percentage	The main activity
Al-Dilaal Transport Co Ltd.	the Hashemite Kingdom of Jordan	1999	%100	Leasing and importing buses
Al-Tawfiq for Transport & Investment Co. Ltd.	the Hashemite Kingdom of Jordan	1998	%100	Transportation of passengers , transportation services for Hajj and Umra and spare parts trading
Asia for Transport & Investment Ltd.	the Hashemite Kingdom of Jordan	1998	%100	Transportation of passengers, maintenance of buses and import of spare parts for the purposes of the company
Comprehensive smart card company	the Hashemite Kingdom of Jordan	2008	%80	The use of smart cards to collect wages, import and export of systems and programs for collection of wages and identification of the location and sale of service operation system, collection of fare and location and provide technical support and maintenance of collection systems

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

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

New Standards	Effective Date
(IFRS) No.16 – Leases	January 1,2019

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The preparation of Financial Statements

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

Basis of preparation

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

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

Basis of consolidation financial statements

The consolidated financial statements incorporate the financial statements of comprehensive multiple transportations (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 shareholder's meetings.

The consolidation process begins when the company's achieve control on the investee enterprise (subsidiary), while that process stops when the company's loses control of the investee (subsidiary). In particular revenues and expenses of subsidiaries acquired or disposed of during the year are included in 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.

Profit or loss and each component of other comprehensive income is allocated to the owners of the Company and to the non-controlling interests. The comprehensive income of the subsidiary is allocated to the owners and non-controlling interest's even if this results in a deficit in the balances of the non-controlling interests.

Where necessary, adjustments are made to the financial statements of subsidiaries to comply their accounting policies with those used by the parent company.

All transactions including assets, liabilities, equity, profits, expenses and cash flows arising from intra-company transactions are eliminated on consolidation.

Reclassifications

If the business model under which the Company holds financial assets changes. The financial assets affected are reclassified. The classification and measurement requirements related to the new category apply prospectively from the first day of the first reporting period following the change in business model that results in reclassifying he Company's financial assets. During the current financial year and previous accounting period, there was no change in the business model under which the Company holds financial assets and therefore no reclassifications were made

Impairment

IFRS 9 replaces the "incurred loss" model in IAS 39 with an expected credit loss model (ECLs). The Company recognizes loss allowance for expected credit losses on the following financial instruments that are not measured at FVTPL

- Cash and bank balances:
- Trade and other receivables;
- Due from related party.

With the exception of purchased or originated credit impaired (POCI) financial assets (which are considered separately below), ECLs are required to be measured through a loss allowance at an amount equal to:

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date(referred to as stage1); or

- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

A loss allowance for full lifetime ECL is required for a financial instrumentifthe credit risk on that financial Instrument has increased significantly since initial recognition. For all other financial instruments, ECLs are measured at an amount equal to the 12-monh ECL.

The Company has selected to measure loss allowances of cash and bank balances. Trade and other receivables, and due from a related party at an amount equal to life time ECLs.
ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR

Loss allowance for financial investments measured at amortized costs is deducted from gross carrying amount of assets. For debt securities a FVTOCI, the loss allowance is recognized in the OCI, instead of reducing the carrying amount of the asset.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Company considers reasonable and supportable information that is relevant and available without undue costs or effort. This includes both quantitative and qualitative including forward-looking information.

For certain categories of financial assets, assets that are assessed not to be impaired individually are. In addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio as well as observable changes in national or local economic conditions that correlate with default on receivables.

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the statement of income and other comprehensive income
The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment
Measurement of ECL
The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

- Probability of default (PD);
- Loss given default (LGD); and
- Exposure at default (EAD).

These parameters will be derived from our internally developed statistical models and other historical data. They will be adjusted to reflect forward – looking information.

Credit-impaired financial assets
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial assets have occurred. Credit-impaired financial assets are referred to stage 3 assets. At each reporting date, the Company assesses whether financial assets carried at amortized costs and debt securities at FVTOCI at credit-impaired. A financial asset is credit impaired when one or more events that have a detrimental impact in the estimated future cash flows of the financial asset have occurred.

DE-recognition of financial assets
The Company de-recognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity .If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. if the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss
On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but Is reclassified to retained earnings.

Presentation of allowance for ECL are presented in the financial information

Loss allowances for ECL are presented in the financial information as follows:

For financial assets measured at amortized cost (loans and advances, cash and bank balances): as a deduction from the gross carrying amount of the assets
For debt instruments measured at FVTOCI no loss allowance is recognized in the statement of financial position as the carrying amount is at fair value. However, the less allowance is included as part of the revaluation amount in re-evaluation reserve and recognized in other comprehensive income.

Revenue recognition
IFRS 15 "Revenue from contracts with customers" outlines a single comprehensive model of accounting for revenue arising from contracts with customers and supersedes current revenue recognition guidance found across several standards and Interpretation within IFRSs. It establishes a new five-step model that will apply to revenue arising from contracts with customers.

Step1: identify the contract with customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for each of those rights and obligations.

Step 2: Identify the performance obligations in the contract: performance obligation in a contract is a promise to transfer a good or service to the customer

Step 3: Determine the transaction price Transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring the goods and services to a customer excluding amount collected on behalf of third parties.

Step 4: Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation the Company will allocate the transaction price to each performance obligation in an amount that depicts the consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenues as and when the entity satisfies the performance obligation
-The Company recognizes revenue over time if any one of the following criteria is met:

-The customer simultaneously receives and consumes the benefits provided by the Company performance as The Company performs.

-The Company performance creates or enhances an asset that the customer controls as the asset is created or enhanced or the Company performance does not create an asset with an alternative use to the Company and the entity has an enforceable right to payment for performance obligation completed to date.
-The Company allocates the transaction price to the performance obligations in a contract based on the input method which requires the revenue recognition on the basis of the Company efforts or inputs to the satisfaction of the performance obligations. The Company estimates the total costs to complete the projects in order to determine amount of revenue to be recognized.

-When the Company satisfies performance obligation by delivering the promised goods and services, it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from the customer exceeds the amount of revenue recognized this gives rise to a contract liability
-Revenue is measured at the fair value of consideration received or receivable, taking into account the contractually agreed terms of payment. The Company assesses its revenue arrangements against specific criteria to determine if it is acting as a principal or agent and has concluded that it is acting as a principal all of its revenue arrangements.

-Revenue is recognized in the financial statements to the extent that it is probable that the economic benefits will flow to the Company and the revenue and costs, if and when applicable, can be measured reliably.

Critical accounting judgments and key sources of estimation uncertainty
The preparation of financial statements requires management to make judgments estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

In preparing these financial statements, the significant Judgments made by management in applying the Company accounting policies and the key sources ofestimationuncertaintywere the same as those that applied to the audited annual financial statements for the year ended 31 December 2017, except for the adoption of IFRS 9 which has resulted in changes in accounting judgments for recognition of financial assets and Liabilities and impairment of financial assets, as set out below.

Critical judgments in applying the Company's accounting policies in respect of IFRS 9
Business model assessment: Classification and measurement of financial assets depends on the results of the SPPI and the business model test. The Company determines the business model at a level that reflects how Company's financial assets were managed together to achieve a particular business objective. This assessment includes judgments reflecting all relevant evidence including how the performance of the assets is evaluated and their performance measured, the risks that affect the performance of the assets and how these are managed and how the managers of the assets are compensated. Monitoring is part of the Company s continues assessment of whether the business model for which the remaining financial assets are held continues to be appropriate and if it is not appropriate whether there has been a change in business model and so a prospective change to the classification of those assets.

Significant increase of credit risk
ECLs are measured as an allowance equal to 12-month ECL for stage1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

Establishing a groups of assets with similar credit risk characteristics
When ECLs are measured on a collective basis, the financial instruments of the Company are collected on the basis of shared risk characteristics (e g, instrument type, credit risk grade, collateral type, date of initial recognition, remaining term to maturity, industry, geographic location of the borrower, etc.). The Company monitors the appropriateness of the credit risk characteristics on an ongoing basis to assess whether they continue to be similar. This is required in order to ensure that should credit risk characteristics change there is appropriate re-segmentation of the assets. This may result in new portfolios being created or assets moving to an existing portfolio that better reflects the similar credit risk characteristics of that Company of assets. Re-segmentation of portfolios and movement between portfolios is more common when there is a significant Increase in credit risk (or when that significant increase reverses) and so assets move from 12-month to lifetime ECLs, or vice versa, but it can also occur within portfolios that continue to be measured on the same basis of 12month or lifetime ECLs but the amount of the ECLs changes because the credit risk of the portfolios differ.

Models and assumptions used
The Company uses various models and assumptions in measuring fair value of financial assets as well as in estimating ECL. Judgment is applied in identifying the most appropriate model for each type of asset, as well as for determining the assumptions used in these models, including assumptions that relate to key drivers of credit risk.

Key sources of estimation uncertainty in respect of IFRS 9
The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements
Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

Probability of Default
PD constitutes a key input in measuring ECL. PD is an estimate of likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Loss Given to Default
LGD is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

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 revenues 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.

Spare parts, oils and cards

Spare parts, oils and cards are stated at the lower of cost or market value. Cost is determined on the moving average cost basis.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and impairment if any . Expenditure on maintenance and repairs is expensed and theExpenditure on enhancement and improvements are capitalized. 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:

	Annual depreciation rate
Buildings	3%
Hangers	7%-13%
Buses	5% - 15%
Computer hardware and software	15% - 25%
equipment and machinery	15%
Tracking devices	20% - 25%
Furniture and decoration	20%
Vehicles	15% - 20%

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 subsequent exclusion of any 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.

Goodwill
International Accounting Standards Board issued International Financial Reporting Standard No. 3/Integration.The recorded increase purchase cost over the fair value of invested as goodwill. When the recoverable amount of this goodwill less that the net book value, goodwill is reduced to the recoverable amount which is measured or calculated on a value in use basis. The value of the declining are recorded in the consolidated statement of comprehensive income
Resulting Goodwill on acquisition of subsidiary or joint control of an entity represents the purchase cost for the company's share in the net fair value of the assets, liabilities and contingent liabilities of the subsidiary identified and recognized as at the date of purchasing
First, goodwill recorded as an asset on the basis of cost, then measured later on the basis of cost less accumulated decline in value.

At the exclusion of a subsidiary Company, the value of goodwill allocated to them to determine the profit or loss resulting from the exclusion.

Intangible assets
Licenses and franchising rights are stated at cost, and are amortized in accordance with the straight-line method over the period of investment of the transmission line contracts to which such licenses are due from the date of operation of the lines.

Government grants
Government grants are recognized only when there is reasonable assurance that the company will comply with the terms and the grants will be made.

Government grants whose principal condition is that the Company purchases, constructs or otherwise owns non-current assets are recognized as deferred income in the statement of financial position and are transferred to profit or loss equally during the useful life of the asset.
Other government grants are recognized as income over the period necessary to match them with the expense that was prepared to compensate them equally.
Government grants payable as compensation for expenses or losses actually incurred or for the purpose of providing immediate financial support to the Group with no future related costs recognized as gain or loss in the period in which it is due.

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 consolidate 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 temporary 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.

Deferred Tax
Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences in the value of assets or liabilities in the financial statements and the amount for which the tax is calculated. Taxes are accounted for using the liability method. Deferred taxes are calculated at the tax rates expected to be applied based on the period in which the tax liability is settled or the deferred tax asset is recognized. The balance of deferred tax assets is reviewed at the date of the financial statements and is reduced in the event that the tax asset is not expected to be used in part or in full or fo r the payment or termination of the tax liability.

Leasing
Leases are classified as capital lease whenever the terms of the lease transfer substantially all of the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under capital leases are recognized as an asset of the Company at the present value of the minimum lease payments or the fair market value of the asset at the date of creation of the lease, whichever is lower.
Finance costs, which represent the difference between the total lease commitments and the present value of the minimum lease payments or the fair market value of the asset at the date of creation of the lease, are charged to the statement of comprehensive income during the lease period and to a constant carrying rate of the remaining amounts of the liability for each period Accounting
Rentals payable under operating leases are changed to the comprehensive income statement on a straight-line basis over the term of the operating lease.

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. PROPERTY AND EQUIPMENT

	January 1	Additions	Disposals	December 31
Cost:				
Lands *	1,236,375	-	-	1,236,375
Buildings	302,382	-	-	302,382
Hangers	20,397	350	-	20,747
Buses **	35,717,819	7,799,497	(6,230,578)	37,286,738
Computers and Software	2,021,413	7,212	-	2,028,625
Machinery and equipment	514,007	2,097	-	516,104
Tracking devices	320,494	26,800	-	347,294
Furniture and decoration	172,903	2,020	-	174,923
Vehicles	319,478	-	-	319,478
Projects under construction	1,866,302	-	-	1,866,302
Total cost	42,491,570	7,837,976	(6,230,578)	44,098,968

	January 1	Additions	Disposals	December 31
Depreciation :				
Buildings	105,798	9,071	-	114,869
Hangers	18,803	1,452	-	20,255
Buses	30,992,856	2,161,897	(6,227,765)	26,926,988
Computers and Software	2,008,337	18,274	-	2,026,611
Machinery and equipment	478,619	7,134	-	485,753
Tracking devices	269,188	32,233	-	301,421
Furniture and decoration	139,844	4,664	-	144,508
Vehicles	270,334	7,703	-	278,037
Accumulated depreciation	34,283,779	2,242,428	(6,227,765)	30,298,442
Buses Impairment	(83,818)	-	83,818	-
Book value at January1	8,123,973			
Book value at December 31				13,800,526

* There is a restriction on some land by the Societe Generale Bank for the amount of 1,236,375 JD for upcoming facilities.(Note - 16).

** There is a mortgage on buses owned by the Company and its subsidiaries, with a net book value of JD 1,959,194against banks facilities.

5. PROPERTY AND EQUIPMENT HELD FOR SALE

This item represents the net book value of the property and equipment held for sale according to the management decision 16 January 2018

	2018	2017
Beginning balance	1,575,948	-
Disposals	-	-
Transfers between plant and equipment	-	1,575,948
Impairment of property and equipment held for sale	(1,129,140)	
Ending balance	446,808	1,575,948

Property and equipment held for sale and transferred

	2018	2017
Cost	-	7,225,126
Accumulated depreciation	-	(5,649,178)
	-	1,575,948

6. INTANGIBLE ASSETS

This item is the purchase of all licenses, rights and privileges to operate, invest and exploit passenger transportation lines.

	2018	2017
cost :		
Beginning Balance	778,000	778,000
Ending Balance	778,000	778,000
Amortization		
Beginning Balance	742,200	664,400
Amortization for the year	35,800	77,800
Ending Balance	778,000	742,200
Net book value	-	35,800

7. GOODWILL

At the beginning of 2006, the Company purchased all the shares of the Shareholders in Al-Tawfiq Transport and Investment Company Limited and Al-Dilaal Transport Co. Ltd. of limited liability passengers. At the end of 2006, the Company purchased all the shares of the shareholders in Asia Transport and Investment Company Limited for JD 18,915,271,which was based on the net owners 'equity of these companies amounting to JD 7,607,053. The difference of JD 11,308,218 was considered a purchase goodwill resulting from the purchase of all the capital shares of these companies.

Details of goodwill arising from the acquisition are as follows:

	Al-Dilaal Transport Co Ltd.	Al-Tawfiq for Transport & Investment Co. Ltd.	Asia for Transport and Investment	Total
Purchase cost	5,000,000	3,615,271	10,300,000	18,915,271
Deduct : owners' equity	1,000,100	2,214,170	4,392,783	7,607,053
Goodwill	3,999,900	1,401,101	5,907,217	11,308,218

Annual impairment test:

- During 208, the Parent Company evaluated the amount of goodwill recovered by an independent entity. It has been determined that there is no impairment in goodwill associated with the subsidiaries operating in the operation of public transport lines within the Greater Amman Municipality and any other lines within the Kingdom and buses maintenance, passenger ,transport and transportation services. The recoverable amount of the cash-generating unit is measured on the basis of value in use. Which were calculated using the expected cash flows through the estimated budgets approved by the Company's management and covering the next five years on the basis of a discount rate of %10.5 per annually.

8. PREPAID EXPENSES AND OTHER RECEIVABLES

	2018	2017
Employees receivables	241,553	176,981
provision for impairment loss for employees receivables *	(90,601)	(75,830)
Net employees receivables	150,952	101,151
Prepaid expenses	189,215	194,414
Refundable deposit	96,361	96,361
Other	2,675	2,675
	439,203	394,601

* Details of impairment loss for employees are as follows:

	2018	2017
Beginning Balance	75,830	65,974
calculated during the year	14,771	9,856
Ending balance	90,601	75,830

9. SPARE PARTS,OIL ANDCARDS

	2018	2017
spare parts ,Oil and cards	728,032	633,397
spare parts ,Oil and cards provision	(367,564)	(381,135)
	360,468	252,262

Details of spare parts ,Oil and cards provision

	2018	2017
Beginning Balance	381,135	383,797
Provision Returns	(13,571)	(2,662)
Ending balance	367,564	381,135

10. DUE FROM GREATER AMMAN MUNICIPALITY

	2018	2017
Support account receivables	-	12,400,000
Greater Amman Municipality / town Shuttle	78,306	39,619
Provision for doubtful accounts / support account	-	(7,650,000)
	78,306	4,789,619

11. ACCOUNT RECEIVABLES

	2018	2017
Trade receivables	996,078	997,034
Ministry of transportation receivable **	3,273,246	2,861,084
Due from Transport Sector Regulatory Authority	266,329	323,660
Provision for doubtful accounts *	(1,060,189)	(843,718)
	3,475,464	3,338,060

* The details of Provision for doubtful accounts are as follows:

	2018	2017
Beginning Balance	843,718	809,447
calculated During the year	216,471	34,271
Ending balance	1,060,189	843,718

**At its board of directors meeting held on 16 January 2018, the Company decided to incurred wage differentials for the years 2016, 2017 and 2018 in the amount of JD1,178,765, JD1,682,319 and JD 2,912,162respectively, as stated in the report of the Audit Committee, and this amount was due to the company as a result of non-payment of wages as stipulated by the Prime Minister In 2015 by 10% instead of the difference in fuel price increases for 2016 and 2017 and 20% as for 2018 and record these amounts in the company's records to be due from both the Ministry of Finance and the Ministry of Transport total amount of 2,861,084 JD.

12. RELATEDPARTIES

During the year, the Company has entered into transactions with the following related parties:

Company	Relationship
Nicola abukhader and sons Co.	Owned by board of directors member
The leading Vehicle Co.	Owned by board of directors member
Motor Vehicles Trading Co.	Owned by board of directors member
Al Khaleej for Trading Cars Co.	Owned by board of directors member
United for Renting Cars Co.	Owned by board of directors member
Jordan Automobile and Equipment Co.	Owned by board of directors member
Basel industry and electronic trading Co. - Turkey	Partner in subsidiary company

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

	2018	2017
Al Khaleej for Trading Cars Co.	1,120	1,392
United for Renting Cars Co.	731	731
The leading Vehicle Co.	5,672	3,967
Jordan Automobile and Equipment Co.	418	349
	7,941	6,439

Due to related parties as at December 31 represents the following:

	2018	2017
Nicola Abukhader and sons Co	55,393	76,237
Comprehensive Land Development and Investment Co.	525,017	-
	580,410	76,237

-During the year, the Company recorded the remuneration and salaries of the executive management at JD 164,459 (2017: 146,615 JD).

-During the year, the Company also recorded bonuses to the Chairman and members of the Board of Directors at JD 107,999 (JD 2017: 99,500).

13. RESTRICTED CASH WITH THE BANK

During the year 2017, the Company restricts JD 3,492,000 with Societe Generale Bank (payment guarantee) for the purchase of 30 buses from the vehicle trading company (related party) for the period ending March 25, 2018.During the year 2018 the purchase of buses and the liberation of the amount reserved to zero dinars.

14. CASH AND CASH EQUIVALENTS

	2018	2017
Cash on hand	**62,449**	21,280
Cash on banks	**9,708**	9,155
Bank deposits	**652,000**	4,902,900
	724,157	4,933,335

15. ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE

	2018	2017
Accrued expenses	**116,513**	130,299
Unearned Revenues	**302,602**	305,875
Due to Social Security	**123,024**	131,581
Due to Income and sales tax	**65,446**	99,011
Financial interests provision	**566,706**	913,656
bus maintenance provision	**93,750**	143,000
bus licensing provision	**322,650**	321,590
End of service indemnities provision	**41,246**	61,847
Board of directors remunerations provision	**-**	14,000
	1,631,937	2,120,859

16. LOANS

The loans details as on December 31 are as follows:-

	2018	2017
Housing Bank for Trade and Finance Loans	**15,779,952**	15,679,819
Arab Bank Loans	**-**	7,529,726
SocieteGenerale Bank	**-**	672,968
Total loans	**15,779,952**	23,882,513
Deduct: current portion of long -term loan	**633,298**	6,837,777
Long term loan	**15,146,654**	17,044,736

HOUSING BANK FOR TRADE AND FINANCE LOANS:

The Company obtained loans from the Housing Bank for Trade and Finance. The Balance of loans is JD 14,284,901 at the end of 2015, at an interest rate of 7% per annually, payable on a monthly basis and without commission and guarantee of buses owned by the company and its subsidiaries. The remaining balance of these loans has been rescheduled and the bank facilities of the Housing Bank for Trade and Finance have been rescheduled to JD 1,005,750. The total amount of loans during 2016 is JD 15,592,094 and the interest rate is 6% annually.120 installment starting from May 1, 2016 first value (24) installment 80 thousand dinars for each installment and the rest of the installment 202 thousand dinars per installment.

ARAB BANK LOANS

The company rescheduled the bank loans during the previous years at an interest rate of 7%. The balance of the loan at the end of 2017 amounted to 7,529,726 JD and secured the mortgage of a plot of land No. 397 from the land of northern Amman and the restrict of land plot No. 6126 from the land of East Amman. In 2018, the company has made a settlement work with the bank and pay the amount of 2,500,000 JD and the bank waived the rest of the amount owed to the company.

SOCIETE GENERALE LOAN

During the year 2017, the company acquired loans from Societe Generale Bank at a value of JD 700,000 and an interest rate of 5.9% annually payable monthly and without commission and with a guarantee of 100% of the loan amount. The loan is repayable in 60 monthly installments starting from September 30, 2017 at a value of 13,500 JD Per installment.During 2018 the loan was paid in full.

17. RESERVES

Statutory reserve

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

Voluntary reserve

In accordance with the requirements of the Companies Law in the Hashemite Kingdom of Jordan and the Articles of Association of the Company, the Company may set up an optional reserve of not more than 20% of the net profit on the approve of its Board of Directors on that.

18- REVENUES

	2018	2017
Buses Revenue	**6,822,297**	6,524,757
Advertising and promotion revenues	**185,221**	192,828
Revenue from tracking systems subscriptions , shipping fees and cards sales	**180,537**	190,630
Revenues resulting from the paid fee of Hashemite University from Transport Sector Authority	**468,820**	490,414
Revenue from transporting German Jordanian university students	**425,573**	456,058
	8,082,448	7,854,687

19. COST OF REVENUES

	2018	2017
Salaries ,wages and other benefits	**2,646,219**	2,794,124
Depreciation and amortization	**2,271,676**	2,303,988
Fuel	**3,302,221**	2,816,512
Maintenance and spare parts	**758,898**	834,662
Rents of public transport lines	**639,830**	639,101
Buses insurance	**333,046**	417,864
Licenses and government fees	**242,308**	259,530
Oils and filters	**126,171**	131,793
Collection commissions	**40,009**	46,408
Bus washing	**23,257**	15,771
Mail, Telegraph and Telephone	**39,398**	35,200
Cost of cards and tracking devices	**17,859**	15,873
Rentals	**131,083**	226,417
Operations division expenses	**32,400**	23,543
Other	**20,490**	25,566
	10,624,865	10,586,352

20. GENERAL AND ADMINISTRATIVE EXPENSES

	2018	2017
Salaries, wages and other benefits	**1,090,144**	1,189,042
Rentals	**17,751**	22,050
Board of directors fees	**107,999**	111,923
Subscription fee at the Securities Depository Center	**7,500**	6,947
Governmental expenses	**3,123**	2,410
Electricity and water	**63,363**	57,541
Professional fees and consultations	**80,042**	96,538
Maintenance	**9,670**	12,964
Insurance	**240**	385
Mail, Telegraph and Telephone	**17,073**	14,889
Stationery	**13,845**	14,108
Travel and transportation	**15,152**	17,176
Advertising and promotion	**18,150**	8,207
Depreciation	**6,552**	6,914
Hospitality	**14,183**	15,216
Computer programs expenses	**9,025**	8,591
Improvement and training expenses	-	11,055
Fines	-	14,429
Miscellaneous	**22,787**	22,696
	1,496,599	1,633,081

23. OTHER REVENUES AND EXPENSES

	2018	2017
Revenue from fare differences	2,912,162	1,682,319
paid government subsidy	1,975,000	1,975,000
Interest revenue of deposit	474,314	327,886
Revenue of Arab bank loan settlement	6,536,413	-
Revenue from selling assets	67,188	31
Other provisions (Note- 23)	(2,258,028)	(281,078)
Unneeded provision returns (Note- 22)	167,240	357,905
Bad debt expense	(3,229,272)	-
Buses revaluation expense	-	(4,590)
Revenue of settlement with the Kansi Complex	505,240	-
Others	3,802	1,400
	7,154,059	4,058,873

22. UNNEEDED PROVISION RETURNS

	2018	2017
Buses maintenance provision returns	49,250	50,179
Buses licenses provision returns	-	91,110
Spare parts provision returns	13,571	2,663
Buses impairment provision returns	83,818	148,700
Legal cases provision returns	-	26,958
End of service remuneration provision returns	20,601	38,295
	167,240	357,905

22. OTHERPROVISIONS

	2018	2017
Financing expenses provision for financing	217,206	236,952
Due to employees provision	14,771	9,855
Account receivables impairment provision	12,199	-
Property and equipment held for sale impairment provision	1,129,140	-
Legal issues provision	883,652	
Buses licenses provision	1,060	-
Land Transport Regulatory Authority provision	-	34,271
	2,258,028	281,078

24. INCOME TAX

The Company setteled its tax position with the income and sales tax department until 2016, for 2017 the company has provided its self assessment tax statement, and it hasn't been reviewed yet by the income tax department until the date of the consolidated financial statements.

The subsidary company setteled its tax position (Al-Dilaal Transport Co) with the income and sales tax department until 2017.

The (Asia Transport Co) subsidary company setteled its tax position with the income and sales tax department until 2016, for 2017the company has provided its self assessment tax statement, and it hasn't been reviewed yet by the income tax department until the date of the consilidated financial statements.

The subsidary company setteled its tax position (Al-Tawfeek for Transport and Investment Co) with the income and sales tax department until 2016, for 2017the company has provided its self assessment tax statement, and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

The (Smart Card Integrated Co)subsidary company setteled its tax position with the income and sales tax department until 2017.

25. DEFERRED TAX ASSETS

Deferred tax is calculated at 20% of the total accumulated taxable losses amounting to JD 17,542,975 to be deferred tax amount 3,508,595 JD.

Details of deferred tax assets are as follows:

	2018	2017
Beginning balance Jan 1	**2,955,200**	2,732,421
Arises during the year	**553,395**	222,779
Ending Balance Dec 31	**3,508,595**	2,955,200

26. CASH AND CASH EQUIVALNETS

	2018	2017
Cash and cash equivalnets(Note - 13)	-	3,492,000
Cash restricted in bank (Note - 14)	**724,157**	4,933,335
	724,157	8,425,335

27. CONTINGENT LIABILITIES

At December 31, the Company had the following commitments:

	2018	2017
Banks guarantees	**180,000**	**931,000**

28. The legal status of the company

- Summary of cases filed by the Company and its subsidiaries:
The value of the cases filed by the Company and its subsidiaries against others amounted to JD 478,400.

- Summary of cases filed against the Company and its subsidiaries:
The value of cases filed by third parties against the Company and its subsidiaries amounted to JD 1,738,151.

25 .IMPACT OF ADOPTION OF IFRS 9 "FINANCIAL INSTRUMENTS"

IFRS9Financial Instruments provides requirements for the identification and measurement of monetary financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This Standard supersedes IAS39Financial Instruments: "Recognition and Measurement"

The Company has adopted IFRS 9as of January 1, 2018. The Company has chosen not to adjust the comparative figures and the changes in the effective date have been included in the carrying amounts of the monetary financial assets and liabilities within the opening balances of the retained earnings.

The net effect arising from the adoption of IFRS9 as of 1January 2018is a decrease in retained earnings of JD 204,272.

	Book value in accordance with IAS 39	Current value in accordance with IFRS 9
Accounts receivable	3,338,060	3,133,788

Prepaid expenses, other receivables, unbilled revenues and accounts receivables previously classified as accounts payables under IAS 39 are now classified at amortized cost. An additional impairment allowance of JD204,272for these receivables was recognized as part of the opening balance of retained earnings as at 1 January 2018 when IFRS 9 was applied.

30. FINANCIAL INSTRUMENTS

Management of share capital risks

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners equity balances. The Company's strategy doesn't change from 2017.

Structuring of Company's capital includes the owners' equity in the Company which includes share capital, reserves, and accumulated losses as it listed in the changes in owners' equity statement.

The debt ratio

The board of directors is reviewing the share capital structure periodically. As a part of this reviewing, the board of directors consider the cost of share capital and the risks that is related in each faction from capital and debt factions. The Company's capital structure includes debts from the borrowing. The Company doesn't determine the highest limit of the debt ratio and it doesn't expect increase in the debt ratio.

	2018	2017
Debts	15,904,961	23,953,504
Owners' equity	12,071,729	10,194,192
Debt/ owners' equity rate	%132	%235

The management of the financial risks
The Company's activities might be exposing mainly to the followed financial risks:

Management of the foreign currencies risks
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 statement of comprehensive income is the effect of the assumed changes in interest rates on the Company's profit for one year, and it is calculated based on the financial liabilities which carry variable interest rates at the end of the year.

The following table shows sensitivity of the statement of comprehensive income for possible reasonable changes in interest rates as of December 31 with all other impacting variables constant:

Currency	Increase in interest rate	The impact on the profit of the year	
JD	Percentage points	2018	2017
	25	-39,825	59,883-

Currency	Decrease in interest rate	The impact on the profit of the year	
JD	Percentage points	2018	2017
	25	+39,825	59,883+

Other price risk
The Company exposes to price risks resulting from its investments in owners' equity to other companies. The Company keeps investments in other company's owner's equity for strategic purposes and not for trading purposes, and the Company has no trading activity in those investments.

Credit risk management
The credit risks represented if one part of the financial instruments contracts has not obligated to pay the contractual obligations and cause of that the Company is exposing financial losses, However, there are no any contracts with any other parts so the Company doesn't expose to different types of the credit risks. The Company classify the parts which have similar specifications as a related parties. Except the amounts which are related to the cash money.

Credit risks that are resulting from the cash money are specific because the parts that are dealing with it are local banks which have good reputations and controlled by control parties.

The listed amounts in the financial data represents the highest credit risk exposer to trade and other recievable, cash and cash equivalents.

Management of liquidity risks
Board of directors is responsible for management of liquidity risks to manage the cash requirements, short, medium and long term liquidity. The Company managed the liquidity risks through controlling the future cash flow that evaluated permanently and correspond the due dates of cash assets and liabilities.

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

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

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

	Interest rate	Year or less	More than a year	Total
2018 :				
Instruments without interest		**6,107,853**	**-**	**6,107,853**
Instruments with interest	7%-9 %	**758,307**	**15,146,654**	**15,904,961**
Total		**6,866,160**	**15,146,654**	**22,012,814**
2017 :				
Instruments without interest		6,995,353	-	6,995,353
Instruments with interest	7%-9 %	6,908,768	17,044,736	23,953,504
Total		13,904,121	17,044,736	30,948,857

31. SECTORS INFORMATION
The Company operates inj the principal which is providing public transportation inside Greater Amman Municipality, and owning public transportation, public bus-stops, and the company operates in one Geographical sector which is the Hashemite Kingdom of Jordan.

32. APPROVAL OF FINANCIAL STATEMENTS
The financial statements were approved by the Board of Directors and authorized for issuance on February 19, 2019.

33. COMPARTIVE FIGURES
Certain figures for 2017 have been reclassified to confirm presentation on the current year.