



الشركة الأردنية للاستثمار والنقل السياحي  
Jordan Investment & Tourism Transport Co.

المدير العام  
شفيق الحايك

٢٠١٧

No : A/10/190  
Date : 8/5/2017

الرقم : 190/10/أ  
التاريخ : 2017/5/8

To : Jordan Securities commission

السادة / هيئة الأوراق المالية المحترمين

Subject: Annual Report as of  
31/12/2016

الموضوع: البيانات المالية كما هي في 2016/12/31

تحية طيبة وبعد،،

Attached the Report in English of  
Jordan Investment & Tourism  
Transport CO. as of 31/12/2016

مرفق طيه نسخة من البيانات المالية باللغة الانجليزية  
للشركة الاردنية للاستثمار والنقل السياحي كما هي  
بتاريخ 2016/12/31

Kindly accept our high appreciation and  
respect

وتفضلوا بقبول فائق الاحترام،،

Chafiq Hayek  
General Manager

شفيق الحايك  
المدير العام



**Jordan Investment and Tourism Transport Company**  
**Public Shareholding Company**  
**Consolidated Financial Statements as at 31 December 2016**  
**Together With**  
**Independent Auditor's Report**

**Arab Professionals**  
**(Member Firm within Grant Thornton International Ltd.)**

Jordan Investment and Tourism Transport Company  
Public Shareholding Company

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## INDEPENDENT AUDITORS' REPORT

To The Shareholders of  
Jordan Investment and Tourism Transport Company  
Public Shareholding Company  
Amman – Jordan

### **Report on the Audit of the Consolidated Financial Statements**

#### **Opinion**

We have audited the consolidated financial statements of **Jordan Investment and Tourism Transport Company PLC**, which comprise the consolidated statement of financial position as at 31 December 2016, and consolidated statement of profit or loss, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

#### **Basis for Opinion**

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

#### **Emphasis of Matter**

As noted in note (18) The Company had received during 2007 claims amounting to JOD (5,5) million from the Jordan Customs Department, related to fines and fees as a result of busses purchases from Petra Touristic Transportation Company. As well as two other claims received in 2012 from the Jordan Customs Department amounting to JOD (507) thousands related to fines and fees for the rental of some Company's busses and the sales of two busses for others. However the Company had objected in the Courts for these claims, and as a result a decision was issued to the favor of the Company. However there are still outstanding claims where no decision from the Court had issued amounting to JOD (489) thousands. The Company's Board of Directors and legal advisor believes that the legal position for the Company is strong and no provision should be taken against these claims.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.





#### **Other Information**

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

#### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

#### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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


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


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

#### **Report on Other Legal and Regulatory Requirements**

The Company maintains proper accounting records and the accompanying consolidated financial statements are in agreement therewith and with the financial data presented in the Board of Directors' report.

27 February 2017  
Amman - Jordan



Arab Professionals  
Fahed Hammoudeh  
(License No. 822 )  
 Arab Professionals  
Grant Thornton



Jordan Investment and Tourism Transport Company  
Public Shareholding Company  
Consolidated statement of financial position as at 31 December 2016

(In Jordanian Dinar)

Assets	Notes	2016	2015
<b>Non - current assets</b>			
Property and equipment	3	3,496,911	3,756,478
<b>Current assets</b>			
Spare parts and supplies	4	497,735	495,810
Other receivables	5	459,159	598,356
Accounts receivable	6	801,588	857,529
Financial assets through other comprehensive income		12,700	-
Checks under collection		68,256	110,326
Restricted bank balances		-	315,963
Cash and cash equivalents	7	144,274	58,174
<b>Total current assets</b>		<u>1,983,712</u>	<u>2,436,158</u>
<b>Total assets</b>		<u><u>5,480,623</u></u>	<u><u>6,192,636</u></u>
<b>Equity and liabilities</b>	8		
<b>Equity</b>			
Paid - in capital		7,500,000	7,500,000
Statutory reserve		415,826	405,149
Changes in fair value		( 3,600)	-
Accumulated losses		<u>( 3,222,904)</u>	<u>( 3,309,391)</u>
<b>Net equity</b>		<u>4,689,322</u>	<u>4,595,758</u>
<b>Liabilities</b>			
<b>Non - current liabilities</b>			
Bank facilities - long term		<u>-</u>	<u>2,000</u>
<b>Current liabilities</b>			
Bank overdraft	9	179,273	592,120
Bank facilities - short term		-	319,600
Accounts payable		290,152	323,267
Other liabilities	10	321,876	359,891
<b>Total current liabilities</b>		<u>791,301</u>	<u>1,594,878</u>
<b>Total liabilities</b>		<u>791,301</u>	<u>1,596,878</u>
<b>Total equity and liabilities</b>		<u><u>5,480,623</u></u>	<u><u>6,192,636</u></u>

"The attached notes from (1) to (20) are an integral part of these consolidated financial statements"

**Jordan Investment and Tourism Transport Company**  
**Public Shareholding Company**  
**Consolidated statement of profit or loss for the year ended 31 December 2016**

(In Jordanian Dinar)

	Notes	2016	2015
Transportation revenues	11	3,015,775	2,610,764
Transportation cost	12	( 2,298,337)	( 2,058,018)
<b>Gross profit</b>		<b>717,438</b>	<b>552,746</b>
Administrative expenses	13	( 514,700)	( 479,030)
Finance cost		( 76,823)	( 113,435)
<b>Operating profit (loss)</b>		<b>125,915</b>	<b>( 39,719)</b>
Unneeded provisions		118,909	379,569
Impairment of accounts receivables	6	( 87,060)	-
Provision for refundable income tax deposits		( 31,849)	-
Provision for contingent liabilities		-	( 257,693)
Gains on disposal of property and equipment		26,268	9,383
Un-detectable sales tax		( 79,947)	( 73,440)
Other income	14	34,538	28,994
Board of Director's remunerations		( 9,610)	-
<b>Profit for the year</b>		<b>97,164</b>	<b>47,094</b>
<b>Basic and diluted earnings per share</b>	15	<b>0.013</b>	<b>0.006</b>

"The attached notes from (1) to (20) are an integral part of these consolidated financial statements"



Jordan Investment and Tourism Transport Company  
Public Shareholding Company  
Consolidated statement of comprehensive income for the year ended 31 December 2016  
(In Jordanian Dinar)

	2016	2015
Profit for the year	97,164	47,094
Other comprehensive income		
Changes in fair value of financial assets	( 3,600)	-
<b>Total comprehensive income for the year</b>	<b>93,564</b>	<b>47,094</b>

“The attached notes from (1) to (20) are an integral part of these consolidated financial statements”

Jordan Investment and Tourism Transport Company  
Public Shareholding Company  
Consolidated statement of changes in equity for the year ended 31 December 2016  
(In Jordanian Dinar)

	Paid In Capital	Statutory Reserve	Changes in Fair Value	Accumulated Losses	Net Equity
Balance at 1 January 2016	7,500,000	405,149	-	( 3,309,391)	4,595,758
Total comprehensive income for the year	-	-	( 3,600)	97,164	93,564
Statutory reserve	-	10,677	-	( 10,677)	-
Balance at 31 December 2016	7,500,000	415,826	( 3,600)	( 3,222,904)	4,689,322
Balance at 1 January 2015	7,500,000	400,440	-	( 3,351,776)	4,548,664
Total comprehensive income for the year	-	-	-	47,094	47,094
Statutory reserve	-	4,709	-	( 4,709)	-
Balance at 31 December 2015	7,500,000	405,149	-	( 3,309,391)	4,595,758

"The attached notes from (1) to (20) are an integral part of these consolidated financial statements"

Jordan Investment and Tourism Transport Company  
Public Shareholding Company  
Consolidated statement of cash flows for the year ended 31 December 2016  
(In Jordanian Dinar)

	2016	2015
<b>Operating Activities</b>		
Profit for the year	97,164	47,094
Depreciation	254,390	275,786
Finance costs	76,823	113,435
Impairment of accounts receivables	87,060	-
Provision for refundable income tax deposits	31,849	-
Gains from disposal of property and equipment	( 26,268)	( 9,383)
Unneeded provisions	( 118,909)	( 379,569)
Board of Director's remunerations	9,610	-
Provision for contingent liabilities	-	257,693
<b>Changes in working capital</b>		
Spare parts and supplies	( 1,925)	12,077
Accounts receivable	( 31,119)	64,947
Checks under collection	42,070	( 13,819)
Accounts payable	( 33,115)	61,673
Restricted bank balances	315,963	( 10,283)
Other receivables	107,348	127,473
Other liabilities	71,284	( 8,914)
<b>Net cash flows from operating activities</b>	<u>882,225</u>	<u>538,210</u>
<b>Investing Activities</b>		
Property and equipment	31,445	( 38,313)
Financial assets at fair value through other comprehensive income	( 16,300)	-
<b>Net cash flows from (used in) investing activities</b>	<u>15,145</u>	<u>( 38,313)</u>
<b>Financing Activities</b>		
Bank facilities	( 734,447)	( 362,822)
Finance costs paid	( 76,823)	( 113,435)
<b>Net cash flows used in financing activities</b>	<u>( 811,270)</u>	<u>( 476,257)</u>
<b>Net change in cash and cash equivalents</b>	86,100	23,640
Cash and cash equivalents, beginning of year	58,174	34,534
<b>Cash and cash equivalents, end of year</b>	<u>144,274</u>	<u>58,174</u>

"The attached notes from (1) to (20) are an integral part of these consolidated financial statements"



**Jordan Investment and Tourism Transport Company**  
**Public Shareholding Company**  
**Notes to the Consolidated Financial Statements**  
**31 December 2016**

(In Jordanian Dinar)

**1. General**

Jordan Investment and Tourism Company was established on 10 November 1994 as a Public Shareholding Company and registered at the Ministry of Trade and Industry under number (260). The Company head office is in the Hashemite Kingdom of Jordan. The Company's main objective is exercising all touristic transportation activities according to the rules and regulation.

The accompanying consolidated financial statements were authorized for issue by the Company's Board of Directors in their meeting held on 27 February 2017 and it is subject to the General Assembly approval.

**2. Summary of Significant Accounting Policies**

**Basis of Preparation**

The consolidated financial statements of the Company and all its subsidiaries have been prepared in accordance with International Financial Reporting Standards.

The consolidated financial statements have been prepared on a historical cost basis except for the financial assets which are presented in fair value.

The financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous year.

**Principles of Consolidation**

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

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

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

The following subsidiary has been consolidated:

Company	Capital	Ownership	Activity
Arab Modern for International Transportation LLC	500,000	100%	Transportation activities

#### Adoption of new and revised IFRS standards

The following standards have been published that are mandatory for accounting periods after 31 December 2016. Management anticipates that the adoption of new and revised Standards will have no material impact on the consolidated financial statements of the Company.

Standard No.	Title of Standards	Effective Date
IFRS 2	Classification and Measurement of Share-based Payment Transactions (Amendments)	1 January 2017
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019

#### Use of Estimates

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

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the consolidated statement of comprehensive income.
- An estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable. For individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.

#### Property and Equipment

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the consolidated statement of comprehensive income.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Busses	5-20%
Buildings	4%
Furniture and fixtures	15-20%
Vehicles	20%

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



**Spare parts and Supplies**

Spare parts and Supplies are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method.

**Trade Receivables**

Trade Receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

**Cash and Cash Equivalents**

Cash and cash equivalents are carried in the consolidated financial statement at cost. For the purposes of the consolidated statement of cash flow, cash and cash equivalents comprise cash on hand, deposits held at call with banks, other short - term highly liquid investments.

**Financial Assets at Fair Value through Other Comprehensive Income**

These financial assets represent investments in equity instruments held for the purpose of generating gain on a long term and not for trading purpose.

Financial assets at fair value through other comprehensive income initially stated at fair value plus transaction costs at purchase date.

Subsequently, they are measured at fair value with gains or losses arising from changes in fair value recognized in the statement of other comprehensive income and within owner's equity, including the changes in fair value resulting from translation of non-monetary assets stated at foreign currency. Gain or Loss from the sale of these investments should be recognized in the statement of comprehensive income and within owner's equity, and the balance of the revaluation reserve for these assets should be transferred directly to the retained earnings and not to the statement of profit or loss.

These assets are not subject to impairment testing.

Dividends are recorded in the statement of profit or loss on a separate line item.

**Trading and settlement date accounting**

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

**Fair value**

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

**Accounts Payable and Accruals**

Accounts payable and accrued payments are recognized upon receiving goods or performance of services.



#### **Provisions**

A provision is recognized when, and only when the Company has a present legal or constructive obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each of statement of financial position date and adjusted to reflect the current best estimate.

#### **Offsetting**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated financial statement when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

#### **Borrowing costs**

Borrowing costs generally are expenses as incurred; borrowing costs are capitalized until the assets are substantially ready for their intended use.

#### **Revenue Recognition**

Revenues are recognized upon providing the services to the customers given that the revenues are dependably measurable.

Interest is recognized on a time proportion basis that reflects the effective yield on the assets.

Dividends are recognized when the Company's right to receive payment is established.

Other revenue is recognized on the accrual basis.

#### **Foreign Currency**

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the consolidated statement of comprehensive income.

#### **Income Taxes**

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

**Jordan Investment and Tourism Transport Company PLC**  
**Notes to the Consolidated Financial Statements (Continued)**  
**31 December 2016**

**3. Property and Equipment**

	Busses	Lands	Buildings	Furniture and fixtures	Vehicles	Total
<b>Cost</b>						
Balance at 1/1/2016	12,918,655	1,219,235	923,512	330,310	113,018	15,504,730
Additions	12,595	-	-	3,891	20,000	36,486
Disposals	( 182,413)	-	-	( 8,121)	-	( 190,534)
Balance at 31/12/2016	12,748,837	1,219,235	923,512	326,080	133,018	15,350,682
<b>Accumulated depreciation</b>						
Balance at 1/1/2016	10,817,240	-	547,840	315,283	67,889	11,748,252
Depreciation	198,940	-	36,740	5,961	12,749	254,390
Disposals	( 140,788)	-	-	( 8,083)	-	( 148,871)
Balance at 31/12/2016	10,875,392	-	584,580	313,161	80,638	11,853,771
Net book value at 31/12/2016	1,873,445	1,219,235	338,932	12,919	52,380	3,496,911
<b>Cost</b>						
Balance at 1/1/2015	12,918,655	1,219,235	918,515	322,611	103,018	15,482,034
Additions	-	-	4,997	7,699	35,000	47,696
Disposals	-	-	-	-	( 25,000)	( 25,000)
Balance at 31/12/2015	12,918,655	1,219,235	923,512	330,310	113,018	15,504,730
<b>Accumulated depreciation</b>						
Balance at 1/1/2015	10,595,821	-	511,100	304,780	85,765	11,497,466
Depreciation	221,419	-	36,740	10,503	7,124	275,786
Disposals	-	-	-	-	( 25,000)	( 25,000)
Balance at 31/12/2015	10,817,240	-	547,840	315,283	67,889	11,748,252
Net book value at 31/12/2015	2,101,415	1,219,235	375,672	15,027	45,129	3,756,478

There are pledges over 10 busses and a mortgage over some lands against the bank facilities granted to the Company.

**4. Spare Parts and Supplies**

	2016	2015
Spare Parts and Supplies	597,113	595,188
Provision for slow moving spare parts	( 99,378)	( 99,378)
	<u>497,735</u>	<u>495,810</u>

**5. Other Receivables**

	2016	2015
Prepaid expenses	373,470	297,921
Refundable guarantees	68,075	237,197
Refundable deposits	14,508	28,994
Due from Income Tax Department	3,106	34,244
	<u>459,159</u>	<u>598,356</u>

6. Accounts Receivable

	2016	2015
Commercial receivables	424,190	366,917
Noncommercial receivables	1,445	292
Amounts due from related parties (Note 16)	385,410	415,091
Lawsuit receivables	407,524	664,249
Employee's receivables	8,019	13,432
Impairment of accounts receivables	( 425,000)	( 602,452)
	<u>801,588</u>	<u>857,529</u>

The movements on the impairment of accounts receivables are as the following:

	2016	2015
Balance at beginning of the year	602,452	602,452
Additions	87,060	-
Write off receivables	( 264,512)	-
	<u>425,000</u>	<u>602,452</u>

The age of receivables past due but not impaired is as follows:

	2016	2015
Receivables past due for less than one year	448,189	441,881
Receivables past due for more than one year	353,399	415,648
	<u>801,588</u>	<u>857,529</u>

Management believes that all the receivables not included in the provision are collectable.

7. Cash and Cash Equivalents

	2016	2015
Cash and checks on hand	81,749	12,837
Current bank accounts	62,525	45,337
	<u>144,274</u>	<u>58,174</u>

8. Equity

**Paid-in capital**

The Company's authorized, subscribed and paid up capital is JOD (7.5) Millions as at 31 December 2016 and 2015.

**Statutory reserve**

The accumulated amounts in this account represent 10% of the Company's net income before income tax according to the Companies Law. The statutory reserve is not available for distribution to shareholders.



9. Bank Facilities

Credit Type	Currency	Interest rate	Maturity date	Facility Limit	Outstanding Balance	Guarantees
Over draft	JOD	8.75%	2017	650,000	179,273	Pledge of lands

10. Other Liabilities

	2016	2015
Contingent liabilities provision	138,784	257,693
Amounts due to customers	70,722	21,860
Accrued expenses	60,386	38,814
Amounts due to Governmental Authorities	11,461	10,524
Employees vacations and end of service provision	10,200	19,837
Board of Directors remunerations	9,610	-
Employees payable	9,412	2,140
Board of Directors transportations	4,084	2,991
Income and sales tax withholding	3,423	2,237
Others	3,794	3,795
	<u>321,876</u>	<u>359,891</u>

11. Segments Reporting

The Company exercise its touristic transportation activity through renting its busses for travel and touristic, Hajj, and Omra as well as individuals, Governmental and non-Governmental agencies.

The table below illustrates the details of the operation segments in the Company:

	2016	2015
Transportation revenues / Incoming tourism	2,103,478	1,875,248
Transportation revenues / Hajj and Omra	361,188	427,931
Transportation revenues / Local tourism	551,109	307,585
	<u>3,015,775</u>	<u>2,610,764</u>

12. Transportation cost

	2016	2015
Salaries and benefits	565,496	467,994
Fuel and oil	663,549	568,098
Busses Maintenance	379,301	341,759
Depreciation	198,940	221,419
Busses insurance	170,928	165,975
Pier diems of transportation and maintenance departments	109,660	96,993
Busses licenses	45,831	47,050
Utilities	45,151	42,475
Post and telephone	20,229	6,465
Rent	9,747	10,000
Stationary and printing	1,458	1,489
Miscellaneous	88,047	88,301
	<u>2,298,337</u>	<u>2,058,018</u>

13. Administrative Expenses

	2016	2015
Salaries and benefits	252,832	220,873
Professional and consulting fees	73,500	73,500
Licenses and subscriptions	56,316	49,841
Depreciation	55,450	54,367
Legal expenses	22,381	24,172
Board of Directors transportations	13,200	18,500
Vehicle's expenses	10,318	7,350
Maintenance	8,377	8,412
Post ,telephone and internet	2,791	2,672
Stationary and printing	1,874	1,602
Donations	1,388	1,059
Companies Controller fees	600	600
Miscellaneous	15,673	16,082
	<u>514,700</u>	<u>479,030</u>

14. Other Revenues

	2016	2015
Net profit from busses maintenance	21,301	13,022
Bank interest income	9,124	10,824
Other	4,113	5,148
	<u>34,538</u>	<u>28,994</u>

15. Basic and Diluted Earnings per Share

	2016	2015
Profit for the year	97,164	47,094
Weighted average number of shares	7,500,000	7,500,000
	<u>0.013</u>	<u>0.006</u>

16. Related Party Transactions

The Company had the following transactions with related party during the year:

Party	Nature of transaction	Transaction Volume	Balance at year end	
			Debit	Credit
Investment for Financial Services	Financial services	32,825	308,289	324,724
Tantash for Travel Co.	Commercial	20,000	62,406	82,406
Tantash Investments Group	Administrative consultations	56,838	-	( 557)
Middle East Pharma industries Co.	Bus sale	8,518	14,715	8,518
			<u>385,410</u>	<u>415,091</u>

- All of the above related parties are under the control of the Chairman.
- The remuneration of executive management during the years 2016 and 2015 amounted to JOD (134,400) and JOD (116,625) respectively.

**17. Income Tax**

- The Company has settled its tax liabilities with the Income Tax Department up to 2014 and carried accumulated losses amounted to JOD (634,397) for year 2012 and JOD (125,048) for year 2013.
- The income tax returns for the year 2015 have been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- No income tax provision was calculated for the year 2016 as the Company's had carried accumulated losses from previous years.

**18. Contingent Liabilities**

- The Company had received during 2007 claims amounting to JOD (5,5) million from the Jordan Customs Department, related to fines and fees as a result of busses purchases from Petra Touristic Transportation Company. As well as two other claims received in 2012 from the Jordan Customs Department amounting to JOD (507) thousands related to fines and fees for the rental of some Company's busses and the sales of two busses for others. However the Company had objected in the Courts for these claims, and as a result a decision was issued to the favor of the Company. However there are still outstanding claims where no decision from the Court had issued amounting to JOD (489) thousands. The Company's Board of Directors and legal advisor believes that the legal position for the Company is strong and no provision should be taken against these claims.
- The Company appears as a defendant in a lawsuits amounting to JOD (108,734) and the Company's lawyer and Company's management believe that the case will not affect the Company financial position.
- The Company is contingently liable against letters of guarantees amounting JOD (90,794), where its cash guarantees amounted to JOD (68,075).

**19. Financial Instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, accounts receivables, checks under collection, and other receivables. Financial liabilities of the Company include bank facilities and accounts payable.

**Fair Value**

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

**Credit Risk**

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

The Company's most significant customer balance at 31 December 2016 is JOD (308,289) against (2015: JOD 324,724).



### Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the statement of financial position to the contractual maturity date.

2016	Less Than One Year	More Than One Year	Total
Bank overdraft	179,273	-	179,273
Accounts payable	290,152	-	290,152
Other liabilities	321,876	-	321,876
	<u>791,301</u>	<u>-</u>	<u>791,301</u>

2015	Less Than One Year	More Than One Year	Total
Bank facilities	911,720	2,000	913,720
Bank overdraft	592,120	-	592,120
Accounts payable	323,267	-	323,267
Other liabilities	359,891	-	359,891
	<u>1,594,878</u>	<u>2,000</u>	<u>1,596,878</u>

### Equity Price Risk

Equity price risk result from the change in the fair value of equity securities. The Company manages these risks through the diversification of investments in several geographical areas and economic sectors. If the quoted market price of listed equity securities had increased or decreased by 10%, the comprehensive income for the year would be increased / reduced by JOD (1,270).

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

## 20. Capital Management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by pricing services commensurately with the level of risk.

	2016	2015
Total Debt	179,273	913,720
Total Equity	4,689,322	4,595,758
Debt to Equity ratio	<u>3.8%</u>	<u>19.9%</u>