

Date : 27/3/2018  
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التاريخ : 2018/3/27  
الرقم: 2018/3/27/610

للمرسل  
بورصة عمان  
المدير المالي  
المدير  
السيد رزان  
السيد

٣/٢٧

To: Jordan Securities Commission  
Amman Stock Exchange  
Date 27/3/2018

السادة هيئة الأوراق المالية  
السادة بورصة عمان  
التاريخ:- 2018/3/27

1. Subject: Audited Financial Statements for the fiscal year ended 31<sup>st</sup> of December 2017

الموضوع: البيانات المالية السنوية المدققة للسنة المنتهية في 2017/12/31

2. Attached the Audited Financial Statements of (Comprehensive Multiple Transportation company) for the fiscal year ended 31<sup>st</sup> of December 2017 in English

مرفق طيه نسخة من البيانات المالية السنوية للشركة المتكاملة للنقل المتعدد كما هي بتاريخ 2017/12/31 باللغة الانجليزية

Best Regards,,

هيئة الأوراق المالية  
الإدارة العامة / المدير  
٢٠١٨ ٢٧  
الرقم التسلسلي  
الجهة المختصة

وتفضلوا بقبول فائق الاحترام...

The Comprehensive Multiple Transportation Company  
Financial Manager  
Ziad Al-horani

الشركة المتكاملة للنقل المتعدد  
المدير المالي  
زياد الحوراني

المتكاملة للنقل المتعدد م.ع.  
Comprehensive  
Multiple Transport Plc

٣/٢٧

**COMPREHENSIVE MULTIPLE  
TRANSPORTATIONS COMPANY**

**(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANT'S REPORT**

**YEAR ENDED DECEMBER 31, 2017**

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**COMPREHENSIVE MULTIPLE TRANSPORTATIONS  
(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT'S REPORT  
YEAR ENDED DECEMBER 31, 2017**

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## **INDEPENDENT CERTIFIED PUBLIC ACCOUNTANT'S REPORT**

**To the shareholders**

**Comprehensive Multiple Transportations Company (PLC)**

### **Opinion**

We have audited the accompanying consolidated financial statements of Comprehensive Multiple Transportations Company(Public Shareholding Company), which comprise of the consolidated Statement of Financial Position as of December 31, 2017, consolidated Statement of Comprehensive income, consolidated Statement of Owner's Equity and Cash flows, for the year then ended, also a summary of significant accounting policies and other explanatory information.

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of Comprehensive Multiple Transportation Company (Public Shareholding Company) as of December 31, 2017, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

### **Basis for Qualified 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 the 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 financial statement. The basic auditing matters have been addressed in our auditing workflow to financial standards as we do not express separate opinions.

### **Property, plant and equipment**

In accordance with the international financial reporting standards the company has to review the useful life and depreciation method and perform and impairment test to the reported amount of property , Plant and equipment in the financial position, the company determines the impairment in property and equipment by using assumptions and evaluations (if any).

### **Due from Greater Amman Municipality**

In Accordance with the International Reporting Financial Standards, the Company has to review the impairment of the value concerning Greater Amman Municipality; the Company determines the impairment through assumptions and valuations. A provision of JD 7,650,000 has been recognized.

**Goodwill**

In accordance with International Financial Reporting Standards, the Company's management has to assess its goodwill and check the impairment. Goodwill as at 31 December 2017 amounted to JD 11,308,218. The annual impairment of goodwill is considered a fundamental audit because of the complexity of the accounting requirements and general provisions required to determine the assumption will be used to estimate the recoverable amount. The recoverable amount of the cash-generating units, which is based on the value in use or the fair value less costs to sell, whichever is higher, is accrued from discounted cash flow models. These models use several basic assumptions including estimates of future sales volume and prices, Operating, end-value growth and weighted average cost of capital.

**Followed Procedures within key audit matters****Property, plant and equipment**

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

**Due from Greater Amman Municipality**

Our procedures included reviewing the internal control used by the management to track the receivables of Greater Amman Municipality, checking the balances through reviewing the financial support agreement and comparing the accrued amounts, which the doubtful amounts totaled JD 12,400,000 and the provisions made by the company JD 7,650,000 at the end of 2017. The Company requested the Government to form a neutral committee to match the amounts with the financial support agreement. We have also evaluated the adequacy of the disclosures of doubtful amounts to be collected.

**Goodwill**

A review of the impairment of goodwill at the end of 2017 was performed by an independent entity. The assumptions and methodologies used by the company were evaluated. The audit included examining the assumptions and methodologies used, particularly those related to the expected revenue growth and profit margins. These 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.

**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 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.

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 an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, 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, 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.

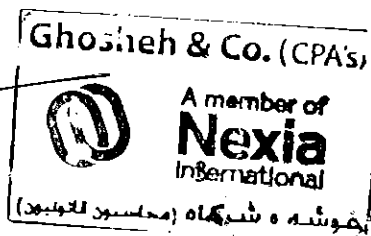
#### **Legal requirements report**

The Company maintains proper books of accounting records which are in agreement with the accompanying Financial Statements, and we recommend approving the Financial Statement.

Ghosheh & Co.

Walid M. Taha

License No. (703)



Amman- Jordan  
March 8, 2018

**COMPREHENSIVE MULTIPLE TRANSPORTATIONS COMPANY**  
**(PUBLIC SHAREHOLDING COMPANY)**

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	Note	2017	2016
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	8,123,973	11,666,775
Intangible assets	6	35,800	113,600
Goodwill	7	11,308,218	11,308,218
Deferred tax assets	25	2,955,200	2,732,421
<b>Total non-current assets</b>		<b>22,423,191</b>	<b>25,821,014</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	8	394,601	521,693
Spare parts, fuel and cards	9	252,262	304,724
Due from Greater Amman Municipality	10	4,789,619	4,851,278
Accounts receivable	11	3,338,060	1,532,793
Due from related parties	12	6,439	5,882
Cash restricted in bank	13	3,492,000	-
Cash and cash equivalents	14	4,933,335	5,551,660
		<b>17,206,316</b>	<b>12,768,030</b>
Property and equipment held for sale	5	1,575,948	-
<b>Total current assets</b>		<b>18,782,264</b>	<b>12,768,030</b>
<b>TOTAL ASSETS</b>		<b>41,205,455</b>	<b>38,589,044</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	15,000,000	11,683,300
Statutory reserve	17	100,987	100,987
Voluntary reserve	17	12,670	12,670
Accumulated losses		(4,919,465)	(3,353,085)
<b>Total shareholders' equity</b>		<b>10,194,192</b>	<b>8,443,872</b>
Non-controlling interests		62,406	59,393
<b>Total owners' equity</b>		<b>10,256,598</b>	<b>8,503,265</b>
<b>Non-current liabilities</b>			
Long -term loans	16	17,044,736	14,637,210
<b>Total non-current liabilities</b>		<b>17,044,736</b>	<b>14,637,210</b>
<b>Current liabilities</b>			
Accrued expenses and other accounts payables	15	2,120,859	2,474,593
Legal cases provision		753,042	780,000
Due to Greater Amman Municipality		1,020,619	507,309
Accounts payable		2,498,994	2,549,895
Due to related parties	12	601,839	619,811
Current portion of long term loan	16	6,837,777	8,516,961
Banks overdraft		70,991	-
<b>Total current liabilities</b>		<b>13,904,121</b>	<b>15,448,569</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>41,205,455</b>	<b>38,589,044</b>

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 ENDED DECEMBER 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

	Note	2017	2016
Revenues	18	11,512,006	11,565,751
Cost of Revenues	19	(10,244,785)	(11,083,903)
<b>Gross Loss for the year</b>		<b>1,267,221</b>	<b>481,848</b>
General and Administrative expenses	20	(1,974,648)	(1,683,510)
unneeded provisions returns	21	363,187	579,597
Other provisions	22	(286,360)	(514,682)
Financial charges		(1,472,207)	(1,417,590)
Other revenues and expenses	23	324,727	89,713
<b>Loss before income tax</b>		<b>(1,778,080)</b>	<b>(2,464,624)</b>
Income tax surplus	25	222,779	561,834
Income tax	24	(8,066)	(8,175)
<b>(Loss)/Profit for the year</b>		<b>(1,563,367)</b>	<b>(1,910,965)</b>
Other comprehensive income		-	
<b>Total comprehensive income for the year</b>		<b>(1,563,367)</b>	<b>(1,910,965)</b>
Attributable to:			
Company's owners		(1,563,380)	(1,917,505)
Non-Controlling Interests		3,013	6,540
		<b>(1,563,367)</b>	<b>(1,910,965)</b>
<b>(Loss) /Earnings per share:</b>			
<b>(Loss) /Earnings per share JD/Share</b>		<b>(0.11)</b>	<b>(0.17)</b>
<b>Outstanding weighted average share</b>		<b>13,845,970</b>	<b>11,251,374</b>

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, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	Share capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total of shareholders' equity	Non-Controlling equity	Total
Balance at January 1, 2016								
(Adjusted)		30,000,000	100,987	12,670	(24,935,580)	5,178,077	52,853	5,230,930
Decrease in capital		(23,500,000)	-	-	23,500,000	-	-	-
Increase in capital		5,183,300				5,183,300	-	5,183,300
Comprehensive income for the year								
(Adjusted)		-	-	-	(1,917,505)	(1,917,505)	6,540	(1,910,965)
Balance at December 31, 2016		11,683,300	100,987	12,670	(3,353,085)	8,443,872	59,393	8,503,265
Increase in 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

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, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2017	2016
<b>OPERATING ACTIVITIES</b>			
Loss for the year		(1,778,080)	(2,464,624)
Adjustments on loss for the year:			
Depreciation and amortization		2,310,902	3,378,056
Other provisions		286,359	514,682
Unneeded provisions returns		(363,187)	(579,597)
Financial charges		1,472,208	1,417,590
Gains on sale of property and equipment		(31)	(26,562)
Change in working assets and liabilities :			
Account Receivables		(1,839,538)	(1,196,458)
Prepaid expenses and other receivables		117,237	9,220
Spare parts, fuel and cards		55,125	19,524
Due from Greater Amman Municipality		61,659	(35,831)
Due from related parties		(557)	(1,640)
Due to related parties		(17,972)	(378,685)
Legal cases provisions		-	(6,930)
Accounts payable		(47,701)	482,323
Accrued expenses and other accounts payables		(422,367)	(226,048)
Due to Greater Amman Municipality		513,310	507,309
<b>Cash available from operating activities</b>		<b>347,367</b>	<b>1,412,329</b>
Financial charges Paid		(1,472,208)	(1,417,590)
<b>Net cash used in operating activities</b>		<b>(1,124,841)</b>	<b>(5,261)</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(117,812)	(95,649)
Proceeds from sales of property and equipment's		295	86,250
<b>Net cash used in investing activities</b>		<b>(117,517)</b>	<b>(9,399)</b>
<b>FINANCING ACTIVITIES</b>			
Banks overdraft		70,991	(1,110,460)
Loans financing		728,342	1,463,489
Payments of capitalized leases		-	(150,172)
Increase in capital		3,316,700	5,183,300
<b>Net cash available from financing activities</b>		<b>4,116,033</b>	<b>5,386,157</b>
<b>Net change in cash and cash equivalents</b>		<b>2,873,675</b>	<b>5,371,497</b>
Cash and cash equivalents, January 1		5,551,660	180,163
<b>CASH AND CASH EQUIVALENTS, DECEMBER 31,</b>	26	<b>8,425,335</b>	<b>5,551,660</b>
<b>Non-Cash</b>			
Transferred from property and equipment intended for sale		1,575,948	-
Amortization of accumulated losses in capital		-	23,500,000

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

**COMPREHENSIVE MULTIPLE TRANSPORTATIONS**  
**(PUBLIC SHAREHOLDING COMPANY)**

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**YEAR ENDED DECEMBER 31, 2017**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITIES**

Comprehensive Multiple Transportations is a Jordanian public limited company registered under Jordanian Companies Law No.(379) on December 19, 2005 after transferring its status from limited liability company to public limited company.

The General Authority decided in an unusual assembly 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, 2016 Under 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 decision of the unusual general assembly of the company aforementioned.

The registration of capital increase shares with the Jordan Securities Exchange were completed on May 15, 2016, pursuant 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 principal 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.

**COMPREHENSIVE MULTIPLE TRANSPORTATIONS**  
(PUBLIC SHAREHOLDING COMPANY)

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**YEAR ENDED DECEMBER 31, 2017**  
(EXPRESSED IN JORDANIAN DINAR)

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	Operation of public transport lines within Greater Amman Municipality and Queen Alia Airport
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

**COMPREHENSIVE MULTIPLE TRANSPORTATIONS  
(PUBLIC SHAREHOLDING COMPANY)**

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

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**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.

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

General assembly of the Company is expecting that the application of these standards and interpretations will not have a substantial impact on the company's financial statements.

**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.

**COMPREHENSIVE MULTIPLE TRANSPORTATIONS  
(PUBLIC SHAREHOLDING COMPANY)**

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

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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 interests 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.

**Revenue recognition**

Public transportation revenue recognized when receiving the payment and performing the service.

Advertisement boards revenue recognized on advertisement period accrual basis.

**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 and oils**

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

**COMPREHENSIVE MULTIPLE TRANSPORTATIONS**  
**(PUBLIC SHAREHOLDING COMPANY)**

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

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

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

As for the financial assets such as trade accounts receivable and assets were evaluated as individual not low-value, its evaluated for the decline in the value on a collective basis. The substantive evidence for decline in portfolio of the accounts receivable includes the past experience about the collection of payments. And the increase in the number of the late payments portfolio (which it's beyond the rate of borrowing) also it includes the significant changes in the international and local economic conditions that are related with non-collection of accounts payable.

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

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

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

**De-recognition**

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

**Property and equipment**

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

	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.

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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 excellent 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 meet them with the cost 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.



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

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

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

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

**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 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 for 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.

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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 charged 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.

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**4. PROPERTY AND EQUIPMENT**

	January 1	Additions	Disposals	Transfers (Note-5)	December 31
<b>Cost:</b>					
Lands *	1,236,375	-	-	-	1,236,375
Buildings	302,382	-	-	-	302,382
Hangers	20,017	380	-	-	20,397
Buses **	42,932,015	10,930	-	(7,225,126)	35,717,819
Computers and Software	2,011,490	9,923	-	-	2,021,413
Machinery and equipment	509,355	6,399	(1,747)	-	514,007
Tracking devices	284,024	36,470	-	-	320,494
Furniture	170,543	2,360	-	-	172,903
Vehicles	268,128	51,350	-	-	319,478
Projects under construction	1,866,302	-	-	-	1,866,302
<b>Total cost</b>	<b>49,600,631</b>	<b>117,812</b>	<b>(1,747)</b>	<b>(7,225,126)</b>	<b>42,491,570</b>

	January 1	Additions	Disposals	Transfers (note-5)	December 31
<b>Depreciation :</b>					
Buildings	96,727	9,071	-	-	105,798
Hangers	15,337	3,466	-	-	18,803
Buses	34,503,864	2,138,170	-	(5,649,178)	30,992,856
Computers and Software	1,992,544	15,793	-	-	2,008,337
Machinery and equipment	461,138	18,964	(1,483)	-	478,619
Tracking devices	230,785	38,403	-	-	269,188
Furniture	132,818	7,026	-	-	139,844
Vehicles	268,125	2,209	-	-	270,334
<b>Accumulated depreciation</b>	<b>37,701,338</b>	<b>2,233,102</b>	<b>(1,483)</b>	<b>(5,649,178)</b>	<b>34,283,779</b>
Buses Impairment	232,518	-	(148,700)	-	83,818
<b>Book value at January 1</b>	<b>11,666,775</b>				
<b>Book value at December 31</b>					<b>8,123,973</b>

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

\*\* There is a mortgage on buses owned by the Company and its subsidiaries, with a net book value of JD 5,113,536 against banks facilities.

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**8. PREPAID EXPENSES AND OTHER RECEIVABLES**

	2017	2016
Employees receivables	176,981	187,001
Allowance for impairment loss for employees receivables *	(75,830)	(65,974)
Net employees receivables	101,151	121,027
Prepaid expenses	194,414	302,145
Refundable deposit	96,361	95,846
Other	2,675	2,675
	<u>394,601</u>	<u>521,693</u>

\* Details of impairment loss for employees are as follows:

	2017	2016
Beginning Balance	65,974	55,658
Computed during the year	9,856	10,316
Ending balance	<u>75,830</u>	<u>65,974</u>

**9. SPARE PARTS, FUEL AND CARDS**

	2017	2016
Fuel, spare parts and cards	633,397	688,521
Spare and fuel parts provision	(381,135)	(383,797)
	<u>252,262</u>	<u>304,724</u>

Details of spare and fuel parts provision:

	2017	2016
Beginning Balance	383,797	386,581
Provision Returns	(2,662)	(2,784)
Ending balance	<u>381,135</u>	<u>383,797</u>

**10. DUE FROM GREATER AMMAN MUNICIPALITY**

	2017	2016
Support account receivables	12,400,000	12,400,000
Greater Amman Municipality / town Shuttle	39,619	101,278
Provision for doubtful accounts / support account	(7,650,000)	(7,650,000)
	<u>4,789,619</u>	<u>4,851,278</u>

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**11. ACCOUNT RECEIVABLES**

	2017	2016
Trade receivables	997,034	1,089,117
Ministry of transportation receivable ***	2,861,084	1,178,765
Due from Transport Sector Regulatory Authority	323,660	74,358
Provision for doubtful accounts *	(843,718)	(809,447)
	<u>3,338,060</u>	<u>1,532,793</u>

\* The details of provision for impairment are as follows:

	2017	2016
Beginning Balance	809,447	893,747
Computed During the year	34,271	181
Provision Returns	-	(84,481)
Ending balance	<u>843,718</u>	<u>809,447</u>

\*\*\*At its board of directors meeting held on 16 January 2018, the Company decided to establish wage differentials for the years 2016 and 2017 in the amount of 1,178,765, 1,682,319 JD, respectively, 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 record these amounts in the company's records to be required both the Ministry of Finance and the Ministry of Transport total amount of 2,861,084 JD.

**12. RELATED PARTIES**

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

Company	Relationship
Nicola abu khader and sons Co.	Owned by board of directors member
The leading Vehicle Co.	Owned by board of directors member
Ocean Company for Mineral Oils Trading	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
Comprehensive Land Development and Investment Co.	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:

	2017	2016
Al Khaleej for Trading Cars Co.	1,392	244
United for Renting Cars Co.	731	3,546
The leading Vehicle Co.	3,967	626
Motor Vehicles Trading Co.	-	1,066
Jordan Automobile and Equipment Co.	349	400
	<u>6,439</u>	<u>5,882</u>

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

	2017	2016
Nicola Abukhader and sons Co	76,237	229,011
Ocean Company for Mineral Oils Trading	525,602	381,967
Comprehensive Land Development and Investment Co.	-	8,833
	<u>601,839</u>	<u>619,811</u>

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**13. RESTRICTED CASH WITH THE BANK**

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

**14. CASH AND CASH EQUIVALENTS**

	2017	2016
Cash on hand	21,280	42,918
Cash on banks	9,155	53,254
Bank deposits	4,902,900	5,455,488
	<u>4,933,325</u>	<u>5,551,660</u>

**15. ACCRUED EXPENSES AND OTHER ACCOUNTS PAYABLE**

	2017	2016
Accrued expenses	133,854	86,702
Unearned Revenues	305,875	272,390
Due to Social Security	131,581	631,152
Due to Income and sales tax	95,456	101,167
Arab bank interest on Notes payable provision	913,656	676,705
bus maintenance provision	143,000	193,179
bus licensing provision	321,590	412,700
End of service provision	61,847	100,142
Board of directors remunerations provision	14,000	-
	<u>2,120,859</u>	<u>2,474,137</u>

**16. LOANS**

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

	2017	2016
Housing Bank for Trade and Finance Loans	15,679,819	15,592,094
Arab Bank Loans	7,529,726	7,562,077
SocieteGenerale Bank	672,968	-
Total loans	23,882,513	23,154,171
Deduct: current portion of long -term loan	6,837,777	8,516,961
Long term loan	<u>17,044,736</u>	<u>14,637,210</u>

**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 obtained loans from Arab Bank, where the balance of loans reached the end of the year 2015 amount and capacity of 7,267,614 JD with an interest rate of 8.25-8.5% per year to be paid monthly and without commission and guarantee the buses owned by the company and its subsidiaries to be paid all loans at the end of 2016, The remaining balance of these loans has been rescheduled and the bank's facilities have been rescheduled to 104,710 JD. The total amount of loans during 2016 is JD 7,562,077 and the rate of interest is 7% per annum. Amman and the seizure of plot No. 6126 Of East Amman.

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**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.

**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 statutory 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 stated capital of the Company in full. This reserve is not available for dividend distribution.

**Voluntary reserve**

In accordance with the Companies Law in the Hashemite Kingdome of Jordan and the Company's Article of Association, the Company can establish a voluntary reserve by appropriation of not more than 20% of net income. Boards of directors have deducted 10% of net income during the year. This reserve is available for dividends distribution after approval from the Company's General Assembly.

**18- REVENUES**

	2017	2016
Buses Revenue	6,524,757	7,016,239
Revenue from fare differences	1,682,319	1,178,765
Advertising and promotion revenues	192,828	43,750
Revenue from tracking systems subscriptions , shipping fees and cards sales	190,630	217,213
Revenues resulting from the paid fee of Hashemite University from Transport Sector Authority	490,414	713,825
Revenue from transporting German Jordanian university students	456,058	420,959
paid government subsidy	1,975,000	1,975,000
	<u>11,512,006</u>	<u>11,565,751</u>

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**19. COST OF REVENUES**

	2017	2016
Salaries and wages	2,794,124	2,870,370
Depreciation and amortization	2,303,988	3,372,578
Fuel	2,816,512	2,389,159
Maintenance and spare parts	807,494	797,038
Rents of public transport lines	639,101	785,624
Buses insurance	392,657	426,354
Licenses and government fees	227,122	128,199
Oils and filters	131,793	128,214
Collection commissions	46,408	56,340
Bus washing	15,771	52,647
Mail, Telegraph and Telephone	35,200	29,630
Cost of cards and tracking devices	9,090	20,459
Other	25,525	27,291
	<u>10,244,785</u>	<u>11,083,903</u>

**20. GENERAL AND ADMINISTRATIVE EXPENSES**

	2017	2016
Salaries and wages	1,189,042	952,224
Rentals	248,467	112,277
Board of directors fees	111,923	111,400
Subscription fee at the Securities Depository Center	6,947	10,000
Decreasing and increasing of capital fees	-	82,468
Governmental expenses	34,818	42,044
Electricity, water and fuel	57,541	50,737
Professional fees and consultations	96,538	85,408
Maintenance	44,940	55,877
Insurance	25,592	29,594
Mail, Telegraph and Telephone	14,889	18,431
Stationery	16,083	15,805
Travel and transportation	17,176	9,304
Hospitality	8,207	4,561
Advertising	6,914	5,478
Depreciation	15,216	17,946
Operation division expenses	23,543	12,952
Computer programs expenses	8,591	10,260
Improvement and training expenses	11,055	650
Fines	14,429	42,924
Miscellaneous	22,737	13,170
	<u>1,974,648</u>	<u>1,683,510</u>



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**21. UNEEDED PROVISION RETURNS**

	2017	2016
Buses maintenance provision returns	50,884	136,804
Buses licenses provision returns	91,110	-
Spare parts provision returns	2,663	2,784
Buses impairment provision returns	148,914	321,600
Legal cases provision returns	27,813	36,456
Account receivables impairment provision returns	-	77,173
End of service remuneration provision returns	41,803	4,780
	<u>363,187</u>	<u>579,597</u>

**22. OTHER PROVISIONS**

	2017	2016
Financing expenses provision for not payable	236,952	236,951
Due to employees provision	9,855	20,292
Account receivables impairment provision	-	181
Legal issues provision	855	57,518
Buses maintenance impairment provision	705	6,034
Buses impairment provision	214	156,113
Buses licenses provision	-	31,700
End of service remuneration provision	3,508	5,893
Land Transport Regulatory Authority provision	34,271	-
	<u>286,360</u>	<u>514,682</u>

**23. OTHER REVENUES AND EXPENSES**

	2017	2016
Interest revenue of deposit	327,886	62,651
Revenue from selling assets	31	26,562
Tender Revenues	1,400	500
Buses revaluation expense	(4,590)	-
	<u>324,727</u>	<u>89,713</u>

**24. INCOME TAX**

The Company settled its tax position with the income and sales tax department until 2015, for 2016 the company has provided its revealed estimate, and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

The subsidiary company settled its tax position (Al-Dilaal Transport Co) with the income and sales tax department until 2015, for 2016 the company has provided its revealed estimate, and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

The subsidiary company settled its tax position (Asia Transport Co) with the income and sales tax department until 2014, for 2015 AND 2016 the company has provided its revealed estimate, and it hasn't been reviewed yet by the income tax department until the date of the consolidated financial statements.

The subsidiary company settled its tax position (Al-Tawfeek for Transport and Investment Co) with the income and sales tax department until 2014, for 2015 and 2016 the company has provided its revealed estimate, and it hasn't been reviewed yet by the income tax department until the date of the financial statements.

The subsidiary company settled its tax position (Smart Card Integrated Co) with the income and sales tax department until 2016.

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**25. DEFERRED TAX ASSETS**

The Company's tax situation for the years 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013 and 2014 has been completed. The Income and Sales Tax Department has recalculated the losses for these years by JD 13,662,105. The deferred tax assets for these years amounted to 2,732,421. The company is entitled to recycle these losses indefinitely according to the Income Tax Law of 2009.

- Deferred tax was calculated at 20% of the losses of 2015 amounting to JD 1,113,896. The tax assets amounted to JD 222,779. The 2015 losses may be recycled for a period of five years as per Article 8 of the Tax Law. To recycle losses five years after 2015.

The deferred tax assets were recognized during the period in which the tax status of the company was terminated and a tax benefit of 2017 was recognized for a value of 222,779 JD for tax assets for the year 2015. A tax benefit for 2016 amounting to JD 561,834 relating to tax assets for 2014 was recognized.

Details of deferred tax assets are as follows:

	2017	2016
Beginning balance Jan 1	2,732,421	2,170,587
Arises during the year	222,779	561,834
Ending Balance Dec 31	2,955,200	2,732,421

**26. CASH AND CASH EQUIVALENTS DECEMBER 31**

	2017	2016
Cash and cash equivalents( Note - 13)	3,492,000	-
Cash restricted in bank (Note - 14)	4,933,335	5,551,660
	8,425,335	5,551,660

**27. CONTINGENT LIABILITIES**

At December 31, the Company had the following commitments:

	2017	2016
Banks guarantees	931,000	811,000

**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 127,226.

A - The case was filed by the integrated company for multi-transport on Madaen Company's value of 106,252 JD, was issued a final judgment in favor of the company and was put the judgment for implementation.

**- Summary of cases filed on the Company and its subsidiaries:**

The value of cases filed by third parties against the Company and its subsidiaries amounted to JD 1,945,638.

A - An arbitration case filed by the modern company on the integrated Company for multi-transport for JD 943,044.

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B- Issue No. 3256/2016 of JD 252,511 built by Hydron Energy Company on the integrated multi-transport company, and the case is still in hearing witnesses level.

C) Case No. 3288/2017 in the amount of JD 248,713 built by Al-Bashaer Company for hydrocarbons on the integrated multi-transport company. The case is still in the stage of exchanging lists.

D) Case No. 32816/2014 for JD 369,026 built from the Integrated Leasing Company to the shadow company for transporting passengers (a subsidiary company). A decision was issued to oblige the Dhulal Company for JD 273,504. The ruling was appealed and the Court of Cassation reversed the judgment. To the Court of Appeal.

**29. The amendment of 2016 financial statements**

At its extraordinary meeting held on 16 January 2018, the Company decided to establish wage differentials for the years 2016 and 2017 in the amount of 1,178,765, 1,682,319 JD, respectively, 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 in resolution The Prime Minister in 2015 by 10% instead of the difference of fuel prices rise for 2016 and 2017 and record these amounts in the company's records to be required of the Ministry of Finance and the Ministry of Transport total amount of 2,861,084 JD.

B- The Company amended the financial statements for the year 2016 as a result of ending the tax status of the Company for the years 2006, 2007, 2008, 2009, 2010, 2011, 2012 and 2014. The Income and Sales Tax Department has recouped losses for these years amounting to JD 13,662,105. Deferred tax of 2,732,421 JD. Based on the above, the balances of the accounts

before and after the amendment as at 31 December 2016 were as follows:

	<b>Balances before amendment</b>	<b>Balances after amendment</b>
Deferred tax assets	-	2,732,421
Account receivables	346,204	1,532,793
Accumulated losses	(7,264,271)	(3,353,085)
Revenues	10,343,236	11,565,751
Income tax surplus	-	561,834
Year loss	(3,651,564)	(1,910,965)
Total comprehensive income	(3,651,564)	(1,910,965)

**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 2016.

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

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**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.

	2017	2016
Debts	23,953,504	23,154,171
Owners' equity	10,194,192	8,443,872
Debt/ owners' equity rate	%235	%274

**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	2017	2016
	25	-59,883	-57,885
Currency	Decrease in interest rate	The impact on the profit of the year	
JD	Percentage points	2017	2016
	25	59,883+	+57,885

**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.

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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 accounts 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
<b>2017 :</b>				
Instruments without interest		6,995,353	-	6,995,353
Instruments with interest	7%-9 %	6,908,768	17,044,736	23,953,504
<b>Total</b>		<b>13,904,121</b>	<b>17,044,736</b>	<b>30,948,857</b>
<b>2016 :</b>				
Instruments without interest		6,931,608	-	6,931,608
Instruments with interest	7%-9 %	8,516,961	14,637,210	23,154,171
<b>Total</b>		<b>15,448,569</b>	<b>14,637,210</b>	<b>30,085,779</b>

**31. SECTORS INFORMATION**

The Company operates in 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 March 8, 2018.

**33. COMPARTIVE FIGURES**

Certain figures for 2016 have been reclassified to confirm presentation on the current year.