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التاريخ: 12 شباط 2018م  
الإشارة: 18/2/2هـ

السادة هيئة الاوراق المالية المحترمين.

تحيّة طيبة وبعد،،،

نرفق لكم نسخة من تقرير مجلس الإدارة السنوي للشركة ونسخة من القوائم المالية لعام 2017م باللغتين العربية والانجليزية, بالإضافة الى قرص مدمج يحتوي على القوائم المالية لعام 2017م باللغتين العربية والانجليزية مخزنة على شكل ملف PDF .

**وتفضلوا بقبول فائق الاحترام....**

**رئيس مجلس الإدارة.**

## مازن عزمی القواسمی

~~CONFIDENTIAL~~

~~SECRET~~

هيئة الأوراق المالية  
والإدارة العامة / الديوان

٢١٨ شبكات ٢

الرقم التسلسلي ٩٦٠٠٤٢

الحمد لله الذي هدانا لهذا...

**United Group For Land Transport Co.  
Public Shareholding Co.  
Amman - The Hashemite Kingdom of Jordan**

**Financial Statements  
as of December 31,2017**

**United Group For Land Transport Co.  
Public Shareholding Co.  
Amman - The Hashemite Kingdom of Jordan**

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## Independent Auditors' Report

02 18 660

To the Shareholder of  
**United Group For Land Transport Co**  
**Public Shareholding Company**  
Amman- The Hashemite Kingdom of Jordan

### Report on the Audit of the Financial Statements

#### Opinion

We have audited the Accompanying financial statements of **United Group For Land Transport Co (Public Shareholding Company)**, which comprise the statement of financial position as at December 31, 2017, and the statements of comprehensive income, changes in owner's equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

#### 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 Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

#### **-Property and equipment:**

The value of property and equipment shown in the financial statements represents 80% of total assets.

- In accordance with International Financial Reporting Standards (IFRS), the management reviews the useful life and the method of depreciation and performs a test for impairment of property and equipment (if any) through the use of assumptions and estimates and, because of the importance of such assets, is an important key audit.

#### **The most important audit procedures:**

- Study and examination of the internal control systems related to financial operations related to property and equipment.
- Conducting an analytical and documentary study of additions and exclusions on property and equipment accounts.
- Verification of the actual existence and ownership of such property and equipment by the Company.
- Ensure the correct calculation of consumption and study management estimates of approved consumption rates.
- Verify that there is no indication of impairment in the value of the property and equipment that requires an impairment test.
- Validation of presentation, disclosure and accounting policies consistent with International Financial Reporting Standards.

#### **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 financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the 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 financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the 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 and Those Charged with Governance for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.



In preparing the 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.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

#### **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' 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 auditors' 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 financial statements, including the disclosures, and whether the 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 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 financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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 has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend approving these financial statements by the general assembly.

AL - Abbasi & Partners Co.  
  
Nabil M. Obaidat  
License 877  


Amman in  
30 January 2018

**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Statement of Financial Position as of December 31 , 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		JD	JD
<b><u>Assets</u></b>			
<b><u>Non-current assets</u></b>			
Properties & equipment - Net	5	8,338,968	9,021,192
<b>Total Non-current assets</b>		<b>8,338,968</b>	<b>9,021,192</b>
<b><u>Current Assets</u></b>			
Cash on hand and at the Banks	6	1,725,072	1,651,482
Account receivables - Net	7	550,163	462,416
Spare parts inventory	8	46,459	50,756
Other debit balances	9	53,125	75,144
<b>Total Current Assets</b>		<b>2,374,819</b>	<b>2,239,798</b>
<b>Total Assets</b>		<b>10,713,787</b>	<b>11,260,990</b>
<b><u>Liabilities and Owners' Equity</u></b>			
<b><u>Owners' Equity</u></b>			
Paid up Capital	10	6,600,000	6,600,000
Statutory reserve	10	1,634,004	1,427,576
Retained earnings	11	2,233,971	2,765,967
<b>Total Owner's equity</b>		<b>10,467,975</b>	<b>10,793,543</b>
<b><u>Current Liabilities</u></b>			
Other credit balances	12	245,812	467,447
<b>Total Current Liabilities</b>		<b>245,812</b>	<b>467,447</b>
<b>Total Liabilities and Owner's Equity</b>		<b>10,713,787</b>	<b>11,260,990</b>



**United Group For Land Transport Co**  
**Public Shareholding Co.**

**Amman - The Hashemite Kingdom of Jordan**

**Statement of Comprehensive Income For The Year Ended December 31 , 2017**

	<u>Note</u>	<u>2017</u>	<u>2016</u>
		<u>JD</u>	<u>JD</u>
Revenue		5,705,843	5,925,353
Operating expenses	13	( 3,303,904)	( 3,174,521)
<b>Gross Profit</b>		<b>2,401,939</b>	<b>2,750,832</b>
General & administrative expenses	14	( 354,151)	( 321,963)
Depreciations		( 45,451)	( 46,183)
Finance Cost		-	( 16,978)
Other revenues	15	67,145	52,310
provision for doubtful debts		( 5,200)	( 3,000)
<b>Profit before income tax</b>		<b>2,064,282</b>	<b>2,415,018</b>
Income tax	12	( 409,850)	( 483,604)
<b>Profit for the year</b>		<b>1,654,432</b>	<b>1,931,414</b>
<b>Total comprehensive income</b>		<b>1,654,432</b>	<b>1,931,414</b>
		<u><b>JD / Share</b></u>	<u><b>JD / Share</b></u>
<b>basic and diluted earining per share</b>	16	<u><b>0.251</b></u>	<u><b>0.293</b></u>

**United Group For Land Transport Co.  
Public Shareholding Co.**

**Amman - The Hashemite Kingdom of Jordan**

**Statement of Changes in Owner's Equity For Year Ended December 31 , 2017**

	Paid up Capital	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD
<b>Balance as of January 1,2017</b>	<b>6,600,000</b>	<b>1,427,576</b>	<b>2,765,967</b>	<b>10,793,543</b>
Profit for the year	-	-	1,654,432	1,654,432
Transfer to statutory reserve	-	206,428	( 206,428)	-
Cash Dividends (Note 11)	-	-	( 1,980,000)	( 1,980,000)
<b>Balance as of December 31,2017</b>	<b>6,600,000</b>	<b>1,634,004</b>	<b>2,233,971</b>	<b>10,467,975</b>
 <b>Balance as of January 1,2016</b>	 <b>6,600,000</b>	 <b>1,186,074</b>	 <b>2,392,767</b>	 <b>10,178,841</b>
Prior years Adjustment	-	-	3,288	3,288
<b>Adjusted opening balance</b>	<b>6,600,000</b>	<b>1,186,074</b>	<b>2,396,055</b>	<b>10,182,129</b>
Profit for the year	-	-	1,931,414	1,931,414
Transfer to statutory reserve	-	241,502	( 241,502)	-
Cash Dividends	-	-	( 1,320,000)	( 1,320,000)
<b>Balance as of December 31,2016</b>	<b>6,600,000</b>	<b>1,427,576</b>	<b>2,765,967</b>	<b>10,793,543</b>

The accompanying notes form an integral part of this statement.

**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Statement of Cash Flows For The Year Ended December 31 , 2017**

	<u>Note</u>	<u>2017</u> JD	<u>2016</u> JD
<b><u>Cash Flow From Operating Activities</u></b>			
Profit for the year before income tax		2,064,282	2,415,018
Profit on sale of property and equipment		( 60,937)	-
Depreciation		726,886	735,999
Perior year adjustment		-	3,288
provision for doubtful debts		5,200	3,000
<b>Operating profit before changing in working capital</b>		<b>2,735,431</b>	<b>3,157,305</b>
<b><u>(Increase) decrease in current assets</u></b>			
Accounts receivable		( 92,948)	58,899
Spare parts inventory		4,297	( 28,113)
Other receivables		22,019	19,469
<b><u>Increase (decrease) in current liabilities</u></b>			
Other payables		2,119	16,168
<b>Net Cash provided from Operating Activities before paid tax</b>		<b>2,670,918</b>	<b>3,223,728</b>
paid income tax	12	( 633,604)	( 374,430)
<b>Net Cash provided from Operating Activities</b>		<b>2,037,314</b>	<b>2,849,298</b>
<b><u>Cash Flows From Investing Activities</u></b>			
collection from sale properties & equipment		105,500	7,800
Purchase properties & equipment		( 89,224)	( 81,784)
<b>Net Cash (Used in) Investing Activities</b>		<b>16,276</b>	<b>( 73,984)</b>
<b><u>Cash Flows From Financing Activities</u></b>			
Loans		-	( 463,762)
Cash Dividends		( 1,980,000)	( 1,320,000)
<b>Net Cash ( used in ) provided from Financing Activities</b>		<b>( 1,980,000)</b>	<b>( 1,783,762)</b>
<b>Net increase in Cash on hand and at the banks</b>		<b>73,590</b>	<b>991,552</b>
Cash on hand and at banks at beginning of year		1,651,482	659,930
<b>Cash on hand and at banks at ended year</b>		<b>1,725,072</b>	<b>1,651,482</b>

**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

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**1- Company's Registration and Objectives**

- United Group For Land Trqansport Co. (P.S.C) was established by virtue of the temporary Companies Law No (1) of , and was registered in the public shareholding companies record at the Ministry of Industry and Trade in the Hashemite Kingdom of Jordan under number (4223) on December 23,1995 .

At the Extraordinary General Assembly meeting on 14 December 2005, it was decided to transfer the company from a limited liability company to a public joint stock company The legal procedures were completed by the Ministry of Industry and Trade on August 15, 2006 The company was registered in the Public Shareholding Companies Register under No. 414 on September 5,2006 at the same previous objectives

At its extraordinary meeting held on April 2012, the General Assembly decided to reduce the company's Capital become to JD 6,600,000 instated of JD 8,000,000 The legal proceedings were completed by the Ministry of Industry and Trade on MAY 17 , 2012

the attached financial statements was approved by the Board of Directors Meeting No. (2) on 30/1/2018 and are subject to approval by the general assembly of shareholders.

**2- Basis of preparation**

**General**

The financial statements of the company have been prepared in accordance to International Financial Reporting Standards . The financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

The financial statements are presented in Jordanian Dinars (JD) which is the financial currency of the company .

**3- Use of estimates**

The preparation of the interim condensed 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 effect the revenues and expenses and the resultant provisions and 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 change in such provisions .

The estimates are based on assumptions and factors with varying degrees of judgment and uncertainty and that actual results may differ from estimates due to future changes in the conditions of those provisions

Estimates and assumptions are reviewed on an ongoing basis by the management. Adjustments in accounting estimates are accounted for and recognized for the period in which they are adjusted and future periods that may affect the revision.

**4- Significant Accounting Policies**

The accounting policies set out below have been applied consistently to all periods presented in these financial statements, and have been applied consistently by the Company.

**New and amended standards adopted by the Company :**

Amendments to IAS 7 - ' Statement of cash flows' . The amendment requires additional disclosures about changes in liabilities arising from financing activites.

Amendments to IAS 12 - 'Income taxes' which explains the recognition of deferred tax assests for unrealised losses.

**United Group For Land Transport Co**  
**Public Shareholding Co.**

**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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**Accounts Receivables**

Accounts receivable are stated at their net realizable value net of a provision for doubtful accounts , bad debts were written off when identified and deducted from its stated provision and the collected amounts from debts are identified to revenues .

**provision for doubtful debts**

A provision for impairment of Accounts receivables is established when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of receivables.

**Materials & spare parts in the warehouses**

Raw materials and spare parts are stated at cost, is determining the cost according to the weighted average method

**Offsetting**

Offsetting of financial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legally enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

**Property, plant and equipment**

Property plant & equipments are recorded at cost and depreciated (except lands) over its estimated useful lives under the straight line method by using annual depreciation rates from 2-25 % .

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount , the impairment record in statement of comprehensive income .

The expected production life for assets is reviewed at end of the year , whenever there are changes between the expected life and the estimated , the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benefits from usage , that item will be written down immediately

**Accounts payable**

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

**Income tax**

The Company is subject to Income Tax Law no 34 of 2014 and subsequent amendments thereto and the regulations issued by the Income Tax Department in the Hashemite Kingdom of Jordan and provided on an accrual basis. Income tax is computed based on adjusted taxable income

**Revenue recognition**

the revenue is recognized when issuing the invoice and provide shipping services

**Provisions**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation

**Foreign currency conversions**

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction . Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date . Exchange differences arising from these translations are included in the statement of income .



**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

**5- Properties , plant & equipment - Net**

This item consists of :

	Lands	Vehicles	Buldings	Hanagers	Electrical and office equipment	Tools	Decorations and exterior fittings	Furniture	Total
<b><u>Cost</u></b>									
Cost as in the January 1, 2017	2,798,006	8,199,581	1,303,592	100,000	34,416	22,296	35,700	22,984	12,516,575
Additions	-	78,585	1,200	-	1,075	8,364	-	-	89,224
Deletions		( 63,274)							( 63,274)
<b>Cost as in the December 31, 2017</b>	<b>2,798,006</b>	<b>8,214,892</b>	<b>1,304,792</b>	<b>100,000</b>	<b>35,491</b>	<b>30,660</b>	<b>35,700</b>	<b>22,984</b>	<b>12,542,525</b>
<b><u>Acumulated Depreciation</u></b>									
balance as of januarey 1, 2017	-	3,163,761	181,074	76,667	24,214	14,122	12,853	22,691	3,495,382
Additions	-	681,435	26,633	10,000	4,135	2,356	2,290	37	726,886
Deletions	-	( 18,711)	-	-	-	-	-	-	( 18,711)
<b>balance as of December 31, 2017</b>	<b>-</b>	<b>3,826,485</b>	<b>207,707</b>	<b>86,667</b>	<b>28,349</b>	<b>16,478</b>	<b>15,143</b>	<b>22,728</b>	<b>4,203,557</b>
<b>Net book value as of December 31, 2017</b>	<b>2,798,006</b>	<b>4,388,407</b>	<b>1,097,085</b>	<b>13,333</b>	<b>7,142</b>	<b>14,182</b>	<b>20,557</b>	<b>256</b>	<b>8,338,968</b>
<b>Net book value as of December 31, 2016</b>	<b>2,798,006</b>	<b>5,035,820</b>	<b>1,122,517</b>	<b>23,333</b>	<b>10,202</b>	<b>8,174</b>	<b>22,847</b>	<b>293</b>	<b>9,021,192</b>

**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

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**6- Cash on hand and at banks**

This item consists of the following:

	2017	2016
	JD	JD
Cash on hand	31,861	19,893
Current balances with banks	1,693,211	1,631,589
<b>Total</b>	<b>1,725,072</b>	<b>1,651,482</b>

**7- Account receivables - Net**

This item consists of the following:

	2017	2016
	JD	JD
Account receivables	558,363	465,416
provision for doubtful debts *	( 8,200)	( 3,000)
<b>Net</b>	<b>550,163</b>	<b>462,416</b>

\* The movement on the provision for doubtful debts as follows:

	2017	2016
	JD	JD
Balance at the beginning of the year	3,000	3,000
Which is deducted during the year	5,200	-
<b>End of year balance</b>	<b>8,200</b>	<b>3,000</b>

**8- Materials & spare parts in the warehouses**

This item consists of the following:

	2017	2016
	JD	JD
spare parts	26,745	23,974
Oil Warehouse	6,180	6,010
Warehouse Tire	13,534	20,772
<b>Total</b>	<b>46,459</b>	<b>50,756</b>

**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

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**9- Other debit balances**

This item consists of the following:

	2017	2016
	JD	JD
Refundable Debosit	1,630	1,470
Prepaid expenses	51,495	73,674
<b>Total</b>	<b>53,125</b>	<b>75,144</b>

**10- Owners' Equity**

**Capital**

The paid-up capital and authorized amounted to 6,600,000 Jordanian dinars, divided into 6,600,000 shares, the par value per share is JD one shares( value per share of nominal dinars).

**Statutory reserve**

This item represents the accumulated amounts appropriated at a rate of **10%** of annual income and prior years, the appropriation will stop when the statutory reserve amount equals the capital , it is not available for distribution to the shareholders, provided that deductions for statutory reserve account do not exceed **25%** of the paid up capital, and it can be used for amortization accumulated loss in accordance with the companies law.

**11- Retained Earnings**

This item consists of the following:

	2017	2016
	JD	JD
Balance at the beginning of the year	2,765,967	2,392,767
Prior year adjustments	-	3,288
<b>Adjusted opening balance</b>	<b>2,765,967</b>	<b>2,396,055</b>
Profit after tax	1,654,432	1,931,414
Transfer to statutory reserve	( 206,428)	( 241,502)
Dividends paid *	( 1,980,000)	( 1,320,000)
<b>Balance at end of year</b>	<b>2,233,971</b>	<b>2,765,967</b>

\* According to the company general assembly which was held on March 8,2017 , it was decided to distribute 30% as cash dividends amount to JD (1,980,000) .

**United Group For Land Transport Co**  
**Public Shareholding Co.**  
**Amman - The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

**12- Other credit balances**

This item consists of the following:

	2017	2016
	JD	JD
Income Tax provision *	159,850	383,604
Other credit balances	68,742	63,612
Other provisions	-	20,231
Accrued expenses	9,522	-
With holdings	7,698	-
<b>Total</b>	<b>245,812</b>	<b>467,447</b>

\* The movement of provision Tax during the year as follows :

	2017	2016
	JD	JD
<b>beginning Balance of the year</b>	383,604	274,430
Paid tax during the year	( 383,604)	( 274,430)
Year income tax **	409,850	483,604
Paid in advance for income tax	( 250,000)	( 100,000)
<b>Balance at end of year</b>	<b>159,850</b>	<b>383,604</b>

\*\* Income tax deducted on the profits of the year

	2017	2016
	JD	JD
Accounting profit	2,064,282	2,415,018
<b>minus:</b>		
Provisions obligations	( 20,231)	-
<b>Plus:</b>		
provision for doubtful debts	5,200	3,000
<b>profit taxable</b>	<b>2,049,251</b>	<b>2,418,018</b>
<b>Income tax payable</b>	<b>409,850</b>	<b>483,604</b>

The annual estimate of 2015 - 2016 was presented within the legal period of the Income and Sales Tax Department and has not yet been reviewed

# United Group For Land Transport Co

## Public Shareholding Co.

Amman - The Hashemite Kingdom of Jordan

### Notes to the Financial Statements

#### 13- Operating expenses

This item consists of :

		2017	2016
		JD	JD
Staff cost	a	629,305	635,322
Cost of vehicles	b	2,569,595	2,404,483
Insurance of movable goods		9,599	23,205
Transportion fees with others		29,395	42,759
Consumables		15,998	11,242
ASEZA fees		25,525	27,686
Transportion fees		3,046	5,552
Others		50	189
Stamp expenses		9,898	9,561
Weighing bridge fees		5,777	7,688
Bank guarantee expenses		4,830	5,855
General Safety Expenses		675	768
The expenses of the coalition - Shidya		211	211
<b>Total</b>		<b>3,303,904</b>	<b>3,174,521</b>

#### a- Staff cost

This item consists of :

	2017	2016
	JD	JD
Salaries and wages	578,087	593,940
The company's contribution to social security	41,155	41,382
Health insurance expenses	10,063	-
<b>Total</b>	<b>629,305</b>	<b>635,322</b>

#### b- Cost of vehicles

This item consists of :

	2017	2016
	JD	JD
Depreciation	681,435	689,816
fuel	1,191,327	1,036,402
Maintenance and repairs	368,410	262,979
cars Insurance	82,940	134,884
tires	148,537	181,364
license fees	40,552	38,282
Oil expenses	33,364	35,288
Car expenses	7,604	8,344
Services of containers and ships	1,106	976
Washing and steaming expenses	6,715	8,136
Fees for axial weight	-	140
Vehicle Tracking Expenses	7,605	7,872
<b>Total</b>	<b>2,569,595</b>	<b>2,404,483</b>



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**Notes to the Financial Statements**

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**14- General & administrative expenses**

This item consists of :

	2017	2016
	JD	JD
Salaries and wages	192,000	192,000
The company's contribution to social security	27,360	25,440
Telephone	4,312	4,604
Insurance of buildings and yards	1,444	1,443
Security fees	10,621	9,576
Company license fees	2,847	2,846
Electric and water	10,663	9,997
Travel and accommodation	23,756	23,845
Stationery and prints	1,808	1,929
hospitality	1,856	2,603
Cleaning services	4,563	4,144
Donations	1,685	1,730
Professional fees	5,000	5,000
Lawyer fees	2,000	2,000
Building maintenance expenses	8,024	435
Equipment maintenance expenses	1,402	804
Securities Commission fees	3,960	3,960
Governmental fees	2,198	887
Zakat	25,902	24,212
Internet expenses	1,318	788
Subscription fees of the Securities Depository Center	3,300	3,300
Vacation allowance	840	-
Advertising	340	420
Law suits and issues	16,952	-
<b>Total</b>	<b>354,151</b>	<b>321,963</b>

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**15- Other Revenue**

This item consists of :

	2017	2016
	JD	JD
Gain on sale of property and equipment	60,937	-
Other revenues	6,208	52,310
<b>Total</b>	<b>67,145</b>	<b>52,310</b>

**16- Earnings Per Share**

This item consists of :

	2017	2016
	JD	JD
Profit after tax	1,654,432	1,931,414
Weighted average shares (share)	6,600,000	6,600,000
<b>Basic and diluted earningig per share</b>	<b>0.251</b>	<b>0.293</b>

**17- Contingent liabilities**

The company on the following contingent liabilities of financial position:

	2017	2016
	JD	JD
Bank guarantees for the Ministry of Transport for the purposes of licensing work in the transport sector	30,000	30,000
Guarantees of good implementation of the Jordanian-Indian company agreement	364,000	450,000
<b>Total</b>	<b>394,000</b>	<b>480,000</b>

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**Notes to the Financial Statements**

**18- Segment Information**

	<b>2017</b>			<b>2016</b>
	<b>The main activity</b>	<b>others</b>	<b>Total</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
Revenue	5,705,843	67,145	5,772,988	5,977,663
<b><u>other segment</u></b>				
Capital expenditure	89,224	–	89,224	81,784
Depreciation	726,886	–	726,886	735,999

	<b>2017</b>			<b>2016</b>
	<b>The main activity</b>	<b>others</b>	<b>Total</b>	<b>Total</b>
	<b>JD</b>	<b>JD</b>	<b>JD</b>	<b>JD</b>
<b><u>Assets And Liability</u></b>				
Assets	10,713,787	–	10,713,787	11,260,990
Liabilities	245,812	–	245,812	467,446

**19- Related Party Transactions**

Realated parties include Key shareholders , Key management personnel , Key managers , associates and subcdiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions Whith related parties .

**Salaries and bonus of the management**

The following is a summary of the benefits of management of the company

	<b>2017</b>	<b>2016</b>
	<b>JD</b>	<b>JD</b>
Salaries and other benefits	219,360	219,360

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**Notes to the Financial Statements**

**20- The analysis of maturity of assets and liabilities**

the following table shows the analysis of assets and liabilities according to the expected period of recovery and settlement :

	2017		
	for year	more than one year	Total
	JD	JD	JD
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash equivalent	1,725,072		1,725,072
Account receivables - Net	550,163	-	550,163
Spare parts inventory	46,459	-	46,459
Other debit balances	53,125	-	53,125
<b>Total Current Assets</b>	<b>2,374,819</b>	<b>-</b>	<b>2,374,819</b>
<b><u>Non-current assets</u></b>			
Properties , trucks & equipment - Net	-	8,338,968	8,338,968
<b>Total Non-current assets</b>	<b>-</b>	<b>8,338,968</b>	<b>8,338,968</b>
<b>Total Assets</b>	<b>2,374,819</b>	<b>8,338,968</b>	<b>10,713,787</b>
<b><u>Current Liability</u></b>			
Other credit balances	245,812	-	245,812
<b>Total current liabilities</b>	<b>245,812</b>	<b>-</b>	<b>245,812</b>
<b>Net</b>	<b>2,129,007</b>	<b>8,338,968</b>	<b>10,467,975</b>

**United Group For Land Transport Co**  
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**Notes to the Financial Statements**

20- **The analysis of maturity of assets and liabilities**

the following table shows the analysis of assets and liabilities according to the expected period of recovery and settlement :

	2016		
	for year	more than one year	Total
	JD	JD	JD
<b><u>Assets</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash equivalent	1,651,482	-	1,651,482
Account receivables - Net	462,416	-	462,416
Spare parts inventory	50,756	-	50,756
Other debit balances	75,144	-	75,144
<b>Total Current Assets</b>	<b>2,239,798</b>	<b>-</b>	<b>2,239,798</b>
<b><u>Non-current assets</u></b>			
Properties , trucks & equipment - Net	-	9,021,192	9,021,192
<b>Total Non-current assets</b>	<b>-</b>	<b>9,021,192</b>	<b>9,021,192</b>
<b>Total Assets</b>	<b>2,239,798</b>	<b>9,021,192</b>	<b>11,260,990</b>
<b><u>Current Liability</u></b>			
Other credit balances	467,447	-	467,447
<b>Total current liabilities</b>	<b>467,447</b>	<b>-</b>	<b>467,447</b>
<b>Net</b>	<b>1,772,351</b>	<b>9,021,192</b>	<b>10,793,543</b>



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**Notes to the Financial Statements**

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**21- Risk management**

Financial instruments consist of financial assets and liabilities. The Financial assets include bank balances, cash in hand, account receivables and checks on collection. and the Financial liabilities include account payables.

**Fair value**

The fair values of financial assets and liabilities are not materially different from their carrying values as most financial instruments are either short-term in nature or continually repriced.

**Credit risks**

Credit risk is the risk that may arise from the default or inability of debtors and other parties to meet their obligations to the Company.

The company believes that it is not exposed to the risk of collection because its transactions are in cash, and the company maintains balances and deposits with leading banking institutions.

**Liquidity risks**

Liquidity risk is the risk that the Company will not be able to provide the necessary funding to meet its due dates. To avoid these risks, the Company diversifies its sources of finance, manages and adjusts its assets and liabilities and maintains an adequate balance of cash and cash equivalents.

**Interest rate risks:**

The Company may be exposed to interest rate risk on its financial assets and liabilities that appear interest, such as: banks. Once bank overdrafts are short-term ones, and other assets and liabilities do not bear any interest rates, so the risks that may affect the Company are insignificant.

**Foreign currency risk**

Most of the company's transactions are in Jordanian Dinars and US Dollars. The dinar is pegged to a fixed rate with the US Dollar, and therefore the impact of currency risk is not significant to the financial statements.

**22- Capital management**

The main objective of the Company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Company's activity and maximizes equity.

The Company manages the capital structure and makes necessary adjustments in light of changes in working conditions. The Company did not make any changes to the objectives, policies and procedures related to capital structure during the current and previous financial year.

The items included in the capital structure consist of paid up capital, issue premium, voluntary reserve, voluntary reserve and retained earnings totaling JD 10,467,975 as of December 31,2017 against JD 10,793,543 as of December 31,2016

**23- Issues**

- There are labor issues that are based on the company and are still at the beginning and are under consideration and not specified value
- There is a lawsuit against the company from the prosecutor Omar Al-Hjla and a decision was issued to respond to the invitation of the company

**Comparative**

Some of comparative figures have reclassified – when needed – to confirm with current year's figures.