

**COMPREHENSIVE MULTIPLE  
TRANSPORTATIONS COMPANY  
(PUBLIC SHAREHOLDING COMPANY)  
CONSOLIDATED FINANCIAL STATEMENTS  
AND INDEPENDENT CERTIFIED PUBLIC  
ACCOUNTANT'S REPORT  
YEAR ENDED DECEMBER 31, 2022**

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

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT'S REPORT  
YEAR ENDED DECEMBER 31, 2022**

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

To the shareholders  
Comprehensive Multiple Transportations Company (PLC)  
(Public Shareholding Company)

### **Report on the audit of the consolidated financial statements**

#### **Opinion Qualified**

We have audited the accompanying consolidated financial statements of Comprehensive Multiple Transportations Company (PLC), which comprise of the consolidated Statement of Financial Position as of December 31, 2022, Consolidated Statement of Comprehensive income, Consolidated Statement of Owner's Equity and consolidated Statement of Cash flows, for the year then ended, also a summary of significant accounting policies and other explanatory information.

In our opinion, and the except for the effect of the matter addressed in basis for qualified opinion paragraph below, the consolidated financial statements present fairly, in all material respects, the financial position of the Comprehensive Multiple Transportations Company as on December 31, 2022, and its financial performance and cash flows for the year then ended In accordance with International Financial Reporting Standards.

#### **Basis for Qualified Opinion**

As a result of the consolidation of the financial statements with the financial statements of the subsidiaries, goodwill appeared with a value of 11,308,218 JD, and the company's management did not conduct the annual test study for the decline in the value of goodwill (the impairment test) at the end of 2022, To determine whether or not there is a decline in the value of goodwill, based on the requirements of International Accounting Standard No. (36) "Impairment of Assets".

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 consolidated Statement of Financial Statements. We are independent of the company in accordance with International Standard Board Code of Ethics for professional accountants ("the code") and we have fulfilled our other ethical responsibilities in accordance with the code.

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

#### **Substantial uncertainty about continuity**

As shown in Note No. (10) on the consolidated financial statements, based on Cabinet Resolution No. 12351 dated November 4, 2015, the value of the required amount from the Ministry of Transport for differences in transportation wages and fuel prices amounted to 11,595,345 JD until the end of 2021, The committee formed by His Excellency the Minister of Transport on February 24, 2020, approved the entitlement of the amount claimed for the differences in transport fees and fuel prices by the company until the end of 2020, amounting to 9,711,958 JD.

At the end of 2022 the value of the required amount from the Ministry of Transport for differences in transportation wages and fuel prices amounted to 14,372,867 JD (2021: 11,595,345 JD), on December 19 2022 a letter was issued by Prime Minister's country decide to consider the value paid to Housing Bank as a Debts owed by the government in favor of the company repayment not for raising the company's capital and that the shares of the Comprehensive Multiple Transportations be transferred in favor of Amman Municipality this decision will be implemented and implemented during the year 2023.

### Key audit matters

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

Key auditing matters	Followed procedures within key audit matters
<p><b>Property and equipment</b></p> <p>According to international financial standards, the company must review the useful life and depreciation method, perform impairment test to the value of property, plant and equipment that is reported in the financial statements. In case of any events and conditions, the recoverable amount is calculated; the losses are calculated according to the decline of the value in assets. The management estimates the impairment of property, plant and equipment by assumptions and estimation (if any), and due to its significance, it is considered an important audit risk.</p> <p><b>Goodwill</b></p> <p>According to International Financial Reporting Standards, the company must assess the goodwill and test impairment, the goodwill, as of December 31, 2022 was 11,308,218 JD.</p> <p>The annual goodwill impairment is a significant auditing matter, Due to the complexity of the accounting requirements and the general provisions required in determining the assumption to be used in estimating the recoverable amount. The recoverable amount for cash generation units, which is the value in use or fair value less cost of sales which is higher, Which is calculated using the expected discounted cash flow models methods These models and methods use several assumptions as in sales volumes and future prices estimation, operating cost, growth rates of final value and weighted average cost of capital.</p> <p><b>Accounts receivable</b></p> <p>In accordance with International Financial Reporting Standards, the Company is required to review the provision for impairment of receivables (9). Management estimates impairment in receivables through the use of assumptions and estimates and, because of their significance, it's considered an important audit risk.</p>	<p><b>Property and equipment</b></p> <p>The audit procedures included examining the control procedures used in the verification of existence and completeness, reviewing the purchase and sale of the assets. During the year, review the calculation of the depreciation expense, matching the inventory in terms of presence and ensuring that the property and equipment are productive and there is no impairment in value. Management Assumptions Taking into account the available external information about the risk of impairment of property and equipment, we have also emphasized on the adequacy of the Company's disclosures about property and equipment.</p> <p><b>Goodwill</b></p> <p>An examination of goodwill impairment at the end of 2022 was not carried out by the company's management in accordance with the requirements of International Accounting Standard No. (36) "Impairment of Assets" to determine whether there was a decline in the goodwill value or not.</p> <p><b>Accounts receivable</b></p> <p>The auditing procedures included control procedures used by the Company for collecting accounts receivables and checks under collection, verifying a sample of clients' accounts through direct confirmations, it has been asserted that the account receivable impairment provision is adequate through evaluating the management assumptions, considering the available external information about account receivable risks, we also evaluated the adequacy of the company disclosure about the important estimation in concluding the impairment provision of accounts receivable.</p>

**Other Information**

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

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

Regarding our audit on consolidated financial statements we are obliged to review this 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 Accountants 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, we have to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the initial Financial Statements, including the disclosures, and whether the initial Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.

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

#### **Legal requirements report**

The Comprehensive Multiple Transportations Company maintains proper books of accounts and the accompanying consolidated financial statements contained as of December 31 2022, we recommend to be approved by the Board of Directors after taking into consideration what is mentioned in the paragraph of the qualified opinion.

Modern Accountants

Abdul Kareem Qunais  
License No.(496)

Amman - Jordan

March 19, 2023

**Modern Accountants**



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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2022	2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	7,886,144	8,941,664
Right of used assets	5	621,325	660,547
Goodwill	7	11,308,218	11,308,218
Deferred tax assets	25	1,269,176	2,732,421
<b>Total non-current assets</b>		<b>21,084,863</b>	<b>23,642,850</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	8	999,299	996,509
Spare parts, oil and cards stores	9	316,408	410,974
Accounts receivable	10	18,853,750	14,599,400
Due from related parties	11	5,406	1,082
Cash and cash equivalents	12	76,096	190,609
		<b>20,250,959</b>	<b>16,198,574</b>
Property and equipment held for sale	6	1	1
<b>Total current assets</b>		<b>20,250,960</b>	<b>16,198,575</b>
<b>TOTAL ASSETS</b>		<b>41,335,823</b>	<b>39,841,425</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	15,000,000	15,000,000
Statutory reserve	16	1,324,994	257,406
Voluntary reserve	16	12,670	12,670
Accumulated losses		(1,668,355)	(8,229,717)
<b>Total shareholders' equity</b>		<b>14,669,309</b>	<b>7,040,359</b>
Non-controlling interests		1,428,718	1,007,057
<b>Total owners' equity</b>		<b>16,098,027</b>	<b>8,047,416</b>
<b>Non-current liabilities</b>			
Long-term loans	15	373,127	16,001,533
Lease obligation – long term	5	659,804	725,731
Due to related parties – long term	11	10,000,000	-
<b>Total non-current liabilities</b>		<b>11,032,931</b>	<b>16,727,264</b>
<b>Current liabilities</b>			
Accrued expenses and other payables	13	4,908,364	4,710,022
Accounts payable	14	8,857,499	7,016,913
Current portion of long-term loan	15	207,338	3,207,336
Current portion of long-term lease obligation	5	65,000	13,750
Banks overdraft		166,664	118,724
<b>Total current liabilities</b>		<b>14,204,865</b>	<b>15,066,745</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>41,335,823</b>	<b>39,841,425</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, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2022	2021
Revenues	17	5,449,987	4,292,915
Cost of Revenues	18	(7,167,427)	(6,641,762)
<b>Gross loss for the year</b>		<b>(1,717,440)</b>	<b>(2,348,847)</b>
General and administrative expenses	19	(1,395,432)	(1,249,062)
Financial charges	20	(309,802)	(1,234,739)
Other revenues and expenses	21	14,098,560	5,581,290
<b>Profit before income tax</b>		<b>10,675,886</b>	<b>748,642</b>
Income tax	24	(542,921)	(878,687)
Amortized deferred tax asset		(1,463,245)	-
<b>Profit / (Loss) for the year</b>		<b>8,669,720</b>	<b>(130,045)</b>
<b>Comprehensive income:</b>			
Other comprehensive income			
<b>Total comprehensive income for the year:</b>		<b>8,669,720</b>	<b>(130,045)</b>
<b>Attributable to:</b>			
Parent company owners		7,628,950	(751,111)
Non-Controlling Interests		1,040,770	621,066
		<b>8,669,720</b>	<b>(130,045)</b>
<b>Profit / (Loss) per share:</b>			
<b>Profit / (Loss) per share JD/Share</b>		<b>0,51</b>	<b>(0,009)</b>
<b>Outstanding weighted average share</b>		<b>15,000,000</b>	<b>15,000,000</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, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

	Share capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total of shareholders' equity	Non-Controlling interests	Total
Balance at January 1, 2021	15,000,000	257,406	12,670	(7,478,606)	7,791,470	691,360	8,482,830
Non-controlling interest	-	-	-	-	-	(305,369)	(305,369)
Comprehensive income for the year	-	-	-	(751,111)	(751,111)	621,066	(130,045)
Balance at December 31, 2021	15,000,000	257,406	12,670	(8,229,717)	7,040,359	1,007,057	8,047,416
Non-controlling interest	-	-	-	-	-	(619,109)	(619,109)
Comprehensive income for the year	-	-	-	7,628,950	7,628,950	1,040,770	8,669,720
Transferred to statutory reserve	-	1,067,588	-	(1,067,588)	-	-	-
Balance at December 31, 2022	15,000,000	1,324,994	12,670	(1,668,355)	14,669,309	1,428,718	16,098,027

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, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Profit for the year before tax	10,675,886	748,642
Adjustments on Profit for the year before tax:		
Depreciation	1,104,709	1,320,402
Losses from the sale of property and equipment	-	466
Amortization of the right of used assets	39,222	39,210
Other provisions	203,962	255,659
Provisions reversal	(46,307)	(136,111)
Financial charges	309,802	1,234,739
Change in operating assets and liabilities:		
Account Receivables	(4,254,396)	(3,419,252)
Prepaid expenses and other receivables	(16,258)	(81,137)
Spare parts, oil and cards stores	104,196	(105,258)
Due from related parties	(4,324)	234,884
Due to related parties	10,000,000	(48,294)
Accounts payable	1,840,586	(974,367)
Accrued expenses and other payables	(14,697)	1,295,296
<b>Cash available from operating activities</b>	<b>19,942,381</b>	<b>364,879</b>
Income tax paid	(483,653)	(3,813)
<b>Net Cash available from operating activities</b>	<b>19,458,728</b>	<b>361,066</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(49,189)	(496,405)
Cash proceeds from the sale of property and equipment	-	24,000
<b>Net cash used in investing activities</b>	<b>(49,189)</b>	<b>(472,405)</b>
<b>FINANCING ACTIVITIES</b>		
Banks overdraft financing	47,940	68,655
Financing from loans	(18,775,756)	60,842
Rent contract liabilities	(14,677)	(13,750)
Financial charges Paid	(112,127)	(96,080)
Interest of paid leases obligations	(50,323)	(51,250)
Non-controlling Interests	(619,109)	(305,369)
<b>Net cash used in financing activities</b>	<b>(19,524,052)</b>	<b>(336,952)</b>
<b>Net change in cash and cash equivalents</b>	<b>(114,513)</b>	<b>(448,291)</b>
Cash and cash equivalents, January 1	190,609	638,900
<b>CASH AND CASH EQUIVALENTS, DECEMBER. 31</b>	<b>76,096</b>	<b>190,609</b>
<b>None cash item :</b>		
Comprehensive income attributable to non-controlled rights	1,040,767	621,066
Amortized deferred tax assets	1,463,245	553,395

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, 2022**  
**(EXPRESSED IN JORDANIAN DINAR)**

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**1. ORGANIZATION AND ACTIVITIES**

Comprehensive Multiple Transportations Company is a Jordanian public shareholding limited company registered under Jordanian Companies law No.(379)on December 19, 2005, after transferring its status from a limited liability company to a public shareholding limited company, the Company authorized and paid-up capital is 15,000,000 JD divided into 15,000,000 shares each for of 1JD.

In its extraordinary meeting held on April 6, 2022, the company's general assembly agreed to increase the company's capital by an amount of (11,500,000) dinars/share, so that the company's new capital would become (26,500,000) dinars/share, through:

- A- Capitalization of the creditors' deposit amounting to (10,000,000) dinars, which belongs to the Governmental Investment Management Company.
- B- Allocating (1,500,000) dinars/share to the Governmental Investment Management Company to be paid in cash into the company's account in accordance with the council of minister decision by letter No. 23/11/1/27046 dated 7/27/2021.

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

The Company operates in the capital Amman Governorate.

**2. NEW AND AMENDED IFRS STANDARDS**

**The following new and revised Standards and Interpretations are not yet effective**

**It is valid for annual periods beginning on or after**

Classification of liabilities as current or not- current (Amendments to IAS 1)	January 1, 2023
IFRS 17 Insurance Contracts and amendments to IFRS 17 Insurance Contracts	January 1, 2023
Definition of Accounting Estimate (Amendments to IAS 8)	January 1, 2023
Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statements 2)	January 1, 2023
Deferred Tax related to Assets and liabilities arising from a Single Transaction (Amendments to IAS 12)	January 1, 2023
Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)	Deferred Indefinitely

Management anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpolations and amendments, may have no material impact on the financial statement of the Company in the period of initial application.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

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**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, have been presented in Jordanian Dinar as the majority of the Company's transactions are recorded in the JD.

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 of the Comprehensive Multiple Transportations and its subsidiaries consist of the financial statements of the company and the entities controlled by the Company (subsidiaries).

Control is achieved where the Company:

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

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

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

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

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

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

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

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

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

All intergroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Company are eliminated in full on consolidation.

The consolidated financial statements as at December 31, 2022 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.	Hashemite Kingdom of Jordan	1999	%100	Leasing and importing buses
Al-Tawfiq for Transport and Investment Co. Ltd.	Hashemite Kingdom of Jordan	1998	%100	Transportation of passengers, transportation services for Hajj and omra and spare parts trading
Asia for Transport and Investment Ltd.	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	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
Jordanian-Turkish Company for Managing and Operating Public Transport Buses	Hashemite Kingdom of Jordan	2019	%49	Managing and operating transportation and buses

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

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**Financial assets**

**Classifications**

The Company classifies its financial assets into the following categories: financial assets at fair value through income statement, and receivables. Such classifications are determined based on the purpose for which these financial assets were acquired.

The management determines its classifications of the financial assets at initial recognition.

**(A) Financial assets at fair value through income statement**

Financial assets at fair value through income statement are financial assets held for trading. A financial asset is classified under this category if it is purchased primarily to be sold in a short period of time. Such assets are classified in this category under current assets, if the Company expects to sell them within 12 months from the date of the statement of financial position, otherwise they are classified as non-current assets.

**(B) Loans and Receivables**

Receivables are financial assets (other than financial derivatives) with fixed or determinable payments that are not included in the financial market. These assets are classified as current assets unless they have maturities over 12 months after the statement of financial position date, as these are classified as non-current assets.

**Recognition and measurement**

Purchases and sales of financial assets are recognised on the trade-date – the date on which the Company commits to purchases or sells the asset. Investments are recognised at fair value while costs associated with purchases and sales are recognised income statement.

**Impairment of financial assets**

The Company reviews stated values on financial assets at the date of the statement of financial position determine whether objective indications of their impairment exist, individually or in the aggregate if such indications exist, recoverable amount is estimated to determine impairment.

The criteria that the Company uses to determine that there is objective evidence of an impairment loss includes:

- Significant financial difficulty of the debtor.
- A breach of contract, such as a default or delinquency in interest or principal payments.
- The Company, for economic or legal reasons relating to the debtors financial difficulty, granting the debtor a concession that the lender would not otherwise consider.
- It becomes probable that the debtor will enter bankruptcy or other financial reorganization.
- The disappearance of an active market for that financial asset because of financial difficulties.
- Observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of financial assets since the initial recognition of those assets, including:

(1) Adverse changes in the payment status of debtors in the portfolio.

(2) National or local economic conditions that correlate with defaults on the assets in the portfolio.

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**  
(EXPRESSED IN JORDANIAN DINAR)

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The Company first assesses whether objective evidence of impairment exists.

For receivables category, the amount of the loss is measured as the difference between the assets carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced and the amount of the loss is recognised in income statement.

If, in a subsequent period, the amount of impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognised impairment loss is recognised in income statement.

**Reclassifications**

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

**Impairment**

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

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

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

- 12 Month ECL, i.e. lifetime ECL that results from those default events on the financial instrument that are possible within 12 months after the reporting date (referred to as stage1); or
- Full lifetime ECL, i.e. Lifetime ECL that results from all possible default events over the life of the financial instruments, (referred to as stage2 and stage3).

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

The Company has selected to measure loss allowances of cash and bank balances, Trade and other receivables, and due from a related party at an amount equal to life time ECLs.

ECLs are probability-weighted estimate of the present value of credit losses. These are measured as the present value of the difference between the cash flow to the Company under the contract and the cash flows that the Company expects to receive arising from weighting of multiple future economic scenarios. Discounted at the asset's EIR.

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

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

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

Impairment losses related to cash and bank balances, trade and other receivables and due from a related party, are presented separately in the statement of income and other comprehensive income.

The Company considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of the grade of the investment.

**Measurement of ECL**

The Company employs statistical models for ECL calculations. ECLs are a probability-weighted estimate of credit losses. For measuring ECL under IFRS 9, the key input would be the term structure of the following variables.

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

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

**Credit-impaired financial assets**

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

**DE-recognition of financial assets**

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



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On DE recognition of a financial asset measured at amortized cost or measured at FVTPL, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

On DE recognition of a financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the cumulative changes in fair value of securities reserve is not reclassified to profit or loss, but is reclassified to retained earnings.

**Presentation of allowance for ECL are presented in the financial information**

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

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

**Critical judgments in applying the Company's accounting policies in respect of IFRS 9**

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

**Significant increase of credit risk**

ECLs are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL assets for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Company takes into account qualitative and quantitative reasonable and supportable forward looking information.

**Establishing a groups of assets with similar credit risk characteristics**

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

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**Models and assumptions used**

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

**Key sources of estimation uncertainty in respect of IFRS 9**

The following are key estimations that the management has used in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the financial statements.

Establishing the number and relative weightings of forward-looking scenarios for each type of product /market determining the forward looking information relevant to each scenario: When measuring ECL the Company uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

**Probability of Default**

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

**Loss Given to Default**

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

**Revenue**

Revenue from public transportation is recognized when the transportation fee and service performance are received.

Revenue from billboards is recognized on an accrual basis for the time period in which it was announced.

**Expenses**

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

**Cash and cash equivalents**

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

**Spare parts, oils and cards**

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

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**Property and equipment**

Property and equipment are shown at cost after deducting the accumulated depreciation. Repair and maintenance expenses are considered revenue expenses, while improvements expenses are capital expenses. Property and equipment are depreciated according to the straight-line method and at annual rates as follows:

	Annual depreciation rate
Buildings, hangers and infrastructure	3% - 13%
Buses	5% - 15%
Computer hardware and software	15% - 25%
equipment machinery and devices	15% - 25%
Furniture	20%
Vehicles	15% - 20%
Electric generators	20%

Useful lives and the depreciation method are reviewed periodically to make sure that the method and amortization period appropriate with the expected economic benefits of property and equipment.

Impairment test is performed to the value of the property and equipment that appears in the Statement of Financial Position When any events or changes in circumstances shows that this value is non-recoverable.

In case of any indication to the low value, Impairment losses are calculated according to the policy of the low value of the assets.

At the subsequent exclusion of any property and equipment, recognize the value of gains or losses resulting, Which represents the difference between the net proceeds of exclusion and the value of the property and equipment that appears in the Statement of Financial Position, Gross Profit and loss.

**Goodwill**

International Accounting Standards Board issued International Financial Reporting Standard No. (3)/Integration. The recorded increase purchase cost over the fair value of invested as goodwill. When the recoverable amount of this goodwill less that the net book value, goodwill is reduced to the recoverable amount which is measured or calculated on a value in use basis. The value of the declining are recorded in the income statement.

Resulting Goodwill on acquisition of subsidiary or joint control of an entity represents the excess the purchase cost for the company's share in the net fair value of the assets, liabilities and contingent liabilities of a specific subsidiary or joint control entity 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. if found.

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

**Intangible assets**

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

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**Government grants**

Government grants are not recognized only when there is reasonable assurance that the company will comply with the terms and the grants will be made.

Government grants whose principal condition is that the Company purchases, constructs or otherwise owns non-current assets are recognized as deferred income in the statement of financial position and are transferred to profit or loss equally during the useful life of the asset.

Other government grants are recognized as income over the period necessary to match them with the expense that was prepared to compensate them equally.

Government grants payable as compensation for expenses or losses actually incurred or for the purpose of providing immediate financial support to the Group with no future related costs recognized as gain or loss in the period in which it is due.

**Provisions**

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

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

**Income tax**

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

**Deferred Tax**

Deferred taxes are taxes expected to be paid or recovered as a result of temporary differences in the value of assets or liabilities in the financial statements and the amount for which the tax is calculated. Taxes are accounted for using the financial statement 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.

The leases are recognized as right-of-use assets and corresponding liabilities on the date that the leased assets are available for use by the company. Each lease payment is allocated between the liabilities and the financing cost. The financing cost is charged to the profit or loss over the lease term in order to obtain a fixed periodic rate for the outstanding leader on the remaining balance of the liabilities for each period. Depreciation is computed on right-of-use assets over the useful life of the asset or the lease term, whichever is shorter, using the straight-line method.

Operating lease commitments are measured at the present value of the remaining lease payments, whereby the lease payments are discounted using the interest rate stated in the lease. If this rate cannot be determined, the lessee's incremental borrowing rate shall be used, which is the rate the lessee must pay to borrow the money necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

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Rentals accrued under short-term operating leases and low-value assets are charged to the statement of comprehensive income over the term of the operating lease using the straight-line method. Short-term operating leases are lease contracts of 12 months or less.

**Foreign currency translation**

Foreign currency transactions are translated into Jordanian dinar at the rates of exchange prevailing at the time of the transactions with announced by the Central Bank of Jordan, as for the operations that occur during the year, they are transferred using the average prices prevailing on the date of these operations. Valuation differences are taken to the income statement.

**Critical accounting judgments and key sources of estimation uncertainty**

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

In preparing these financial statements, the significant Judgments made by management in applying the Company accounting policies and as well as the same uncertainties applied in preparing the financial statements.

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**4. PROPERTY AND EQUIPMENT**

2022	Lands *	Buildings, hangars and infrastructure	Buses	Computer hardware and software	Machinery, equipment and devices	furniture	Vehicles	Electric generators	Projects in progress	Total
<b>Cost :</b>										
Balance at January 1	1,236,375	2,434,088	37,234,141	2,082,747	1,045,651	224,885	325,385	126,847	57,135	44,767,254
Additions	-	-	-	7,028	360	190	29,494	-	12,117	49,189
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at December 31	1,236,375	2,434,088	37,234,141	2,089,775	1,046,011	225,075	354,879	126,847	69,252	44,816,443
<b>Depreciation:</b>										
Balance at January 1	-	424,417	31,956,396	2,064,513	909,894	176,646	283,153	10,571	-	35,825,590
Additions	-	53,397	940,474	12,022	47,093	13,710	12,644	25,369	-	1,104,709
Disposal	-	-	-	-	-	-	-	-	-	-
Balance at December 31	-	477,814	32,896,870	2,076,535	956,987	190,356	295,797	35,940	-	36,930,299
Net book value December 31	1,236,375	1,956,274	4,337,271	13,240	89,024	34,719	59,082	90,907	69,252	7,886,144

\* There is a mortgage on lands by the Capital Bank for the amount of 1,134,802JD belonging to the company. (Note - 15). Also there is a judicial reservation on it for other parties.

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<u>2021</u>	Lands *	Buildings, hangars and infrastructure	Buses	Computer hardware and software	Machinery, equipment and devices	furniture	Vehicles	Electric generators	Projects in progress	Total
<b>Cost :</b>										
<b>Balance at January 1</b>	1,236,375	1,256,280	37,234,141	2,072,439	909,515	216,219	325,385	-	1,048,815	44,299,169
<b>Additions</b>	-	-	-	10,308	136,136	8,666	28,320	126,847	186,128	496,405
<b>Disposal</b>	-	-	-	-	-	-	(28,320)	-	-	(28,320)
<b>Transfers</b>	-	1,177,808	-	-	-	-	-	-	(1,177,808)	-
<b>Balance at December 31</b>	1,236,375	2,434,088	37,234,141	2,082,747	1,045,651	224,885	325,385	126,847	57,135	44,767,254
<b>Depreciation:</b>										
<b>Balance at January 1</b>	-	204,204	30,923,254	2,046,492	895,313	165,214	274,565	-	-	34,509,042
<b>Additions</b>	-	220,213	1,033,142	18,021	14,581	11,432	12,442	10,571	-	1,320,402
<b>Disposal</b>	-	-	-	-	-	-	(3,854)	-	-	(3,854)
<b>Transfers</b>	-	-	-	-	-	-	-	-	-	-
<b>Balance at December 31</b>	-	424,417	31,956,396	2,064,513	909,894	176,646	283,153	10,571	-	35,825,590
<b>Net book value December 31</b>	1,236,375	2,009,671	5,277,745	18,234	135,757	48,239	42,232	116,276	57,135	8,941,664

\* There is a mortgage on lands by the Capital Bank for the amount of 1,134,802 JD from Capital bank for upcoming facilities. (Note - 15), Also there is a judicial reservation on it for other parties.

\*\* There is a mortgage on buses owned by the Company and its subsidiaries, with a net book value of JD 883,517 as of December 31, 2021 against banks facilities.

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**5. RIGHT TO USE THE ASSETS / LEASE OBLIGATIONS**

	2022	2021
<b>Right of use assets :-</b>		
The balance as of January 1,	660,547	699,757
Amortization expense	(39,222)	(39,210)
<b>Balance as of December 31</b>	<b>621,325</b>	<b>660,547</b>
<b>Lease obligation :-</b>		
The balance as of January 1	739,481	753,231
Interest expense	50,323	51,250
Paid during the year	(65,000)	(65,000)
<b>Balance as of December 31</b>	<b>724,804</b>	<b>739,481</b>
<b>Which includes</b>		
Current leases obligations	65,000	13,750
Non- Current lease obligations	659,804	725,731
	<b>724,804</b>	<b>739,481</b>

**6. PROPERTY AND EQUIPMENT HELD FOR SALE**

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

	2022	2021
Cost	7,225,125	7,225,125
Accumulated depreciation	(5,649,361)	(5,649,361)
Book value at the date of transfer	1,575,764	1,575,764
Impairment of property and equipment held for sale	(1,575,763)	(1,575,763)
<b>Net balance</b>	<b>1</b>	<b>1</b>

**7. GOODWILL**

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

Details of goodwill arising from the acquisition are as follows:

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



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**Annual impairment test:**

- At the end of 2022, the Company's management did not assess the value of the recoverable amount of goodwill to determine whether there was a decrease in the goodwill value associated with subsidiaries that operate in the activity of operating public transport lines within the Greater Amman Municipality and any other lines within the Kingdom, bus rental and maintenance, passenger transport and transportation services.

**8. PREPAID EXPENSES AND OTHER RECEIVABLES**

	2022	2021
Employees receivables	271,652	253,291
provision for impairment loss for employees receivables *	(153,647)	(140,179)
Net employees receivables	118,005	113,112
Bank guarantee	397,743	403,425
Prepaid expenses	325,278	313,019
Refundable deposits	155,610	155,610
Others	2,663	11,343
	<u>999,299</u>	<u>996,509</u>

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

	2022	2021
Balance at January 1	140,179	126,882
Calculated reversal during the year	13,468	14,154
Return from the Provision	-	(857)
Balance at December 31	<u>153,647</u>	<u>140,179</u>

**9. SPARE PARTS, OIL AND CARDS STORES**

	2022	2021
spare parts ,Oil and cards stores	664,335	768,531
spare parts ,Oil and cards provision *	(347,927)	(357,557)
	<u>316,408</u>	<u>410,974</u>

\* Details of spare parts, Oil and cards stores provision are as follows:

	2022	2021
Balance at January 1	357,557	361,517
Provision reversal	(9,630)	(3,960)
Balance at December 31	<u>347,927</u>	<u>357,557</u>

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**10. ACCOUNT RECEIVABLES**

	2022	2021
Ministry of transportation receivable **	14,372,867	11,595,345
Modern vision Amman for Transport Company	4,133,737	2,755,910
Trade receivables	949,743	1,017,737
Due from Transport Sector Regulatory Authority	249,079	77,063
Due from Greater Amman Municipality / town Shuttle	18,000	22,975
Provision for doubtful accounts *	(869,676)	(869,630)
	<b>18,853,750</b>	<b>14,599,400</b>

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

	2022	2021
Beginning Balance	869,630	904,348
calculated During the year	46	14,060
Provision reversal	-	(48,778)
Ending balance	<b>869,676</b>	<b>869,630</b>

\*\*Based on the Decision of the Ministers Council No. 12351 of November 4, 2015, the annual operating cash support plan for the company was approved with a ceiling of (1,975,000) dinars annually in the three years following the procedures for raising the Company's capital, after which the annual operating cash support will be reduced to an amount of (1,500,000) Dinars in subsequent years or covering the operating loss of the company, whichever is less, In Condition that the government raises the transport tariff for the agreed lines by 10%,(by 7%, the rate of raising wages in addition to 3% of the expected inflation rate or according to the discount rate announced, starting from 2016 Taking in to Consideration the actual fuel prices when determining the rate of raising wages), and accordingly, the Company's management decided, in implementation of the Decision of the Ministers Council referred to above, to prove the difference in wages and fuel for the years 2016, 2017, 2018, 2019, 2020 and 2021 in an amount of 1,178,765 JD, 1,682,319 JD, 2,912,162 JD, 2,371,091 JD , 1,567,621 JD , 1,883,387 and 2,777,522 Jordanian dinars, respectively, this amount is due to the company as a result of not raising the wages and the fuel difference allowance as stipulated in the Prime Minister's decision in 2015, and registering these amounts in the company's records so that the Ministry of Finance and the Ministry of Transport can claim them. At the end of 2022, the value of the amount required by the Ministry of Transport for the difference in transportation fares and the difference in fuel prices amounted to an amount of 14,372,867 Jordanian dinars (2021: 11,595,345), and on December 19, 2022, a letter was issued by the Prime Minister in which it was decided to consider the amount paid to the Housing Bank For trade and finance, it is the payment of the indebtedness owed by the government in favor of the company, and not raising its capital, and that the shares of the Integrated Multiple Transportation Company be transferred to the interest of the Municipality of Amman, and this decision will be implemented and its contents implemented during the year 2023.

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**11. 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
Motor Vehicles Trading Co	Owned by board of directors member
United for Cars Rental Co.	Owned by board of directors member
Gursel Tasima Silk Service Co	Partner in subsidiary company

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

	2022	2021
Nicola Abu khader and sons Co	5,406	1,080
United for Cars Rental Co.	-	2
	<b>5,406</b>	<b>1,082</b>

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

	2022	2021
Government Investment Management Co	10,000,000	-
	<b>10,000,000</b>	<b>-</b>

\*During the year 2022 the debts of the Integrated Multi Transport Company to the Housing Bank for Trade and Finance amounting to 18,613,258 dinars were paid until 12/1/2022, when the government of the Hashemite Kingdom of Jordan paid an amount of 10,000,000 dinars to the Housing Bank in exchange for the entire balance owed to the bank by the comprehensive company shown above, and that Based on the decisions of the Council of Ministers related to the support of the comprehensive company that works in the field of public transport and considering the amount paid by the government in addition to its share in its capital in the comprehensive company, in accordance with the debt settlement agreement between the Government of the Hashemite Kingdom of Jordan (first team) and the Housing Bank for Trade and Finance (second team) This settlement resulted in a profit of 8,613,258 dinars before tax.

-During the year, the Company recorded the bonuses and salaries of the executive management at JD 236,837 (2021: JD 216,475).

-During the year, the Company also recorded bonuses to the Chairman and members of the Board of Directors at JD 102,000 (2021: JD 98,000).

**12. CASH AND CASH EQUIVALENTS**

	2022	2021
Cash on hand	63,720	140,344
Cash on banks	12,376	50,265
	<b>76,096</b>	<b>190,609</b>

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**13. ACCRUED EXPENSES AND OTHER PAYABLES**

	2022	2021
Income and sales tax deposit	1,111,561	1,218,804
Social Security deposit	925,709	1,040,345
Buses licensing provision	668,840	663,412
Income tax provision (note – 24)	543,731	484,463
Law suits provision (note 27-b)	454,768	401,901
Unearned Revenues	428,504	400,446
Buses maintenance provision	315,731	221,515
Accrued expenses	274,523	124,255
Ministry finance deposit	114,658	99,658
Employees receivables	65,340	51,484
End of service indemnities provision	4,999	3,739
	<u>4,908,364</u>	<u>4,710,022</u>

**14. ACCOUNTS PAYABLE**

	2022	2021
Trade payables	6,432,572	4,632,939
Finance ministry payable *	2,180,000	2,180,000
Deferred checks	244,927	203,974
	<u>8,857,499</u>	<u>7,016,913</u>

\* This Item is the value of the advances paid to the Company from the ministry of finance at the expense of the difference in transport wages and fuel prices on behalf of the ministry of transport. Where the value of this advance is paid from the amounts collected from the Ministry of Transport for the difference in transport fares and fuel prices.

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**15. LOANS**

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

	2022	2021
Housing Bank for Trade and Finance Loans	-	18,465,906
Capital bank - Societe previously	580,465	742,963
Total loans	580,465	19,208,869
Deduct: current portion of current liabilities	207,338	3,207,336
Long term loan	373,127	16,001,533

**HOUSING BANK 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 all loans should be paid at the end of 2016. During 2016 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 payable on monthly basis and without commission and payable in 120 installments 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.

In 2019, the company made a rescheduling of the housing bank debt, where the bank granted the company a grace period of up to (16) months, starting on March 11, 2019 and ending on February 28, 2021, with the first installment being paid on March 1, 2021 and the last installment on March 31, 2026 and in The number of (11) installments of (1,500,000) dinars in full, equal to the first ten installments, provided that the eleventh installment is as much as it is.

During the year 2022 the debts of the Integrated Multi Transport Company to the Housing Bank for Trade and Finance amounting to 18,613,258 dinars were paid until 12/1/2022, when the government of the Hashemite Kingdom of Jordan paid an amount of 10,000,000 dinars to the Housing Bank in exchange for the entire balance owed to the bank by the comprehensive company shown above, and that Based on the decisions of the Council of Ministers related to the support of the comprehensive company that works in the field of public transport and considering the amount paid by the government in addition to its share in its capital in the comprehensive company, in accordance with the debt settlement agreement between the Government of the Hashemite Kingdom of Jordan (first team) and the Housing Bank for Trade and Finance (second team) This settlement resulted in a profit of 8,613,258 dinars before tax.

**CAPITAL BANK - SOCIETE PREVIOUSLY**

During 2019, the company obtained a reducing loan from Société Générale, amounting to 750,000 Jordanian dinars, at an interest rate of 9.5% annually, to be paid monthly and without commission. It was reduced during the first half of 2020 to become 8.5% and with a guarantee of a land mortgage at a cost of 1,134,802 dinars. The loan is repaid in 48 monthly installments with a grace period of six months starting on January 31, 2020, four installments have been postponed during the year 2020 in implementation of defense orders.

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**16. RESERVES**

**Statutory reserve**

In accordance with the Companies Law in the Hashemite Kingdom 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 capital of the Company in full. This reserve is not available for dividend distribution. The General Assembly has the right, after exhausting the other reserves, to decide in an extraordinary meeting to extinguish its losses from the sums collected in the obligatory reserve account, provided that it is rebuilt in accordance with the provisions of the aforementioned law.

**Voluntary reserve**

In accordance with the requirements of the Companies Law in the Hashemite Kingdom of Jordan and the Articles of Association of the Company, the Company may set up an optional reserve of not more than 20% of the net profit on the approve of its Board of Directors on that This reserve is available for distribution as dividends to shareholders after the approval of the company's general assembly.

**17. REVENUES**

	2022	2021
Buses Revenue	4,699,433	3,813,327
Revenues resulting from the paid fee of Hashemite University from Transport Sector Authority	509,994	214,068
Revenue from tracking systems subscriptions , and cards sales	146,811	174,270
Advertising and promotion revenues	93,749	91,250
	<u>5,449,987</u>	<u>4,292,915</u>

**18. COST OF REVENUES**

	2022	2021
Salaries ,wages and other benefits	1,994,164	1,773,777
Fuel	2,542,706	1,844,286
Depreciation	865,084	1,116,492
Maintenance and spare parts	580,129	883,632
Rents of public transport lines	428,094	328,789
Buses insurance	274,107	244,285
Licenses and government fees	71,590	91,304
Collection commissions	104,570	82,403
Oils and filters	127,603	85,092
Cost of cards and tracking devices	9,505	14,292
Right of use the assets amortization	39,210	39,210
Operations division expenses	33,991	33,736
Mail, Telegraph and Telephone	37,986	44,845
Bus washing	19,603	17,086
Drivers clothes	158	10,925
Other	38,927	31,608
	<u>7,167,427</u>	<u>6,641,762</u>

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**19. GENERAL AND ADMINISTRATIVE EXPENSES**

	2022	2021
Salaries, wages and other benefits	978,321	881,999
Board of directors fees	102,000	98,000
Professional fees and consultations	110,802	79,027
Electricity and water	45,355	40,057
Governmental expenses	25,554	28,694
Mail, Telegraph and Telephone	20,391	23,329
Rentals	22,540	22,530
Travel and transportation	18,289	16,702
Computer programs expenses	15,138	15,390
Subscription fees at the Securities Depository Center	12,500	12,500
Depreciation	7,031	7,364
Stationery	5,528	5,001
Hospitality	9,391	3,853
Maintenance	7,476	5,552
Advertising and promotion	5,699	2,253
Other	9,417	6,811
	<b>1,395,432</b>	<b>1,249,062</b>

**20. FINANCIAL CHARGES**

	2022	2021
Bank interest provision	147,352	1,087,409
Paid bank charges and interest	112,127	96,080
Paid financial charges of lease obligation	50,323	51,250
	<b>309,802</b>	<b>1,234,739</b>

**21. OTHER REVENUES AND EXPENSES**

	2022	2021
Revenue from fare differences	2,777,522	1,883,388
paid government subsidy	-	1,500,000
Net management and base operation profit	2,581,815	1,536,629
Interest revenue of deposit	1,632	1,187
Provision reversal(Note- 22)	46,307	136,111
Other provisions (Note- 23)	(203,962)	(255,659)
Delisting projects under implementation (Note- 11)	8,613,258	-
Others	281,988	779,634
	<b>14,098,560</b>	<b>5,581,290</b>

**22. PROVISION REVERSAL**

	2022	2021
Refund of the provision of bus maintenance	-	67,479
Refund of the provision of receivables credit loss	-	34,718
End of service remuneration provision reversal	155	17,529
Refund of the provision of the land transportation regulatory authority	-	12,425
Spare parts provision reversal	9,630	3,960
Refund Legal issues provision	21,107	-
Refund bus licensing response	15,415	-
	<b>46,307</b>	<b>136,111</b>

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**23. OTHER PROVISIONS**

	2022	2021
Buses licenses provision	20,843	126,732
Legal issues provision	73,974	115,629
Due to employees provision	13,468	13,298
Account receivables impairment provision	46	-
Bonuses provision	1,415	-
Bus maintenance provision	94,216	-
	<u>203,962</u>	<u>255,659</u>

**24. TAX STATUS**

The Company ended its tax return with the Income and Sales Tax Department until the end of 2018. As for the years 2019, 2020 and 2021, the self-assessment statement was submitted to the Income and Sales Tax Department, and the company's accounting records were not reviewed by the department until the date of the consolidated financial statements.

Al Dhilal Passenger Transport Company (a subsidiary company) ended its tax return with the Income and Sales Tax Department until 2020, as for the year 2021; the self-assessment statement was submitted to the Income and Sales Tax Department, and the company's accounting records were not reviewed by the department until the date of the consolidated financial statements.

Al-Tawfiq Transport and Investment Company (a subsidiary company) ended its Tax Status with the Income and Sales Tax Department until 2020, as for the year 2021, the department's self-assessment statement was submitted and the department did not review the company's accounting records until the date of the consolidated financial statements.

The Asia Transportation Company (subsidiary) has ended its Tax Status with the Income and Sales Tax Department until 2019. As for the year 2020 and 2021, a statement of self-assessment was submitted to the department, and the department did not review the company's accounting records until the date of the consolidated financial statements.

The Integrated Smart Cards Company (a subsidiary company) ended its Tax Status with the Income and Sales Tax Department until 2021.

The Jordanian-Turkish Company for the Management and Operation of Public Transport Buses (a subsidiary company) ended its tax status with the income and sale tax department until 2021 submitted a self-assessment statement for the year 2019 and 2020 to the Income and Sales Tax Department, and the company's accounting records were not reviewed by the department until the date of the consolidated financial statements.

	2022	2021
Balance as of January 1	484,463	162,984
Paid during the year	(483,653)	(3,813)
Provision during the year	542,921	325,292
Balance as of December 31	<u>543,731</u>	<u>484,463</u>



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The net movement on income tax, is as follows:-

Income tax	542,921	325,292
Deferred tax assets amortized (note - 25)	1,463,245	553,395
	<u>2,006,166</u>	<u>878,687</u>

**25. DEFERRED TAX ASSETS**

Deferred tax is calculated at 20% of the total accumulated taxable losses amounting to JD 6,345,877 (2021: 13,662,105 JD), to be deferred tax amount 1,269,176 JD, (2021: 2,732,421 JD) an amount of 1,463,245JD has been amortized from the deferred taxes 2022.

Details of deferred tax assets are as follows:

	2022	2021
Beginning balance Jan 1	2,732,421	3,285,816
Amortization during the year	(1,463,245)	(553,395)
Ending Balance December 31	<u>1,269,176</u>	<u>2,732,421</u>

**26. CONTINGENT LIABILITIES**

At December 31, the Company had the following commitments:

	2022	2021
Banks guarantees	<u>1,461,000</u>	<u>1,475,500</u>

**27. LEGAL STATUS OF THE COMPANY**

**a- 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 120,378 JD (2021 : 128,751 JD).

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

The value of cases filed by third parties against the Company and its subsidiaries amounted to 235,242JD (2021 : 528,900 JD). Note that the company has deducted an provision in the value (454,768 JD) (2021: 401,901 JD) to face these low cases (Note - 13)

**28. 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 2021.

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

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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.

	2022	2021
Debts	747,129	19,327,593
Owners' equity	14,669,305	7,040,359
Debt/ owners' equity rate	%5	%275

**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**

Interest rate risks arise mainly from borrowing money at floating rates and from short-term deposits at fixed interest rates.

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:

<u>Currency</u>	<u>Increase in interest rate</u>	<u>The impact on the profit of the year</u>	
JD	Percentage points	2022	2021
	25	- 1,868	- 48,319
<u>Currency</u>	<u>Decrease in interest rate</u>	<u>The impact on the profit of the year</u>	
JD	Percentage points	2022	2021
	25	+ 1,868	+ 48,319

**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.

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**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 significant credit exposure for any any entities with similar characteristics has been disclosed in note no.(11) The Company classify the parts which have similar specifications as a related parties. Except the amounts which are related to the cash money.

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

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

**Management of liquidity risks**

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

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

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

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

	Interest rate	Year or less	More than a year	Total
<b>2022:</b>				
Instruments without interest		13,830,863	10,659,804	24,490,667
Instruments with interest	6%-8,5 %	374,002	373,127	747,129
<b>Total</b>		<b>14,204,865</b>	<b>11,032,931</b>	<b>25,237,796</b>
<b>2021 :</b>				
Instruments without interest		11,740,685	725,731	12,466,416
Instruments with interest	7%-9,5 %	3,326,060	16,001,533	19,327,593
<b>Total</b>		<b>15,066,745</b>	<b>16,727,264</b>	<b>31,794,009</b>

**29. SECTORS INFORMATION**

The company operates in the main business sector, which consists of providing public transport services on public transport lines for passengers within the Greater Amman Municipality and the Capital Governorate and any lines within the Kingdom, owning public transport means for passengers and establishing and investing passenger umbrellas on the lines served by the company. The company operates in one geographical sector, which is the Hashemite Kingdom of Jordan.

**30. COMPARATIVE FIGURES**

Some figures for the year 2021 have been reclassified to conform to those for the year ending on December 31, 2022.

**31. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors on March 19, 2023 and authorized for issuance.