

التاريخ :- 2020/6/25

الرقم :- 2020/6/25/

للمضلع  
\* بورصة عمان  
\* التسهيلات  
\* التسعير

السادة هيئة الأوراق المالية المحترمين ،،،

تحية طيبة وبعد ،،،

الموضوع :- الإفصاح عن التقرير السنوى لعام 2019

بالإشارة الى الايميل المرسل من قبل السيد / عمر الكراسنة واستناداً الى تعليمات الإفصاح نرفق  
لكم نسخه باللغة الانجليزية للبيانات المالية للشركة المتكاملة للنقل المتعدد م . ع . م . لعام  
2019 .

واقبلوا فائق الاحترام

المدير المالي

زياد الحوراني







**Nexia**  
**Modern Accountants**

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

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

**YEAR ENDED DECEMBER 31, 2019**



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

**CONSOLIDATED FINANCIAL STATEMENTS AND INDEPENDENT CERTIFIED  
PUBLIC ACCOUNTANT'S REPORT  
YEAR ENDED DECEMBER 31, 2019**

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

To the shareholders  
Comprehensive Multiple Transportations Company (PLC)

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

#### **Opinion**

We have audited the accompanying consolidated financial statements of Comprehensive Multiple Transportations Company(PLC), which comprise of the consolidated Statement of Financial Position as of December 31, 2019, 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, the consolidated financial statements present fairly, in all material respects, the financial position of Comprehensive Multiple Transportation Company (PLC) as of December 31, 2019, its financial performance and its cash flows for the year then ended, in accordance with International Financial Reporting Standards.

#### **Basis for Opinion**

We conduct our audit in accordance with International Standards on Auditing. Our responsibilities under those standards are further described in Auditor's Responsibilities for the audit of 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.

#### **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, 2019 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. Management estimates impairment in receivables through the use of assumptions and estimates and, because of their significance, its 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>The assumptions and methodologies used by the Company were evaluated and the audit procedures included examining the assumptions and methodologies used, particularly those related to the expected revenue growth and profit margins. We also focused on the adequacy of the Company's disclosures about The most sensitive assumptions used in the impairment test have a significant impact on the determination of recoverable amount of goodwill, as the results of the examination show that there is no impairment in goodwill.</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>



Key audit matters	How our audit addressed the key audit matters
<p><b>Application of IFRS 16 leases</b></p> <p>The Company adopted IFRS leases with effect from 1 January 2019, which resulted in changes to the accounting policies. The company has elected not to restate comparative information in accordance with the transitional provisions contained within IFRS 16.</p> <p>The impact of IFRS 16 is a change in accounting policy for operating leases. This change in accounting policy results in right-of-use assets and lease liabilities being recognized in the statement of financial position. The incremental borrowing rate ("IBR") method has been applied where the implicit rate in a lease is not readily determinable.</p> <p>The adoption of IFRS 16 has resulted in changes to processes, systems and controls.</p> <p>Because of the number of judgments which have been applied and the estimates made in determining the impact of IFRS 16, this area is considered as a key audit matter.</p> <p>The transitional impact of IFRS 16 has been disclosed in note 3 to the financial statements.</p>	<p>We obtained an understanding of the company adoption of IFRS 16 and identified the internal controls including entity level controls adopted by the company for the accounting, processes and systems under the new accounting standard.</p> <p>We assessed the design and implementation of controls pertaining to the application of IFRS 16.</p> <p>We assessed the appropriateness of the discount rates applied in determining lease liabilities with input from our internal specialists.</p> <p>We verified the accuracy of the ending lease data by agreeing a representative sample of leases to original contract or other supporting information and checked the integrity and mechanical accuracy of the IFRS 16 calculations for each lease sampled through recalculation of the expected IFRS 16 adjustment.</p> <p>We considered the completeness of the lease data by testing the reconciliation of the company lease liability to operating lease commitments disclosed in the 2018 financial statements and by considering if we had knowledge of any other contracts which may contain a lease.</p> <p>We determined if the disclosures made in the consolidated financial statements pertaining to leases, including disclosures relating to the transition to IFRS16, were in compliance with IFRSs.</p>

### Other Information

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

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

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

### Management and Individuals Responsible of Governance about the Consolidated Financial Statements

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



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

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

### **Certified Public Accountant's Responsibility**

Our objective is to obtain reasonable assurance about whether the Financial Statements are free from material misstatement, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decision of users taken on the basis of these Financial Statements.

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

- Identify and assess the risks of material misstatement of the initial Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management.
- Conclude on the appropriateness of the Management's use of the Going Concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, we have to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our Auditor's Report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the initial Financial Statements, including the disclosures, and whether the initial Financial Statements represent the underlying transactions and events in a manner that achieves Fair Presentation.

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

### **Legal requirements report**

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

Modern Accountants

Walid M. Taha

License No.(703)

**Modern Accountants**



A member of  
**Nexia**  
4 International

المحاسبون العصريون

Amman- Jordan  
February 18, 2020



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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	4	11,626,994	13,800,526
Building under construction		35,200	-
Right to use the assets	2	738,967	-
Goodwill	6	11,308,218	11,308,218
Deferred tax assets	23	3,508,595	3,508,595
<b>Total non-current assets</b>		<b>27,217,974</b>	<b>28,617,339</b>
<b>Current assets</b>			
Prepaid expenses and other receivables	7	1,202,810	439,203
Spare parts, oil and cards stores	8	320,012	360,468
Accounts receivable	9	7,271,482	3,553,770
Due from related parties	10	6,403	7,941
Cash and cash equivalents	12	618,197	724,157
		<b>9,418,904</b>	<b>5,085,539</b>
Property and equipment held for sale	5	246,808	446,808
<b>Total current assets</b>		<b>9,665,712</b>	<b>5,532,347</b>
<b>TOTAL ASSETS</b>		<b>36,883,686</b>	<b>34,149,686</b>
<b>LIABILITIES AND OWNERS' EQUITY</b>			
<b>Owners' equity</b>			
Share capital	1	15,000,000	15,000,000
Statutory reserve	15	257,406	254,444
Voluntary reserve	15	12,670	12,670
Accumulated losses		(3,982,035)	(3,195,385)
<b>Total shareholders' equity</b>		<b>11,288,041</b>	<b>12,071,729</b>
Non-controlling interests		850,600	65,143
<b>Total owners' equity</b>		<b>12,138,641</b>	<b>12,136,872</b>
<b>Non-current liabilities</b>			
Long -term loans	14	16,198,697	15,146,654
	2	753,638	-
<b>Total non-current liabilities</b>		<b>16,952,335</b>	<b>15,146,654</b>
<b>Current liabilities</b>			
Accrued expenses and other payables	13	2,489,978	3,220,355
Accounts payable		3,933,098	2,307,088
Due to related parties	10	569,747	580,410
Current portion of long term loan	14	750,015	633,298
	2	12,473	-
Banks overdraft		37,399	125,009
<b>Total current liabilities</b>		<b>7,792,710</b>	<b>6,866,160</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		<b>36,883,686</b>	<b>34,149,686</b>



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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**YEAR ENDED DECEMBER 31, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
Revenues	16	7,621,413	8,082,448
Cost of Revenues	17	(10,060,213)	(10,624,865)
<b>Gross profit</b>		<b>(2,438,800)</b>	<b>(2,542,417)</b>
General and Administrative expenses	18	(1,471,129)	(1,496,599)
Financial charges		(1,153,640)	(1,580,471)
Other revenues and expenses	19	5,093,193	7,154,059
<b>(Loss) / Profit before income tax</b>		<b>29,624</b>	<b>1,534,572</b>
Income tax surplus	23	-	553,395
Income tax	22	(282,855)	(3,421)
<b>(Loss) / Profit for the year</b>		<b>(253,231)</b>	<b>2,084,546</b>
<b>Comprehensive income:</b>			
Other comprehensive income		-	-
<b>Total comprehensive income for the year:</b>		<b>(253,231)</b>	<b>2,084,546</b>
<b>Attributable to:</b>			
Shareholder's equity		(783,688)	2,081,809
Non-Controlling Interests		530,457	2,737
		<b>(253,231)</b>	<b>2,084,546</b>
<b>(Loss) / Earnings per share:</b>			
<b>(Loss) / Earnings per share JD/Share</b>		<b>(0,05)</b>	<b>0,14</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, 2019**  
**EXPRESSED IN JORDANIAN DINAR)**

	Note	Share capital	Statutory reserve	Voluntary reserve	Accumulated losses	Total of shareholders' equity	Non-Controlling interests	Total
at December 31, 2017		15,000,000	100,987	12,670	(4,919,465)	10,194,192	62,406	10,256,598
of expected credit loss 'ECL'	27	-	-	-	(204,272)	(204,272)	-	(204,272)
at January 1, 2018		15,000,000	100,987	12,670	(5,123,737)	9,989,920	62,406	10,052,326
comprehensive income for the year		-	-	-	2,081,809	2,081,809	2,737	2,084,546
transfer to statutory reserve		-	153,457	-	(153,457)	-	-	-
at December 31, 2018		15,000,000	254,444	12,670	(3,195,385)	12,071,729	65,143	12,136,872
transfer to statutory reserve		-	2,962	-	(2,962)	-	-	-
comprehensive income for the year		-	-	-	-	-	255,000	255,000
at December 31, 2019		15,000,000	254,444	12,670	(783,688)	(783,688)	530,457	(253,231)
					(3,982,035)	11,288,041	850,600	12,138,641

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, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

	Note	2019	2018
<b>OPERATING ACTIVITIES</b>			
Profit for the year		29,624	1,534,572
Adjustments on Profit for the year:			
Depreciation and amortization		2,305,463	2,278,228
		39,210	-
Bad debt expense		-	3,229,272
Other provisions		627,328	2,258,028
Unneeded provisions returns		(291,226)	(167,240)
Financial charges		1,153,640	1,580,471
Gains on sale of property and equipment		-	(67,188)
Change in working assets and liabilities :			
Account Receivables		(3,717,530)	1,683,709
Prepaid expenses and other receivables		(763,607)	(59,373)
Spare parts, oil and cards stores		40,456	(94,635)
Due from related parties		1,538	(1,502)
Due to related parties		(10,663)	568,750
Accounts payable		1,626,010	(1,827,602)
Accrued expenses and other payables		(1,149,516)	(1,244,577)
<b>Net Cash available from operating activities</b>		<b>(109,273)</b>	<b>9,670,913</b>
<b>INVESTING ACTIVITIES</b>			
Purchase of property and equipment		(131,931)	(7,837,976)
Proceeds from sales of property and equipment		-	70,001
Building under construction		(35,200)	-
<b>Net cash used in investing activities</b>		<b>(167,131)</b>	<b>(7,767,975)</b>
<b>FINANCING ACTIVITIES</b>			
Banks overdraft financing		(87,610)	78,916
Rent contract liabilities		(12,066)	-
Financial charges Paid		(1,153,640)	(1,580,471)
Non-controlling		255,000	-
Financing leases obligations		1,168,760	(8,102,561)
<b>Net cash available from / (used in) financing activities</b>		<b>170,444</b>	<b>(9,604,116)</b>
<b>Net change in cash and cash equivalents</b>		<b>(105,960)</b>	<b>(7,701,178)</b>
Cash and cash equivalents, January 1		724,157	8,425,335
<b>CASH AND CASH EQUIVALENTS, DECEMBER, 31</b>	25	<b>618,197</b>	<b>724,157</b>

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, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

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**1. ORGANIZATION AND ACTIVITIES**

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

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

The company operates in the capital Amman Governorate.

**2. APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRSs)**

**2.1 New and amended IFRS Standards that are effective for the current year.**

**- IFRS (16) "Leases"**

IFRS 16 was issued in December 2016, IFRS 16 introduces new or amended requirements with respect to lease accounting. It introduces significant changes to the lessee accounting by removing the distinction between operating and finance leases and requiring the recognition of a right-of-use asset and a lease liability at the lease commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. Therefore, IFRS 16 does not have an impact for leases where the Company is the lessor.

The impact of the standard mainly on operating company leases accounting.

The standard is mandatory for financial years beginning on or after January 2019.

All contracts dealt with within this standard represent the company's location and the location of the bus dormitory.

The fixed assets in the statement of financial position are amortized using the straight-line method over the expected period of time to use the asset and each asset separately.

Note that the lease contracts were previously classified as operating leasing contracts in accordance with Accounting Standard (17) and recorded as a rental expense for the income statement period.

As of January 1, 2019, the company had non-cancelable operating lease obligations for the amount of 1,508,325 JD.

In January 31 2019 the company registered the right of use assets with the amount of 738,967 JD and leases obligations with the amount of 766,111.

The effect on the income statement is to reduce the rent expense by an amount of 65,000 JD and increase in the depreciation and interest expenses by 92,144 JD.

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



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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

Leased assets and liabilities are measured on present value basis. Leased assets include net present value of the present value of the following lease payments:

- Fixed payments (including fixed payments in substance), minus any lease incentives due.
- Variable lease payments based on the indicator or rate.
- The amounts expected to be paid by the tenant under the residual value guarantees.
- The price of the adopting of the purchase option in the event that the tenant is sure enough to say that this option is practiced.
- Payments for fines for termination of the lease, if the lease terms indicate that the tenant uses this option.

Operating leases liabilities are measured in present value for the remaining leased payments. Lease payments are deducted using the interest rate included in the leases contracts. And if the rate cannot be determined, we use the borrow ingrate for the lessee. It is the rate at the lessee to pay to borrow the money needed to obtain an asset of similar value in a similar economic environment with similar terms and conditions.

Right-of-use asset is measured in cost basis and include the following:

- The initial measurement amount of the rent obligation.
- Any leased payment paid on or before the start date of the contract, minus any rental incentives received.
- Any direct initial costs
- Any maintenance expense to return the original assets to his condition before the lease.

Payments related to short-term lease contracts and low-value assets are recognized on a straight-line basis as expenses in profit or loss. Short-term lease contracts are for 12 months or less.

The company has implemented the International Financial Reporting Standard No. (16) with a future effect as of January 1, 2019.

The effect of applying IFRS 16 as January 1, 2019 (increase / (decrease)) is as follows:

	December 31, 2019
<b>Statement of financial position</b>	
<b>Use Rights</b>	
The balance as of January 1, 2019	778,177
Impairment expense	(39,210)
<b>Balance as of December 31, 2019</b>	<b>738,967</b>
 <b>Liabilities</b>	
<b>Commitment to lease contracts</b>	778,177
Balance as of January 1, 2019	52,934
Interest expense	(65,000)
Paid during the year	766,111
<b>Balance as of December 31, 2019</b>	<b>766,111</b>
 <b>Which of them</b>	
Current rental contract obligations	12,473
Non-current lease obligations	753,638
	<b>766,111</b>

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

**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (Continued)**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

The effect on the income statement (increase / (decrease)) for the year ended December 31, 2019 is as follows:

	<u>December 31, 2019</u>
<b>Comprehensive income statement</b>	
Impairment expense entry	39,210
Interest expense Entry	52,934
Reduce lease Expense	(65,000)
<b>The effect of adopting the standard</b>	<u><b>27,144</b></u>

**2-2 NEW AND AMENDED IFRSS IN ISSUE BUT NOT YET EFFECTIVE AND EARLY ADOPTED:-**

The Company has not applied the following new and revised IFRSs that have been issued but are not yet effective.

<u>New Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IFRS 3 Business Combinations	January1, 2020
Amendments to IAS 1 Presentation of Financial Statements	January1, 2020
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors	January1, 2020
Amendments to IFRS 7 Financial Instruments : Disclosures	January1, 2020
Amendments to IFRS 9 Financial Instruments	January1, 2020
Amendments to IFRS 10 Consolidated Financial Statements	Effective date deferred indefinitely
Amendments to IFRS 28 Investment in Associates and Joint Ventures	Effective date 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, 2019**  
(EXPRESSED IN JORDANIAN DINAR)

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**3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**The preparation of Financial Statements**

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

**Basis of preparation**

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

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

**Basis of consolidation financial statements**

The consolidated financial statements incorporate the financial statements of comprehensive multiple transportations(Public Shareholding Company)and the subsidiaries controlled by the Company.

Control is achieved where the Company:

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

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

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

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

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

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

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

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

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

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The consolidated financial statements as at December 31, 2019 comprise the financial statements of the following subsidiaries:

Name of subsidiary	Place of registration	Year of registration	Ownership percentage	The main activity
Al-Dilaal Transport Co Ltd.	the Hashemite Kingdom of Jordan	1999	%100	Leasing and importing buses
Al-Tawfiq for Transport and Investment Co. Ltd.	the Hashemite Kingdom of Jordan	1998	%100	Transportation of passengers , transportation services for Hajj and Umra and spare parts trading
Asia for Transport and Investment Ltd.	the Hashemite Kingdom of Jordan	1998	%100	Transportation of passengers, maintenance of buses and import of spare parts for the purposes of the company
Comprehensive smart card company	the Hashemite Kingdom of Jordan	2008	%80	The use of smart cards to collect wages, import and export of systems and programs for collection of wages and identification of the location and sale of service operation system, collection of fare and location and provide technical support and maintenance of collection systems
Jordanian-Turkish Company for Managing and Operating Public Transport Buses	the Hashemite Kingdom of Jordan	2019	%49	The main activity of the Company consists in managing and operating transportation and buses in Jordan.



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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) 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 sell 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.



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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 ECLs 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 loss 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 stated at cost less accumulated depreciation and impairment if any. Expenditure on maintenance and repairs is expensed and the Expenditure on enhancement and improvements are capitalized. Depreciation is provided over the estimated useful lives of the applicable assets using the straight-line method. The estimated rates of depreciation of the principal classes of assets are as follows:

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

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

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

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

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

**Goodwill**

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

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

**Intangible assets**

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



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**Government grants**

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

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

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

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

**Provisions**

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

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

**Income tax**

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

**Deferred Tax**

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

Assets held under capital leases are recognized as an asset of the Company at the present value of the minimum lease payments or the fair market value of the asset at the date of creation of the lease, whichever is lower.

Finance costs, which represent the difference between the total lease commitments and the present value of the minimum lease payments or the fair market value of the asset at the date of creation of the lease, whichever is lower are charged to the statement of comprehensive income during the lease period and to a constant carrying rate of the remaining amounts of the liability for each Accounting period.

Rentals payable under operating leases are charged to the comprehensive income statement on a straight-line method over the term of the operating lease.

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**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 the key sources of estimation uncertainty were the same as those that applied to the audited annual financial statements.



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**4. PROPERTY AND EQUIPMENT**

	January 1	Additions	Disposals	December 31
<b>Cost:</b>				
Lands *	1,236,375	-	-	1,236,375
Buildings	302,382	-	-	302,382
Hangers	20,747	-	-	20,747
Buses **	37,286,738	-	-	37,286,738
Computers and Software	2,028,625	33,268	-	2,061,395
Machinery and equipment	516,104	3,757	-	519,861
Tracking devices	347,294	34,979	-	382,273
Furniture and decoration	174,923	28,840	-	203,763
Vehicles	319,478	31,087	-	350,565
Projects under construction	1,866,302	-	-	1,866,302
<b>Total cost</b>	<b>44,098,968</b>	<b>131,931</b>	<b>-</b>	<b>44,230,899</b>

	January 1	Additions	Disposals	December 31
<b>Depreciation :</b>				
Buildings	114,869	9,075	-	123,944
Hangers	20,255	492	-	20,747
Buses	26,926,988	2,220,013	-	29,147,001
Computers and Software	2,026,611	15,130	-	2,041,741
Machinery and equipment	485,753	8,172	-	493,925
Tracking devices	301,421	38,353	-	339,774
Furniture and decoration	144,508	3,818	-	148,326
Vehicles	278,037	10,410	-	288,447
<b>Accumulated depreciation</b>	<b>30,298,442</b>	<b>2,305,463</b>	<b>-</b>	<b>32,603,905</b>
Book value at January 1	<u>13,800,526</u>			
<b>Book value at December 31</b>				<u><b>11,626,994</b></u>

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

\*\* There is a mortgage on buses owned by the Company and its subsidiaries, with a net book value of JD 1,376,150 against banks facilities.

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

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

	2019	2018
Beginning balance	1,575,948	1,575,948
Disposals	-	-
Transfers between plant and equipment	-	-
Impairment of property and equipment held for sale	(1,329,140)	(1,129,140)
Ending balance	246,808	446,808

**6. 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
Goodwill	3,999,900	1,401,101	5,907,217	11,308,218

**Annual impairment test:**

- At the end 2019, the Parent Company evaluated the amount of goodwill recovered by an independent entity. It has been determined that there is no impairment in goodwill associated with the subsidiaries operating in the operation of public transport lines within the Greater Amman Municipality and any other lines within the Kingdom and buses rental, buses maintenance, passenger ,transport and transportation services. The recoverable amount of the cash-generating unit is measured on the basis of value in use. Which were calculated using the expected cash flows through the estimated budgets approved by the Company's management and covering the next five years on the basis of a discount rate of %10 annually.



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**7. PREPAID EXPENSES AND OTHER RECEIVABLES**

	2019	2018
Employees receivables	192,525	241,553
provision for impairment loss for employees receivables *	(78,442)	(90,601)
Net employees receivables	114,083	150,952
Prepaid expenses	268,995	189,215
Refundable deposit	137,644	96,361
Bank guarantee	650,000	-
Other	32,088	2,675
	<u>1,202,810</u>	<u>439,203</u>

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

	2019	2018
Beginning Balance	90,601	75,830
calculated during the year	(12,159)	14,771
Ending balance	<u>78,442</u>	<u>90,601</u>

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

	2019	2018
spare parts ,Oil and cards stores	686,820	728,032
spare parts ,Oil and cards provision *	(366,808)	(367,564)
	<u>320,012</u>	<u>360,468</u>

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

	2019	2018
Beginning Balance	367,564	381,135
Provision Returns	(756)	(13,571)
Ending balance	<u>366,808</u>	<u>367,564</u>

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**9. ACCOUNT RECEIVABLES**

	2019	2018
Trade receivables	2,677,982	996,078
Ministry of transportation receivable **	5,164,337	3,273,246
Due from Transport Sector Regulatory Authority	231,591	266,329
Due from Greater Amman Municipality / town Shuttle	57,872	78,306
Provision for doubtful accounts *	(860,300)	(1,060,189)
	<b>5,480,470</b>	<b>3,475,464</b>

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

	2019	2018
Beginning Balance	1,060,189	843,718
calculated During the year	-	216,471
Returned from provision	(199,889)	-
Ending balance	<b>860,300</b>	<b>1,060,189</b>

\*\*At its board of directors meeting held on 16 January 2018, the Company decided to incurred wage differentials for the years 2016, 2017, 2018and 2019in the amount of JD1,178,765, JD1,682,319 JD, 2,912,162 and JD 2,371,09 respectively, as stated in the report of the Audit Committee, and this amount was due to the company as a result of non-payment of wages as stipulated by the Prime Minister In 2015 by 10% instead of the difference in fuel price increases for 2016 and 2017 and 20% as for 2018 and record these amounts in the company's records to be due from both the Ministry of Finance and the Ministry of Transport total amount of 8,144,337 JD, the company paid the amount of 2,500,000 JD and the amount of 480,000 JD during the years of 2018,2019 from the ministry of finance.

**10. RELATEDPARTIES**

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

Company	Relationship
Nicola Abukhader and sons Co.	Owned by board of directors member
The leading Vehicle Co.	Owned by board of directors member
Motor Vehicles Trading Co.	Owned by board of directors member
Al Khaleej for Trading Cars Co.	Owned by board of directors member
United for Renting Cars Co.	Owned by board of directors member
Jordan Automobile and Equipment Co.	Owned by board of directors member
GurselTasima Silk Service Company	Partner in subsidiary company

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

	2019	2018
Al Khaleej for Trading Cars Co.	-	1,120
United for Renting Cars Co.	731	731
The leading Vehicle Co.	5,672	5,672
Jordan Automobile and Equipment Co.	-	418
	<b>6,403</b>	<b>7,941</b>

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

	2019	2018
Nicola Abukhader and sons Co	51,628	55,393
GurselTasimaSilik Service Company	8,668	-
Motor Vehicles Trading Co.	516,442	525,017
	<b>569,747</b>	<b>580,410</b>

-During the year, the Company recorded the bonuses and salaries of the executive management at JD 203,525 (2018: JD 180,409).

-During the year, the Company also recorded bonuses to the Chairman and members of the Board of Directors at JD 149,000 (2018: JD 107,999).



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**11. RESTRICTED CASH WITH THE BANK**

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

**12. CASH AND CASH EQUIVALENTS**

	2019	2018
Cash on hand	69,265	62,449
Cash on banks	104,952	9,708
Bank deposits	443,980	652,000
	<u>618,197</u>	<u>724,157</u>

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

	2019	2018
Accrued expenses	116,565	113,092
Unearned Revenues	337,436	302,602
Due to Social Security	425,579	123,024
Due to Income and sales tax	213,602	65,446
Financial interests provision	191,684	566,706
bus maintenance provision	260,700	93,750
bus licensing provision	453,500	322,650
End of service indemnities provision	47,001	41,246
Income tax provision	282,855	3,421
Law suites provision	144,383	1,588,418
Receivables staff	16,673	-
	<u>2,489,978</u>	<u>3,220,355</u>

**14. LOANS**

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

	2019	2018
Housing Bank for Trade and Finance Loans	16,198,697	15,779,952
SocieteGenerale Bank	750,015	-
Total loans	16,948,712	15,779,952
Deduct: current portion of long -term loan	750,015	633,298
Long term loan	<u>16,198,697</u>	<u>15,146,654</u>

**HOUSING BANK FOR TRADE AND FINANCE LOANS:**

The Company obtained loans from the Housing Bank for Trade and Finance. The Balance of loans is JD 14,284,901 at the end of 2015, at an interest rate of 7% per annually, payable on a monthly basis and without commission and guarantee of buses owned by the company and its subsidiaries 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. 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.

**SOCIETE GENERALE LOAN**

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

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**15. 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.

**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.

**16 - REVENUES**

	2019	
Buses Revenue	<b>6,303,544</b>	6,822,297
Advertising and promotion revenues	<b>200,000</b>	185,221
Revenue from tracking systems subscriptions , shipping fees and cards sales	<b>152,904</b>	180,537
Revenues resulting from the paid fee of Hashemite University from Transport Sector Authority	<b>440,265</b>	468,820
Revenue from transporting German Jordanian university students	<b>524,700</b>	425,573
	<b>7,621,413</b>	8,082,448



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**17. COST OF REVENUES**

	2019	2018
Salaries ,wages and other benefits	2,662,640	2,646,219
Depreciation and amortization	2,334,855	2,271,676
Fuel	3,097,306	3,302,221
Maintenance and spare parts	705,294	758,898
Rents of public transport lines	428,094	639,830
Buses insurance	326,468	333,046
Licenses and government fees	167,802	242,308
Oils and filters	105,513	126,171
Collection commissions	86,818	40,009
Bus washing	19,259	23,257
Mail, Telegraph and Telephone	39,571	39,398
Cost of cards and tracking devices	14,136	17,859
Rentals	-	131,083
Operations division expenses	40,933	32,400
Other	31,524	20,490
	<b>10,060,213</b>	<b>10,624,865</b>

**18. GENERAL AND ADMINISTRATIVE EXPENSES**

	2019	2018
Salaries, wages and other benefits	1,034,927	1,090,144
Rentals	28,090	17,751
Board of directors fees	149,000	107,999
Subscription fee at the Securities Depository Center	12,500	7,500
Governmental expenses	4,451	3,123
Electricity and water	43,881	63,363
Professional fees and consultations	75,645	80,042
Maintenance	18,847	9,670
Insurance	181	240
Mail, Telegraph and Telephone	12,470	17,073
Stationery	12,004	13,845
Travel and transportation	12,108	15,152
Advertising and promotion	5,384	18,150
Depreciation	7,802	6,552
Hospitality	14,203	14,183
Computer programs expenses	19,140	9,025
Miscellaneous	20,496	22,787
	<b>1,471,129</b>	<b>1,496,599</b>

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**19. OTHER REVENUES AND EXPENSES**

	2019	2018
Revenue from fare differences	2,371,091	2,912,162
paid government subsidy	1,500,000	1,975,000
Net management and base operation profit	1,386,027	-
Interest revenue of deposit	29,439	474,314
Revenue of Arab bank loan settlement	-	6,536,413
Revenue from selling assets	-	67,188
Other provisions (Note- 23)	(627,328)	(2,258,028)
Unneeded provision returns (Note- 20)	291,226	167,240
Bad debt expense	-	(3,229,272)
Revenue of settlement with the Kansi Complex	-	505,240
Others	142,738	3,802
	<u>5,093,193</u>	<u>7,154,059</u>

**20. UNNEEDED PROVISION RETURNS**

	2019	2018
Buses maintenance provision returns	-	49,250
Spare parts provision returns	756	13,571
Buses impairment provision returns	-	83,818
Legal cases provision returns	5,844	-
End of service remuneration provision returns	-	20,601
Refund of the provision of the land transportation regulatory authority	41,500	-
Refund of the provision of receivables credit loss	199,889	-
Refund of the provision of employs credit loss	43,237	-
	<u>291,226</u>	<u>167,240</u>

**21. OTHER PROVISIONS**

	2019	2018
Financing expenses provision for financing	-	217,206
Due to employees provision	30,064	14,771
Account receivables impairment provision	2,232	12,199
Property and equipment held for sale impairment provision	200,000	1,129,140
Legal issues provision	91,477	883,652
Buses licenses provision	130,850	1,060
Land Transport Regulatory Authority provision	5,755	-
Bus maintenance provision	166,950	-
	<u>627,328</u>	<u>2,258,028</u>

**22. INCOME TAX**

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

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

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



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

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

**23. DEFERRED TAX ASSETS**

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

Details of deferred tax assets are as follows:

	2019	2018
Beginning balance Jan 1	3,508,595	2,955,200
Arises during the year	-	553,395
Ending Balance December 31	3,508,595	3,508,595

**24. CASH AND CASH EQUIVALENTS**

	2018	2017
Cash and cash equivalents( Note - 12)	-	-
Cash restricted in bank (Note - 13)	608,197	724,157
	608,197	724,157

**25. CONTINGENT LIABILITIES**

At December 31, the Company had the following commitments:

	2019	2018
Banks guarantees	69,030	180,000

**26. LEGAL STATUS OF THE COMPANY**

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

The value of the cases filed by the Company and its subsidiaries against others amounted to JD 116,907.

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

The value of cases filed by third parties against the Company and its subsidiaries amounted to JD 1,094,425.

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

IFRS9 Financial Instruments provides requirements for the identification and measurement of monetary financial assets and liabilities and certain contracts for the purchase or sale of non-financial items. This Standard supersedes IAS39 Financial Instruments: "Recognition and Measurement"

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

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

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

**30. FINANCIAL INSTRUMENTS**

**Management of share capital risks**

The Company manages its capital to make sure that the Company will continue when it takes the highest return by the best limit for debts and owners equity balances. The Company's strategy doesn't change from 2018.

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

**The debt ratio**

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

	2019	2018
Debts	16,946,111	15,904,961
Owners' equity	11,288,041	12,071,729
Debt/ owners' equity rate	%150	%132



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**The management of the financial risks**

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

**Management of the foreign currencies risks**

The company is not exposed to significant risks related to foreign currency price changes, so there is no need to effective management for this exposure.

**Interest rate risk**

The Company is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits, interest bearing loans and borrowings).

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

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

<u>Currency</u>	<u>Increase in interest rate</u>	<u>The impact on the profit of the year</u>	
JD	Percentage points	<b>2019</b>	<b>2018</b>
	25	<b>- 42,465</b>	<b>- 39,825</b>
<u>Currency</u>	<u>Decrease in interest rate</u>	<u>The impact on the profit of the year</u>	
JD	Percentage points	<b>2019</b>	<b>2018</b>
	25	<b>+ 42,465</b>	<b>+ 39,825</b>

**Other price risk**

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

**Credit risk management**

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

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

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

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**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>2019 :</b>				
Instruments without interest		7,005,296	753,638	7,758,934
Instruments with interest	7%-9 %	787,414	16,198,697	16,946,111
<b>Total</b>		<b>7,792,710</b>	<b>16,952,335</b>	<b>24,745,045</b>
<b>2018 :</b>				
Instruments without interest		6,107,853	-	6,107,853
Instruments with interest	7%-9 %	758,307	15,146,654	15,904,961
<b>Total</b>		<b>6,866,160</b>	<b>15,146,654</b>	<b>22,012,814</b>

**31. SECTORS INFORMATION**

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

**32. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements were approved by the Board of Directors and authorized for issuance on February 18, 2020.