

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

Financial Statements
as of December 31,2018

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

Index

	<u>Page</u>
Independent Auditor's Report	1_4
Statement of Financial position	5
Statement of comprehensive Income	6
Statement of Changes in Owners Equity	7
Statement of Cash Flows	8
Notes To The Financial Statements	9_26

Independent Auditors' Report

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

Report on the Audit of the Financial Statements

Opinion

We have audited the Accompanying financial statements of **United Group For Land Transport Co (Public Shareholding Company)**, which comprise the statement of financial position as at December 31, 2018 and the statements of comprehensive income, changes in owner's equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Key Audit Matters

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

-Property and equipment:

The value of property and equipment shown in the financial statements represents 89% of total assets.

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

The most important audit procedures:

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.
- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.
- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend approving these financial statements by the general assembly.

Al- Abbasi & Partners Co.



Nabil M. Obeidat
License 877



Amman in
27 January 2019

United Group For Land Transport Co
Public Shareholding Co., Ltd.
Amman - The Hashemite Kingdom of Jordan
Statement of Financial Position as of December 31 , 2018

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		JD	JD
<u>Assets</u>			
<u>Non-current assets</u>			
Properties & equipment - Net	5	8,404,203	8,338,968
Payments on account of property and equipment		125,470	-
Total Non-current assets		8,529,673	8,338,968
<u>Current Assets</u>			
Cash on hand and at the Banks	6	466,051	1,725,072
Account receivables - Net	7	378,145	550,163
Spare parts inventory	8	156,334	46,459
Other debit balances	9	48,651	53,125
Total Current Assets		1,049,181	2,374,819
Total Assets		9,578,854	10,713,787
<u>Liabilities and Owners' Equity</u>			
<u>Owners' Equity</u>			
Paid up Capital	10	6,600,000	6,600,000
Statutory reserve	10	1,650,000	1,634,004
Retained earnings	11	1,217,085	2,233,971
Total Owner's equity		9,467,085	10,467,975
<u>Current Liabilities</u>			
Other credit balances	12	111,769	245,812
Total Current Liabilities		111,769	245,812
Total Liabilities and Owner's Equity		9,578,854	10,713,787

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

Amman - The Hashemite Kingdom of Jordan

Statement of Comprehensive Income For The Year Ended December 31 , 2018

	<u>Note</u>	<u>2018</u> JD	<u>2017</u> JD
Revenue		5,495,286	5,705,843
Operating expenses	13	<u>(3,555,296)</u>	<u>(3,303,904)</u>
Gross Profit		1,939,990	2,401,939
General & administrative expenses	14	(332,454)	(354,151)
Depreciations		(44,354)	(45,451)
Other revenues	15	8,101	67,145
provision for doubtful debts		-	(5,200)
Profit before income tax		1,571,283	2,064,282
Income tax	12	<u>(314,257)</u>	<u>(409,850)</u>
Profit for the year		1,257,026	1,654,432
Total comprehensive income		1,257,026	1,654,432
		<u>JD / Share</u>	<u>JD / Share</u>
basic and diluted earining per share	16	0.190	0.251

United Group For Land Transport Co. L.L.C
Public Shareholding Co., Ltd.

Amman - The Hashemite Kingdom of Jordan

Statement of Changes in Owner's Equity For Year Ended December 31, 2018

	Paid up Capital		Statutory reserve	Retained earnings		Total
	JD	JD		JD	JD	
Balance as of January 1,2018	6,600,000	1,634,004	1,634,004	2,233,971	10,467,975	
Income tax expense for previous years				(23,945)	(23,945)	
Adjusted opening balance	6,600,000	1,634,004	1,634,004	2,210,026	10,444,030	
Total comprehensive income	-	-	-	1,257,026	1,257,026	
Transfer to statutory reserve	-	15,996	-	(15,996)	-	
Cash Dividends (Note 11)	-	-	-	(2,233,971)	(2,233,971)	
Balance as of December 31,2018	6,600,000	1,650,000	1,650,000	1,217,085	9,467,085	
Balance as of January 1,2017	6,600,000	1,427,576	1,427,576	2,765,967	10,793,543	
Total comprehensive income	-	-	-	1,654,432	1,654,432	
Transfer to statutory reserve	-	206,428	-	(206,428)	-	
Cash Dividends	-	-	-	(1,980,000)	(1,980,000)	
Balance as of December 31,2017	6,600,000	1,634,004	1,634,004	2,233,971	10,467,975	

The accompanying notes form an integral part of this statement.

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

Amman - The Hashemite Kingdom of Jordan

Statement of Cash Flows For The Year Ended December 31 , 2018

	<u>Note</u>	<u>2018</u>	<u>2017</u>
		JD	JD
<u>Cash Flow From Operating Activities</u>			
Profit for the year before income tax		1,571,283	2,064,282
Profit on sale of property and equipment		(5,500)	(60,937)
Depreciation	5	690,477	726,886
Income tax expense for previous years		(23,945)	-
provision for doubtful debts		-	5,200
Operating profit before changing in working capital		2,232,315	2,735,431
<u>(Increase) decrease in current assets</u>			
Accounts receivable		172,018	(92,948)
Spare parts inventory		(109,875)	4,297
Other receivables		4,474	22,019
<u>Increase (decrease) in current liabilities</u>			
Other payables		(58,187)	2,119
Net Cash provided from Operating Activities before paid tax		2,240,745	2,670,918
paid income tax	12	(390,113)	(633,604)
Net Cash provided from Operating Activities		1,850,632	2,037,314
<u>Cash Flows From Investing Activities</u>			
collection from sale properties & equipment		10,501	105,500
Purchase properties & equipment	5	(760,713)	(89,224)
Payments on account for property and equipment		(125,470)	-
Net Cash (Used in) Investing Activities		(875,682)	16,276
<u>Cash Flows From Financing Activities</u>			
Cash Dividends	11	(2,233,971)	(1,980,000)
Net Cash (used in) provided from Financing Activities		(2,233,971)	(1,980,000)
Net (decrease) increase in Cash on hand and at the banks		(1,259,021)	73,590
Cash on hand and at banks at beginning of year		1,725,072	1,651,482
Cash on hand and at banks at ended year	6	466,051	1,725,072

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

1- Company's Registration and Objectives

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

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

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

the attached financial statements was approved by the Board of Directors Meeting No. (2) on Jan, 27, 2019 and are subjectsd to approval by the general assembly of shareholders.

2- Basis of preparation

General

The financial statements of the company have been prepared in accordance to International Financial Reporting Standards .

The financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.

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

3- Use of estimates

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

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

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

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

4- Significant Accounting Policies

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

Change in accounting policies

During the current period, the Group adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for periods beginning on 1 January 2018:

- * IFRS 15 "Revenue from Contracts with Customers"
- * IFRS 9 "Financial Instruments"
- * Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions".
- * Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts".
- * Amendments to IAS 40 "Transfers of Investment Property"
- * Annual improvements to IFRS 2014-2016 Cycle "Amendments to IFRS 1 and IAS 38".
- * IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended standards and the interpretation to a standard had no significant on the company financial statements, except for the IFRS 15 "Revenue from Contracts with Customers" and the IFRS 9 "Financial Instruments" whose effects on the company financial statements are explained below.

IFRS 9 "Financial Instruments"

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments : classification and measurement; impairment; and hedge accounting.

The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and , in line with IFRS 9, comparative amounts have not been restated

The impact of the adoption of IFRS 9 as at 1st January 2018 has been recognised in retained earnings. The standard eliminated the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

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

Impairment

The adoption of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECLs for all debt instruments measured at amortization cost.

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECLs based on lifetime expected credit losses. The Group's policy to calculate ECLs of debt instruments is for a period of 12 months

These amendments do not have any impact on the company's financial statement

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" (hereafter "IFRS 15") introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 "Revenue", IAS 11 "Construction Contracts" and related interpretations.

Management reviewed and assessed the Group's existing contracts with customers at 1 January 2018 and concluded that, apart from more extensive disclosures for the Group's revenue transactions (Note 17), the initial application of IFRS 15 had no significant impact on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 January 2018.

These amendments do not have any impact on the company's financial statement

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

New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standard that are available for early adoption for financial years beginning after 1 January 2018 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2019	<ul style="list-style-type: none"> - IFRS 16 "Leases" - Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments" - Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation. - Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures. - Amendments to IAS 19 "Employee Benefits" on plan amendment curtailment or settlement. - Amendments to various standards based on the Annual Improvements to IFRSs 2015-2017
Effective for year beginning 1 January 2020	Amendments to references to conceptual framework in IFRS standards
Effective for year beginning 1 January 2021	IFRS 17 "Insurance Contracts"
Effective date deferred indefinitely / available for optional adoption	Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture.

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the Group's consolidated financial statements, except for the IFRS 16 "Leases" whose effects on the Group's

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

Accounts Receivables

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

Impairment of receivables

On 1 January 2018 IFRS 9 "Financial Instruments" replaced the 'incurred loss' impairment model in IAS 39 "Financial Instruments: Recognition and Measurement" with an 'expected credit loss' (ECL) impairment model. The new impairment model requires forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. It also requires management to assign probability of default to various categories of receivables. Probability of default constitutes a key input in measuring an ECL and entails considerable judgement; it is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions. In the previous year, the impairment review on trade receivables was performed only for receivables for which management had an indication for impairment. That also entailed significant judgement. It was determined by reference to past default experience of a counterparty and an analysis of the counterparty's financial situation, but the "incurred loss" model disregarded entirely the current and expected future conditions. As a result, it is expected that under the new impairment model credit losses will be recognised earlier

Materials & spare parts in the warehouses

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

Offsetting

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

Property, plant and equipment

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

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

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

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

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

Accounts payable

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

Income tax

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

Revenue recognition

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

Provisions

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

Foreign currency conversions

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

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

Notes to the Financial Statements

5- Properties , plant & equipment - Net

a. This item consists of :

	Lands	Vehicles	Buldings	Hanagers	Electrical and office equipment	Tools	Decorations and exterior fittings	Furniture	Total
<u>Cost</u>									
Cost as in the January 1, 2018	2,798,006	8,214,892	1,304,792	100,000	35,491	30,660	35,700	22,984	12,542,525
Additions	-	759,493	-	-	330	890	-	-	760,713
Deletions	-	(8,271)	-	-	-	-	-	-	(8,271)
Cost as in the December 31, 2018	2,798,006	8,966,114	1,304,792	100,000	35,821	31,550	35,700	22,984	13,294,967
<u>Accumulated Depreciation</u>									
balance as of january 1, 2018	-	3,826,485	207,707	86,667	28,349	16,478	15,143	22,728	4,203,557
Additions	-	646,123	26,643	10,000	3,139	2,481	1,835	256	690,477
Deletions	-	(3,270)	-	-	-	-	-	-	(3,270)
balance as of December 31, 2018	-	4,469,338	234,350	96,667	31,488	18,959	16,978	22,984	4,890,764
Net book value as of December 31, 2018	2,798,006	4,496,776	1,070,442	3,333	4,333	12,591	18,722	-	8,404,203
Net book value as of December 31, 2017	2,798,006	4,388,407	1,097,085	13,333	7,142	14,182	20,557	256	8,338,968

b. The cost of fully depreciated property and equipment is 2,112,901 JD as at 31 December 2018 .

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

6- Cash on hand and at banks

This item consists of the following:

	2018	2017
	JD	JD
Cash on hand	19,908	31,861
Current balances with banks	446,143	1,693,211
Total	466,051	1,725,072

7- Account receivables - Net

This item consists of the following:

	2018	2017
	JD	JD
Account receivables	386,345	558,363
provision for doubtful debts *	(8,200)	(8,200)
Net	378,145	550,163

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

	2018	2017
	JD	JD
Balance at the beginning of the year	8,200	3,000
Which is deducted during the year	-	5,200
End of year balance	8,200	8,200

8- Materials & spare parts in the warehouses

This item consists of the following:

	2018	2017
	JD	JD
spare parts	39,030	26,745
Oil Warehouse	4,686	6,180
Warehouse Tire	11,514	13,534
Stainless steel warehouse	101,104	-
Total	156,334	46,459

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

9- Other debit balances

This item consists of the following:

	2018	2017
	JD	JD
Refundable Debit	1,770	1,630
Prepaid expenses	46,881	51,495
Total	48,651	53,125

10- Owners' Equity

Capital

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

Statutory reserve

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

The Board of Directors has decided to discontinue deducting a statutory reserve because its reach a quarter of the capital. This decision is subject to the approval of the General Assembly of Shareholders

11- Retained Earnings

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	2,233,971	2,765,967
Prior year adjustments	(23,945)	-
Adjusted opening balance	2,210,026	2,765,967
Profit after tax	1,257,026	1,654,432
Transfer to statutory reserve*	(15,996)	(206,428)
Dividends paid **	(2,233,971)	(1,980,000)
Balance at end of year	1,217,085	2,233,971

* The Board of Directors has decided to discontinue deducting a statutory reserve because its reach a quarter of the capital. This decision is subject to the approval of the General Assembly of Shareholders.

** According to the company general assembly which was held on March10,2018 , it was decided to distribute 34% as cash dividends amount to JD (2,233,971) to shareholders .

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

12- Other credit balances

This item consists of the following:

	2018	2017
	JD	JD
Income Tax provision *	83,994	159,850
Other credit balances	13,437	68,742
Accrued expenses	13,371	9,522
With holdings	967	7,698
Total	111,769	245,812

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

	2018	2017
	JD	JD
beginning Balance of the year	159,850	383,604
Paid tax during the year	(159,850)	(383,604)
Year income tax **	314,257	409,850
Paid in advance for income tax	(230,263)	(250,000)
Balance at end of year	83,994	159,850

** Income tax deducted on the profits of the year

	2018	2017
	JD	JD
Accounting profit	1,571,283	2,064,282
Less:		
Provisions obligations	-	(20,231)
add:		
provision for doubtful debts	-	5,200
profit taxable	1,571,283	2,049,251
Income tax payable	314,257	409,850

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

13- **Operating expenses**

This item consists of :

		2018	2017
		JD	JD
Staff cost	a	660,875	629,305
Cost of vehicles	b	2,760,564	2,569,595
Insurance of movable goods		11,354	9,599
Transportation fees with others		350	29,395
Consumables		18,735	15,998
ASEZA fees		35,497	25,525
Transportation fees		3,144	3,046
Others		47	50
Stamp expenses		9,033	9,898
Weighing bridge fees		7,130	5,777
Bank guarantee expenses		4,737	4,830
General Safety Expenses		569	675
The expenses of the coalition - Shidya		-	211
Storage expenses		29,750	-
Accidents maintenance expenses		13,511	-
Total		3,555,296	3,303,904

a- **Staff cost**

This item consists of :

		2018	2017
		JD	JD
Salaries and wages		604,308	578,087
The company's contribution to social security		42,022	41,155
Health insurance expenses		14,545	10,063
Total		660,875	629,305

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

b- <u>Cost of vehicles</u>	<u>2018</u>	<u>2017</u>
This item consists of :	JD	JD
Depreciation	646,122	681,435
fuel	1,491,983	1,191,327
Maintenance and repairs	331,062	368,410
cars Insurance	41,324	82,940
tires	154,800	148,537
license fees	38,549	40,552
Oil expenses	35,227	33,364
Car expenses	6,768	7,604
Services of containers and ships	790	1,106
Washing and steaming expenses	7,279	6,715
Vehicle Tracking Expenses	6,660	7,605
Total	<u>2,760,564</u>	<u>2,569,595</u>

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

14- General & administrative expenses

This item consists of :	2018	2017
	JD	JD
Salaries and wages	192,000	192,000
The company's contribution to social security	27,360	27,360
Telephone	4,388	4,312
Insurance of buildings and yards	-	1,444
Security fees	10,830	10,621
Company license fees	2,952	2,847
Electric and water	14,830	10,663
Travel and accommodation	5,974	3,756
Board of directors remunerations	20,000	20,000
Stationery and prints	2,074	1,808
hospitality	1,790	1,856
Cleaning services	5,093	4,563
Donations	19,025	27,587
Professional fees	5,000	5,000
Lawyer fees	2,000	2,000
Building maintenance expenses	150	8,024
Equipment maintenance expenses	1,178	1,402
Securities Commission fees	-	3,960
Governmental fees	822	2,198
Internet expenses	1,131	1,318
Subscription fees of the Securities Depository Center	3,300	3,300
Vacation allowance	-	840
Advertising	350	340
Law suits and issues	11,500	16,952
Bank expenses	707	-
Total	332,454	354,151

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

15- Other Revenue

This item consists of :	2018	2017
	JD	JD
Gain on sale of property and equipment	5,500	60,937
Other revenues	2,601	6,208
Total	8,101	67,145

16- Earnings Per Share

This item consists of :	2018	2017
	JD	JD
Profit after tax	1,257,026	1,654,432
Weighted average shares (share)	6,600,000	6,600,000
Basic and diluted earningig per share	0.190	0.251

17- Contingent liabilities

The company on the following contingent liabilities of financial position:

	2018	2017
	JD	JD
Bank guarantees for the Ministry of Transport for the purposes of licensing work in the transport sector	30,000	30,000
Guarantees of good implementation of the Jordanian-Indian company agreement	364,000	364,000
Total	394,000	394,000

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

18- Segment Information

	2018			2017
	The main activity	others	Total	Total
	JD	JD	JD	JD
Revenue	5,495,286	8,101	5,503,387	5,705,843

other segment

Capital expenditure	760,713	–	760,713	89,224
Depreciation	690,477	–	690,477	726,886

	2018			2017
	The main activity	others	Total	Total
	JD	JD	JD	JD
<u>Assets And Liability</u>				
Assets	9,112,803	466,051	9,578,854	8,988,715
Liabilities	111,769	–	111,769	245,812

19- Related Party Transactions

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

Salaries and bonus of the management

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

	2018	2017
	JD	JD
Salaries and other benefits	219,360	219,360

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

Notes to the Financial Statements

20- The analysis of maturity of assets and liabilities

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

	2018		
	for year	more than one year	Total
	JD	JD	JD
<u>Assets</u>			
<u>Current Assets</u>			
Cash and Cash equivalent	466,051		466,051
Account receivables - Net	378,145	-	378,145
Spare parts inventory	156,334	-	156,334
Other debit balances	48,651	-	48,651
Total Current Assets	1,049,181	-	1,049,181
<u>Non-current assets</u>			
Properties , trucks & equipment - Net	-	8,404,203	8,404,203
Payments on account of property and equipment		125,470	125,470
Total Non-current assets	-	8,529,673	8,529,673
Total Assets	1,049,181	8,529,673	9,578,854
<u>Current Liability</u>			
Other credit balances	111,769	-	111,769
Total current liabilities	111,769	-	111,769
Net	937,412	8,529,673	9,467,085

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

Notes to the Financial Statements

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

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

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

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

21- Risk management

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

Fair value

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

Credit risks

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

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

Liquidity risks

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

Interest rate risks:

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

Foreign currency risk

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

22- Capital management

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

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

The items included in the capital structure consist of paid up capital, issue premium, voluntary reserve, voluntary reserve and retained earnings totaling JD 9,467,085 as of December 31,2018 against JD 10,467,975 as of December 31,2017

23- Issues

- There are 36 labor cases against the company. The value of claim is 20,800 JD. A decision was issued to refund these claims from the company.
- There is a lawsuit against the company from the prosecutor Omar Al-Hjla and issued a decision to bind the company and the insurance company for the amount of 7,500 JD .

Comparative

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