

UNITED GROUP FOR LAND
TRANSPORT CO. P.L.C.



شركة المجموعة المتحدة
للتنقل البري م.ع.م

التاريخ : ١٧ / ٥ / ٢٠١٧
الإشارة : ب.ع/٥/٤/١٧

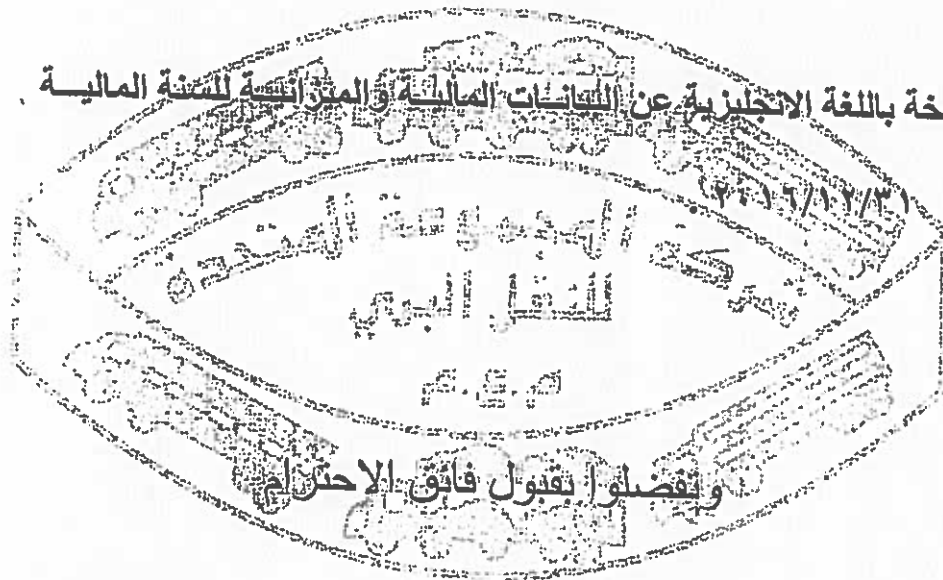
السادة / بورصة عمان المحترمين

الموضوع : الميزانية السنوية لشركة المجموعة المتحدة للتنقل البري.

تحية طيبة وبعد ،،،

نرسل لكم نسخة باللغة الانجليزية عن البيانات المالية والميزانية للسنة المالية

المنتهية بـ



ويفضلوا بقبول فائق الاحترام

المدير العام

مازن عزمي القواسمي
شركة المجموعة المتحدة
للتنقل البري
ش.م.ع

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٧ إلى ٢٠١٧
الرقم المتسلسل: 3195
رقم الملف: 31288
الجهة المختصة: 611/611

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

Financial Statements and Independent Auditor's Report
as of December 31, 2016

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

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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, 2016, 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, 2016, 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 80% of total assets.

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

Ibrahim Abbasi & C^o.

Nabil M. Obeidat
License 877

Amman in
7 February 2017

United Group For Land Transport Co
Public Shareholding Co., Ltd.
Amman - The Hashemite Kingdom of Jordan
Statement of Financial Position as of December 31 , 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		JD	JD
<u>Assets</u>			
<u>Non-current assets</u>			
Properties , Planets & equipment - Net	5	9,021,192	9,683,208
Total Non-current assets		<u>9,021,192</u>	<u>9,683,208</u>
<u>Current Assets</u>			
Cash on hand and at the Banks	6	1,651,482	659,930
Account receivables - Net	7	462,416	524,313
Spare parts inventory	8	50,756	22,643
Other debit balances	9	75,144	94,613
Total Current Assets		<u>2,239,798</u>	<u>1,301,499</u>
Total Assets		<u>11,260,990</u>	<u>10,984,707</u>
<u>Liabilities and Owners' Equity</u>			
<u>Owners' Equity</u>			
Paid up Capital	10	6,600,000	6,600,000
Statutory reserve	10	1,427,576	1,186,074
Retained earnings	11	2,765,967	2,392,767
Total Owners' equity		<u>10,793,543</u>	<u>10,178,841</u>
<u>Current Liabilities</u>			
Short term loans	12	-	463,762
Other credit balances	13	467,447	342,104
Total Current Liabilities		<u>467,447</u>	<u>805,866</u>
Total Liabilities and Owners' Equity		<u>11,260,990</u>	<u>10,984,707</u>

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 , 2016

	<u>Note</u>	<u>2016</u>	<u>2015</u>
		JD	JD
Revenue		5,925,353	5,457,214
Operating expenses	14	(3,174,521)	(3,183,919)
Gross Profit		2,750,832	2,273,295
General & administrative expenses	15	(321,963)	(329,049)
Depreciations		(46,183)	(41,810)
Finance Cost		(16,978)	(78,224)
Other revenues	16	52,310	11,243
provision for doubtful debts		(3,000)	(3,310)
Profit before income tax		2,415,018	1,832,145
Income tax	13	(483,604)	(366,429)
Profit for the year		1,931,414	1,931,414
Total comprehensive income		1,931,414	1,931,414
		<u>JD / Share</u>	<u>JD / Share</u>
basic and diluted earning per share	17	0.293	0.222

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 , 2016

	Paid up Capital	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD
Balance as of January 1,2016	6,600,000	1,186,074	2,392,767	10,178,841
Prior years Adjustment	-	-	3,288	3,288
Adjusted opening balance	6,600,000	1,186,074	2,396,055	10,182,129
Profit for the year			1,931,414	1,931,414
Transfer to statutory reserve		241,502	(241,502)	
Cash Dividends (Note 11)	-	-	(1,320,000)	(1,320,000)
Balance as of December 31,2016	6,600,000	1,427,576	2,765,967	10,793,543
Balance as of January 1,2015	6,600,000	1,002,859	2,107,159	9,710,018
Prior years Adjustment	-	-	(6,893)	(6,893)
Adjusted opening balance	6,600,000	1,002,859	2,100,266	9,703,125
Profit for the year			1,465,716	1,465,716
Transfer to statutory reserve		183,215	(183,215)	
Cash Dividends	-	-	(990,000)	(990,000)
Balance as of December 31,2015	6,600,000	1,186,074	2,392,767	10,178,841

**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 , 2016

	2016	2015
	JD	JD
<u>Cash Flow From Operating Activities</u>		
Profit for the year before income tax	2,415,018	1,832,145
Profit on sale of property and equipment	-	(11,243)
Depreciation	735,999	720,742
Perior year adjustment	3,288	(6,893)
provision for doubtful debts	3,000	-
Operating profit before changing in working capital	3,157,305	2,534,751
<u>(Increase) decrease in current assets</u>		
Accounts receivable	58,899	241,426
Spare parts inventory	(28,113)	11,055
Other receivables	19,469	64,598
<u>Increase (decrease) in current liabilities</u>		
Other payables	16,168	(101,360)
Net Cash provided from Operating Activities before paid tax	3,223,728	2,750,470
paid income tax	(374,430)	(199,589)
Net Cash provided from Operating Activities	2,849,298	2,550,881
<u>Cash Flows From Investing Activities</u>		
collection from sale properties & equipment	7,800	88,640
Payments for the purchase of property & equipment	-	80,000
Purchase properties & equipment	(81,784)	(679,197)
Net Cash (Used in) Investing Activities	(73,984)	(510,557)
<u>Cash Flows From Financing Activities</u>		
Loans	(463,762)	(780,688)
Cash Dividends	(1,320,000)	(990,000)
Net Cash (used in) provided from Financing Activities	(1,783,762)	(1,770,688)
Net increase in Cash on hand and at the banks	991,552	269,636
Cash on hand and at banks at beginning of year	659,930	390,294
Cash on hand and at banks at ended year	1,651,482	659,930

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
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 instead of JD 8,000,000 The legal proceedings were completed by the Ministry of Industry and Trade on MAY 17 , 2012

the attached financial statements was approved by the Board of Directors Meeting No. (2) on February 7, 2017 and are subject to approval by the general assembly of shareholders.

2- Basis of preparation

General

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

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

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

3- Use of estimates

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

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

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

4- Significant Accounting Policies

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

Accounts Receivables

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

provision for doubtful debts

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

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

Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

Materials & spare parts in the warehouses

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

Offsetting

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

Property, plant and equipment

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

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

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

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

Accounts payable

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

Income tax

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

Revenue recognition

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

Provisions

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

Foreign currency conversions

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

5- Properties, plant & equipment - Net

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, 2016	2,798,006	8,162,357	1,273,929	100,000	32,317	17,298	35,700	22,984	12,442,591
Additions	-	45,024	29,663	-	2,099	4,998	-	-	81,784
Deletions		(7,800)							(7,800)
Cost as in the December 31, 2016	2,798,006	8,199,581	1,303,592	100,000	34,416	22,296	35,700	22,984	12,516,575

Accumulated Depreciation

balance as of january 1, 2016	-	2,473,945	155,032	66,667	20,118	11,968	10,434	21,220	2,759,384
Additions	-	689,816	26,043	10,000	4,096	2,154	2,419	1,471	735,999
balance as of December 31, 2016	-	3,163,761	181,075	76,667	24,214	14,122	12,853	22,691	3,495,383
Net book value as of December 31, 2016	2,798,006	5,035,820	1,122,517	23,333	10,202	8,174	22,847	293	9,021,192
Net book value as of December 31, 2015	2,798,006	5,683,870	1,123,439	33,333	12,199	5,330	25,266	1,765	9,683,208

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:

2016	2015
JD	JD
Cash on hand	14,442
Current balances with banks	645,488
Total	659,930

7- Account receivables - Net

This item consists of the following:

2016	2015
JD	JD
Account receivables	527,623
provision for doubtful debts	(3,310)
Net	524,313

8- Materials & spare parts in the warehouses

This item consists of the following:

2016	2015
JD	JD
spare parts	15,651
Oil Warehouse	5,592
Warehouse Tire	1,400
Total	22,643

9- Other debit balances

This item consists of the following:

2016	2015
JD	JD
Refundable Debit	-
Prepaid expenses	94,613
Total	94,613

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

The accumulated amounts in this account represent what has been diverted from the annual profit before tax increased by 10% during the year and prior years in accordance with the Companies Act and is not available for distribution to shareholders

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

1- Retained Earnings

This item consists of the following:

	2016 JD	2015 JD
Balance at the beginning of the year	2,392,767	2,107,159
Modifications of previous years	3,288	(6,893)
Adjusted opening balance	2,396,055	2,100,266
Profit after tax	1,931,414	1,465,716
Transfer to statutory reserve	(241,502)	(183,215)
Dividends paid	(1,320,000)	(990,000)
Balance at end of year	2,765,967	2,392,767

According to the company general assembly which was held on March 19,2016 , it was decided to distribute 20% as cash dividends amount to JD (1,320,000) .

12- Loans

The company has obtained two loans from Audi Bank as follows:

- The first loan

The company received a loan of JD 1,580,000 with an interest rate of 9% and a commission rate of 0% for the purchase of 30 trucks (Ras Teryla). The loan is repayable under 36 installments, the first of which is due on 25 August 2013 and the final installment on 25 July 2016.

- The second loan

The company received a loan of JD 400,000 at an interest rate of 9% per annum and a commission rate of 0% to finance the purchase of 30 semi-trailers. The loan is repayable under 36 monthly installments, the first of which is due on 5 October 2013 and the final installment on 25 September 2016.

13- Other credit balances

This item consists of the following:

	2016 JD	2015 JD
Income Tax provision *	383,604	274,430
Other credit balances	63,612	38,990
Other provisions	20,231	28,684
Total	467,447	342,104

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

	2016 JD	2015 JD
beginning Balance of the year	274,430	109,590
Paid during the year	(274,430)	(107,589)
Year income tax	483,604	366,429
Paid in advance for income tax	(100,000)	(92,000)
Balance at end of year	383,604	276,430

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

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

Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

14- Operating expenses

This item consists of :

		2016	2015
		JD	JD
Staff cost	a	635,322	577,224
Cost of vehicles	b	2,404,483	2,461,433
Insurance of movable goods		23,205	33,457
Transfer fees with others		42,759	39,844
Consumables		11,242	11,544
Arranging entry trucks		27,686	26,626
Transfer fees		5,552	4,665
Others		189	244
Stamp expenses		9,561	8,937
Charges for weighing fees		7,688	8,570
Fee guarantees expenses		5,855	5,749
Expenses malfunction		-	552
General Safety Expenses		768	783
The expenses of the coalition - Shidya		211	4,291
Total		3,174,521	3,183,919

a- Staff cost

This item consists of :

	2016	2015
	JD	JD
Salaries and wages	593,940	546,250
The company's contribution to social security	41,382	30,974
Total	635,322	577,224

b- Cost of vehicles

This item consists of :

	2016	2015
	JD	JD
Depreciation	689,816	678,934
fuel	1,036,402	1,120,905
Maintenance and repairs	262,979	224,992
cars Insurance	134,884	126,356
tires	181,364	220,121
license	38,282	38,989
Oil expenses	35,288	26,892
Car expenses	8,344	5,015
Services of containers and ships	976	1,836
Washing and steaming expenses	8,136	9,144
Fees for axial weight	140	844
Vehicle Tracking Expenses	7,872	7,405
Total	2,404,483	2,461,433

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

Amman - The Hashemite Kingdom of Jordan

Notes to the Financial Statements

15- General & administrative expenses

This item consists of :

	<u>2016</u>	<u>2015</u>
	JD	JD
Salaries and wages	192,000	192,000
The company's contribution to social security	25,440	25,440
Mail, Telegraph and Telephone	4,604	4,563
Insurance of buildings and yards	1,443	1,440
Security and Protection	9,576	9,282
Company license	2,846	4,192
Electric and water	9,997	8,432
Travel, accommodation and transfers	23,845	11,123
Stationery and prints	1,929	1,954
hospitality	2,603	2,190
Cleaning services	4,144	2,430
Donations	1,730	2,400
Professional fees	5,000	5,000
Lawyer fees	2,000	1,800
Building maintenance expenses	435	13,354
Equipment maintenance expenses	804	1,419
Securities Commission fees	3,960	3,960
Governmental fees	887	2,066
Other expenses	-	34
Zakat	24,212	29,275
Internet expenses	788	629
Subscription fees of the Securities Depository Center	3,300	3,300
Vacation allowance	-	1,619
Advertising	420	847
Suits and issues	-	300
Total	<u>321,963</u>	<u>329,049</u>

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

16- Other Revenue

This item consists of :

<u>2016</u>	<u>2015</u>
JD	JD
Gain on sale of property and equipment	11,243
Other revenues	-
<u>52,310</u>	<u>-</u>
Total	11,243

17- Earnings Per Share

This item consists of :

<u>2016</u>	<u>2015</u>
JD	JD
Profit after tax	1,465,716
Weighted average shares (share)	6,600,000
<u>0.293</u>	<u>0.222</u>
Basic and diluted earning per share	0.222

18- Contingent liabilities

The company on the following contingent liabilities of financial position:

<u>2016</u>	<u>2015</u>
JD	JD
Bank guarantees for the Ministry of Transport for the purposes of licensing work in the transport sector	30,000
Guarantees of good implementation of the Jordanian-Indian company	450,000
<u>480,000</u>	<u>480,000</u>
Total	480,000

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Notes to the Financial Statements

19- Segment Information

	<u>2016</u>			<u>2015</u>
	<u>The main activity</u>	<u>others</u>	<u>Total</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Revenue	5,925,353	52,310	5,977,663	5,468,457
<u>other segment</u>				
Capital expenditure	81,784	-	81,784	679,197
Depreciation	735,999	-	735,999	720,742

	<u>2016</u>			<u>2015</u>
	<u>The main activity</u>	<u>others</u>	<u>Total</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
<u>Assets And Liability</u>				
Assets	11,260,990	-	11,260,990	10,984,707
Liabilities	467,446	-	467,446	805,866

20- Related Party Transactions

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

Salaries and bonus of the management

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

	<u>2016</u>	<u>2015</u>
	<u>JD</u>	<u>JD</u>
Salaries and other benefits	192,000	192,000

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21- The analysis of maturity of assets and liabilities

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

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

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Notes to the Financial Statements

21- 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 :

	2015		
	for year	more than one year	Total
	JD	JD	JD
<u>Assets</u>			
<u>Current Assets</u>			
Cash and Cash equivalent	659,930	-	659,930
Account receivables - Net	524,313	-	524,313
Spare parts inventory	22,643	-	22,643
Other debit balances	94,613	-	94,613
Total Current Assets	1,301,499	-	1,301,499
<u>Non-current assets</u>			
Properties , trucks & equipment - Net	-	9,683,208	9,683,208
Total Non-current assets	-	9,683,208	9,683,208
Total Assets	1,301,499	9,683,208	10,984,707
<u>Current Liability</u>			
Short term loans	463,762	-	463,762
Other credit balances	342,104	-	342,104
Total current liabilities	805,866	-	805,866
Net	495,633	9,683,208	10,178,841

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Notes to the Financial Statements

22- 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.

23- Capital management

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

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

The items included in the capital structure consist of paid up capital, issue premium, voluntary reserve, voluntary reserve and retained earnings totaling JD 10,793,543 as of December 31, 2016 against JD 10,178,841 as of December 31, 2015

24- Issues

The value of the cases against the company as of December 31, 2016 amounted to JD 20,200 and is still pending in the courts.

Comparative

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