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التاريخ : 2017/10/30

الرقم : ر.م.إ. 111/2017

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السادة هيئة الأوراق المالية – دائرة الإفصاح المحترمين

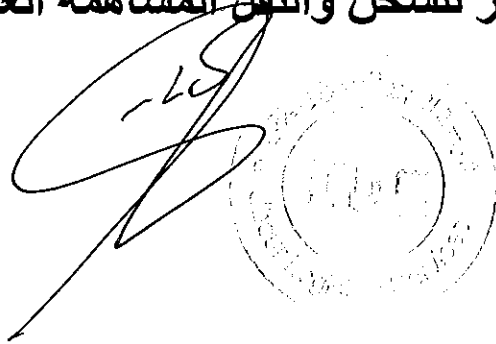
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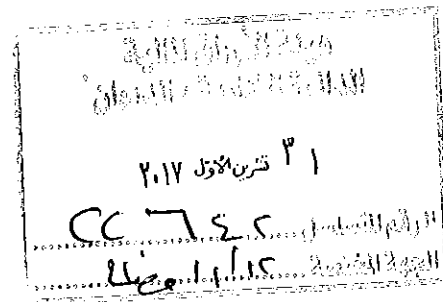
نرفق لكم القوائم المالية والميزانية العمومية ( باللغة الانجليزية )

للك ربع الثالث كما هي في 30 ايلول 2017 .

وتفضلوا بقبول فائق الاحترام

شركة العبور للشحن والنقل المساهمة العامة





**Ubour Logistics Services Co.  
"Public Shareholding Company"  
Amman--The Hashemite Kingdom of Jordan  
Interim Financial Statements  
30 september 2017  
With Report on Review of Interim Financial Information**

**Ubour Logistics Services Co.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**

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## **Report on Review of Interim Financial Information**

**To the Shareholders of**

**Ubour Logistics Services Company  
Public Shareholding Company**

**Amman - Jordan**

### **Introduction**

We have reviewed the accompanying Interim financial statement of Ubour Logistics Services Company (Public Shareholding Company) as of September 30, 2017 and interim statement of profit or loss and other comprehensive income and Interim statement of changes in equity and interim statements of cash flows for the nine

Months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard (34). Our responsibility is to express a conclusion on this interim financial information based on our review.

### **Scope of Review**

We conducted our review in accordance with International Standard on Review Engagements 2410. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

### **Basis of Conclusion**

- ✓ Reference to the item of property and equipment, the company did not evaluate the trucks as at 30 september 2017 and we have not been able to verify its fair value as there are some indications that there is an impairment loss in the value of these trucks.



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- ✓ The company suffers from liquidity weakness, as its liabilities exceed its current assets by (128,479) JOD.

### **Conclusion**

Based on our review, except what we mentioned above, nothing has come to our attention that causes us to believe that the accompanying interim financial information does not give a true and fair view of the financial position of the entity as at september 30, 2017, and of its financial performance and its cash flows for the nine – months period then ended in accordance with International Financial Reporting Standards.

### **Other matters**

- ✓ The company has paid off the accumulated losses as of December 31, 2016 with amount (1,842,844) JOD in its capital, through reducing the capital from (3,000,000) JOD to (1,157,156) JOD, the procedures completed to companies control department at 1<sup>st</sup> August 2017.
- ✓ The company did not achieve any revenue for this fiscal year hence the board of director took the decision of restructuring and adding some objectives.

On behalf of  
IPB Member of Kreston Int'l  
Dr. Reem AL-Araj  
License No. (820)

Amman - Jordan  
25 October 2017



**Ubour Logistics Services Co.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Financial Position (JOD)**

	Notes	As at	
		30/09/2017	2016
<b>Assets</b>			
Cash and cash equivalent	8	2,606	8,600
Trade accounts receivable (net)	9	1,170	57,000
Due from related parties	10	-	19,644
Spare parts stock		-	3,000
Other debit balances	11	14,405	15,524
<b>Total current assets</b>		<b>18,181</b>	<b>103,768</b>
<b>Non – current assets</b>			
Financial assets through other comprehensive income	12	12,185	13,872
Property, plants and equipments (net)	13	961,062	1,382,797
<b>Total non-current assets</b>		<b>973,247</b>	<b>1,396,669</b>
<b>Total assets</b>		<b>991,428</b>	<b>1,500,437</b>
<b>Liabilities and Equity</b>			
<b>Current liabilities</b>			
Accounts payable		95,161	155,299
Deferred Cheques		48,000	34,790
Other credit balances	14	3,499	78,482
<b>Total current liabilities</b>		<b>146,660</b>	<b>268,571</b>
<b>Non-Current liabilities</b>			
Accounts payable – long term		-	69,873
Due to related parties – long term	15	73,276	87,277
<b>Total Non-Current liabilities</b>		<b>73,276</b>	<b>157,150</b>
<b>Total liabilities</b>		<b>219,936</b>	<b>425,721</b>
<b>Equity</b>			
Paid in capital		1,157,156	3,000,000
Other comprehensive income		(84,127)	(82,440)
Retained (losses)		(301,537)	(1,842,844)
<b>Total Equity</b>		<b>771,492</b>	<b>1,074,716</b>
<b>Total Liabilities &amp; Equity</b>		<b>991,428</b>	<b>1,500,437</b>

The notes from page 8 to 29 are an integral part of these financial statements

**Ubour Logistics Services Co.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Profit or Loss and Other Comprehensive Income (JOD)**

	<b>Note</b>	<b>30/09/2017</b>	<b>30/09/2016</b>
Revenues		-	127,234
Operational expenses	16	(5,100)	(383,589)
Operational depreciation		(281,291)	-
<b>Gross (loss)</b>		<b>(286,391)</b>	<b>(256,355)</b>
Administrative and general expenses	17	(16,892)	(56,935)
Doubtful debts		(59,948)	-
<b>Profit (loss) from operations</b>		<b>(363,231)</b>	<b>(313,290)</b>
Impairment loss		-	(11,791)
Financing expenses		-	(4,541)
Commissions		-	(15)
Gains on sale of financial assets		-	338
<b>(Loss) of the period</b>		<b>(363,231)</b>	<b>(329,299)</b>
<b>Other comprehensive income</b>			
Unrealized (losses) from financial assets revaluation		(1,687)	1,077
<b>Comprehensive income</b>		<b>(364,918)</b>	<b>(328,222)</b>
<b>Earnings per share</b>		<b>(0.200)</b>	<b>(0.109)</b>

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**Ubour Logistics Services Co.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Changes in Equity (JOD)**

<b>For the period ended 30, september 2017</b>	<b>Capital</b>	<b>Other comprehensive income</b>	<b>Retained (losses)</b>	<b>Total</b>
<b>Balance as at 1 January 2017</b>	<b>3,000,000</b>	<b>(82,440)</b>	<b>(1,842,844)</b>	<b>1,074,716</b>
Previous years expenses			61,694	61,694
<b>Restated balance as at 1 January 2017</b>	<b>3,000,000</b>	<b>(82,440)</b>	<b>(1,781,150)</b>	<b>1,136,410</b>
<b>Comprehensive income</b>				
(Loss) of the period	-	-	(363,231)	(363,231)
Unrealized (loss) of financial assets	-	(1,687)	-	(1,687)
<b>Total comprehensive income</b>	<b>-</b>	<b>(1,687)</b>	<b>(363,231)</b>	<b>(364,918)</b>
<b>Transactions with shareholders</b>				
capital	(1,842,844)	-	1,842,844	-
<b>Total transactions with shareholders</b>	<b>(1,842,844)</b>	<b>-</b>	<b>1,842,844</b>	<b>-</b>
<b>Balance as at 30, september 2017</b>	<b>1,157,156</b>	<b>(84,127)</b>	<b>(301,537)</b>	<b>771,492</b>

The notes from page 8 to 29 are an integral part of these financial statements



**Ubour Logistics Services Co.  
"Public Shareholding Company"  
Amman -The Hashemite Kingdom of Jordan  
Interim Statement of Changes in Equity (JOD)**

<b>For the period ended 30, september 2016</b>	<b>Capital</b>	<b>Other comprehensive income</b>	<b>Retained (losses)</b>	<b>Total</b>
<b>Balance as at 1 January 2016</b>	<b>3,000,000</b>	<b>1,202</b>	<b>(1,393,019)</b>	<b>1,608,183</b>
<b>Comprehensive income</b>				
(Loss) for the period	-	-	(329,299)	(329,299)
Unrealized gain of financial assets	-	1,077	-	1,077
Realized gains of financial assets	-	(432)	-	(432)
<b>Total comprehensive income</b>	<b>-</b>	<b>645</b>	<b>(329,299)</b>	<b>(328,654)</b>
<b>Balance as at 31, september 2016</b>	<b>3,000,000</b>	<b>1,847</b>	<b>(1,722,318)</b>	<b>1,279,529</b>

The notes from page 8 to 29 are an integral part of these financial statements

**Ubour Logistics Services Co.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Interim Statement of Cash Flows (JOD)**

<b>Cash Flows from Operating Activities</b>	<b>30/09/2017</b>	<b>30/09/2016</b>
(Loss) of the period	(364,918)	(329,299)
<b>Adjustments</b>		
Adjustments of previous years	61,694	-
Provision for impairment of vehicles	-	11,791
provision for doubtful debts	59,948	-
Teams assess financial assets through other comprehensive income	1,687	(432)
Depreciation	283,336	282,906
<b>Changes in:</b>		
Trade accounts receivable	15,525	(21,514)
Warehouses	3,000	5,597
Other debit balances	1,119	5,272
Deferred cheques	13,210	(25,862)
Trade accounts payable	(60,138)	34,139
Due to related parties	(14,001)	8,651
Other credit balances	(74,983)	23,420
Long - term payables	(69,873)	-
<b>Net cash from operating activities</b>	<b>(144,394)</b>	<b>(5,331)</b>
<b>Cash flows from investment activities</b>		
Purchase of property and equipment	-	-
Proceeds from sale of property and equipment	138,400	-
Sale of financial assets	-	2,820
<b>Net cash flows from investment activities</b>	<b>138,400</b>	<b>2,820</b>
Net (decrease) in cash	(5,994)	(2,511)
Cash and cash equivalents at beginning of the year	8,600	11,111
<b>Cash and cash equivalent at ending of the year</b>	<b>2,606</b>	<b>8,600</b>

The notes from page 8 to 29 are an integral part of these financial statements

**UBOUR LOGISTECS SERVICES CO.**  
**"Public Shareholding Company"**  
**Amman -The Hashemite Kingdom of Jordan**  
**Notes to the Financial Statements**

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**1-Reporting Entity**

Ubour Logistics Services Company was established and registered as Public Shareholding Company on 06, may 2009, under the number (462), with authorized capital (6,500,000) JOD and paid up capital (3,000,000) JOD . The capital has been fixed at (3,000,000) JOD in 26 June 2014 hence the remains capital has not been paid within the legal period in compliance with companies Law no. (22) for the year 1997. The main purpose of the company transportation of goods in addition to the purposes mentioned in registration record.

**2- Standards issued but not yet effective**

**A. Disclosure initiative (amendments to IAS 7)**

Amendments to IAS (7) require disclosures that enable users of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendments are effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

**B. Recognition of deferred tax assets for unrealized losses (amendments to IAS 12)**

Amendments to IAS (12) clarify the accounting for deferred tax assets for unrealized losses on debt instruments measured at fair value. The amendments are effective for annual periods beginning on or after 1 January 2017, with early adoption permitted.

**C. Revenue from contracts with customers ( IFRS 15)**

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS (18) Revenue and, IAS (11) construction contracts. IFRS (15) is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

▪ **Sales of goods**

For the sale of products, revenue is currently recognized when the goods are delivered to the customers' premises, which is taken to be the point in time at which the customer accepts the goods and the related risks and rewards of ownership transfer. Revenue is recognized at this point provided that the revenue and costs can be measured reliably, the recovery of the consideration is probable and there is no continuing management involvement with the goods.

▪ **Rendering of services**

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services. Revenue is currently recognized using the stage-of-completion method Under IFRS 15, the total consideration in the service contracts will be allocated to all services based on their stand-alone selling prices. The stand-alone selling prices will be determined based on the list prices at which the company sells the services in separate transactions.

▪ **Construction contracts**

Contract revenue currently includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably. When a claim or variation is recognized, the measure of contract progress or contract price is revised and the cumulative contract position is reassessed at each reporting date. Under IFRS 15, claims and variations will be included in the contract accounting when they are approved.

**D- Financial Instruments IFRS (9)**

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets and their cash flow are managed. IFRS 9 contains three principal classification categories for financial assets which are measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses. IFRS (9) is effective for the annual periods beginning on or after 1 January 2018 with earlier adoption permitted.

### **E- Leases IFRS (16)**

IFRS 16 introduces a single, one-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessors continue to classify leases as finance or operating leases.

### **3- Basis of accounting**

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards. They were authorized for issue by the company's Board of director on 29/10/2017.
- b. These financial statements have been prepared based on going concern assumption and under the historical cost basis (except those financial assets and other items that measured by fair value as at the date of financial statement in compliance with International Standards).
- c. These financial statements have been prepared under the accrual basis of accounting, under this basis the effects of transactions and other events are recognized when they occur and not as cash is received or paid and they are recorded in accounting records and reported in the financial statements of the period to which they related.

### **4- Functional and presentation currency**

These financial statements are presented in JOD which is the company's functional currency all amounts have been rounded to nearest (JOD), unless otherwise indicated.

### **5- Use of judgments and estimates**

- ✓ In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- ✓ Estimates and underlying assumptions are reviewed on an ongoing basis Revisions to estimates are recognized prospectively.

## **6- Accounting policies**

The company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

### **A-Foreign currency**

#### **-Foreign currency transactions**

- ✓ Transactions in foreign currencies are translated into the respective functional currencies of company at the exchange rates at the dates of the transactions.
- ✓ Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedges are effective are recognized in other comprehensive income.

#### **- Foreign operations**

- ✓ The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into functional currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into functional currency at the exchange rates at the dates of the transactions.
- ✓ Foreign currency differences are recognized in other compressive income and accumulated in the translation reserve, except to the extent that the translation difference is allocated to net compressive income.

- ✓ When a foreign operation is disposed of in its entirety or partially such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. If the Group disposes of part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to net compressive income. When the company disposes of only part of an associate or joint venture while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

### **B- Discontinued operation**

A discontinued operation is a component of the company's business, the operations and cash flows of which can be clearly distinguished from the rest of the company's and which:

- ✓ Represents a separate major line of business or geographic area of operations.
- ✓ Is part of a single co-ordinate plan to dispose off a separate major line of business or geographic area of operations
- ✓ is a subsidiary acquired exclusively with a view to re-sale.
- ✓ Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

### **C- Revenue**

#### **▪ Sale of goods**

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

#### **▪ Rendering of services**

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The company recognizes revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

▪ **Commissions**

If the company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of commission made by the company.

▪ **Construction contracts**

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work, claims and incentive payments, to the extent that it is probable that they will result in revenue and can be measured reliably.

If the outcome of a construction contract can be estimated reliably, then contract revenue is recognized in profit or loss in proportion to the stage of completion of the contract. The stage of completion is assessed with reference to surveys of work performed. Otherwise, contract revenue is recognized only to the extent of contract costs incurred that are likely to be recoverable.

Contract expenses are recognized as incurred unless they create an asset related to future contract activity an expected loss on a contract is recognized immediately in profit or loss.

**D- Investment property rental income**

Rental income from investment property is recognized as revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease. Rental income from other property is recognized as other income.

**E- Employee benefits**

Employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated.



#### **F- Government grants**

Government grants including non-monetary grants at fair value shall not be recognized until there is reasonable assurance that:

- a- The entity will comply with a conditions attaching to them.
- b- The grants will be received.

Government grants shall be recognized in profit or loss on systematic basis over the periods in which the entity recognizes as expenses the related cost for which the grants are intended to compensate.

#### **G- Income tax**

Income tax for the period is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods tax expense is recognize in compliance with regulation.

#### **H-Inventories**

- ✓ Inventories are measured at the lower of cost and net realizable value.
- ✓ The cost of inventory includes the purchase prices and other cost incurred to bring it in use.

**I-Property, plant and equipment** Items of property, plant and equipment are measured at cost, which includes cost incurred to bring the asset to operation, in addition to capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

- ✓ If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- ✓ Any gain or loss on disposal of an item of property plant and equipment is recognized in profit or loss.
- ✓ Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.

**Ubour Logistecs Servises Company**  
**Notes to the financial statements**

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- ✓ Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.
- ✓ The estimated useful lives of property, plant and equipment for current and comparative periods
- ✓ Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**G- Intangible assets**

- ✓ Expenditure on research activities is recognized in profit or loss as incurred.
- ✓ Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company's intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred.
- ✓ Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.
- ✓ Other intangible assets, including customer relationships, patents and trademarks that are acquired by the company's and have finite useful lives are measured at cost less accumulated amortization and any accumulated impairment losses.
- ✓ Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

- ✓ Notes to the financial statements Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized.
- ✓ Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

**K-Investments property**

- ✓ Investment property comprises non-owner occupied buildings held to earn rentals and for capital appreciation.
- ✓ Investments property is initially recognized at cost plus any expenses attributable directly to it.
- ✓ After initial recognition when using the cost model and in the case of lower recoverable amount of investments than its book value it should be reduced to the recoverable amount and the impairment is recognized through profit and loss. If the fair value for impaired investment property increased, recorded impairment loss is reversed no more than the cost or fair value whichever is less.

**L- Noncurrent assets held for sale**

- ✓ Non-current assets are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.
- ✓ Such assets are generally measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on measurement are recognized in profit or loss.
- ✓ Once classified as held-for-sale, intangible assets and property, plant and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

**M-Financial Instruments**

- ✓ Financial assets are classified into financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.
- ✓ Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.

- ✓ The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.
- ✓ The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.
- ✓ The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.
- ✓ Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.
- ✓ A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.
- ✓ Held-to-maturity financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.
- ✓ Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in other compressive income and accumulated in the fair value reserve. When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

## **N-Impairment**

### **- Financial assets**

- ✓ Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is an objective evidence of impairment such as Indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security because of financial difficulties.

### **- Non-financial assets**

- ✓ At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- ✓ The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- ✓ An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.
- ✓ An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

## **O-Leases**

- ✓ Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.
- ✓ Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease.

- ✓ Assets held under finance leases are recognized as assets of the company at the fair value at the inception of the lease or if lower, at the present value of the minimum lease payments. The related liability to the lessor is included in the Statement of financial position as a finance lease obligation.
- ✓ Lease payments are apportioned between interest expenses and capital redemption of the liability, Interest is recognized immediately in profit or loss, unless attributable to qualifying assets.

**P- Provisions**

- ✓ Provisions are recognized when the company has a presented 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.
- ✓ The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

**Q- Operating profit**

- ✓ Operating profit is the result generated from the continuing principal revenue producing activities of the company as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

**R- Fair value measurement**

- ✓ Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.
- ✓ A number of the company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

- ✓ When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- ✓ If there is no quoted price in an active market, then the company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
- ✓ If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price.

**S- Borrowing costs**

- ✓ Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset.
- ✓ Other borrowing costs are expensed in the period in which they are incurred.

**T -Related parties**

- ✓ A related party is a person or entity that is related to the entity that is preparing its financial statements.
- ✓ A person is a related party if that person has control or significant influence over the reporting entity; or is a member of the key management personnel. an entity is a related party if this entity and the reporting entity are members of the same group or one entity is an associate or joint venture of the other entity or the entity is controlled by a related person.
- ✓ A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
- ✓ Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

#### **V- Events after the reporting period**

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue and there are to kind of events after the reporting period:

- 1- Those that provide evidence of conditions that existed at the end of the reporting period and an entity shall adjust the amounts recognized in its financial statements
- 2- Those that are indicative of conditions that arose after the reporting period, an entity shall not adjust the amounts recognized in its financial statements.

#### **W-Contingent Liabilities**

Contingent liabilities are obligations that could result from a past event and will confirm their presence only by the occurrence or non-occurrence of a future uncertain and not within the control of the company and are not recognized in the records because it is not likely to flow release of economic benefits for the payment of the obligation cannot be measured amount of the obligation reliably.

The contingent liabilities is:

Law suits	(46,364) JOD
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#### **U- Investments in subsidiaries**

Where the company has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

#### **X-Investment in associates**

- ✓ An associate is an entity over which the company has significant influence and that is neither subsidiary not an interest in a joint venture.
- ✓ Significant influence is the power to participate in the financial and operating policy decisions of the investment but is not control or joint control over those policies.
- ✓ The investment in an associate is initially recognized at cost and adjusted for the company share of in the net assets of the investment after the date of acquisitions and for any impairment in value (equity method) except when the investment is classified as held for sale in accordance with IFRS 5, non – current assets held for sale and discontinued operation.



**Y- Capital management**

- ✓ The company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.
- ✓ Management monitors the return on capital, as well as the level of dividends to ordinary shareholder
- ✓ The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.
- ✓ The company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

**Z- Financial risk management**

The company has exposure to the following risks arising from financial instruments:

1-credit risk

2-liquidity risk

3-market risk

**Risk management framework**

- ✓ The company's board of directors has overall responsibility for the establishment and oversight of the company risk management framework. The company risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company activities.
- ✓ The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

### **Credit risk**

- ✓ Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company receivables from customers and investments in debt securities.
- ✓ The carrying amount of financial assets represents the maximum credit exposure.
- ✓ The company exposure to credit from Trade and other receivables risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.
- ✓ The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of three and six months.
- ✓ The company monitors risk cash and cash equivalents by dealing with banks with good reputation.
- ✓ Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
- ✓ The company approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the company reputation.

### **Market risk**

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

### 1-Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of company companies. Management monitors fluctuation in foreign currencies exchange rates and believes that the company is exposed to currency risk due to transactions in foreign currencies rather than USD since the functional currency of the company JOD has fixed exchange rate with USD.

### 2-Interest rate risk

Interest rate risk arises from the effects of fluctuations in the levels of markets interest rates on the fair value of financial assets and liabilities and future cash flows.

### 8- Cash and cash equivalents

	30/09/2017	2016
	JOD	JOD
Cash at hand	-	8,278
Petty cash	380	-
Al-Ahli Bank- JOD	2,226	219
Capital Bank	-	103
<b>Total</b>	<b>2,606</b>	<b>8,600</b>

### 9- Trade accounts receivable

	30/09/2017	2016
	JOD	JOD
Accounts receivable	41,475	57,000
Doubtful debts allowance	(40,305)	-
<b>Total</b>	<b>1,170</b>	<b>57,000</b>

**Ubour Logistecs Servises Company**  
**Notes to the financial statements**

**10-Due from related parties**

	<b>30/09/2017</b>	<b>2016</b>
	<b>JOD</b>	<b>JOD</b>
Hakam Alnabulsi	21,698	21,698
Faouri Trading Co.	80,669	80,669
Provision	(102,366)	(82,723)
<b>Total</b>	<b>-</b>	<b>19,644</b>

**11- Other debit balances**

	<b>30/09/2017</b>	<b>2016</b>
	<b>JOD</b>	<b>JOD</b>
Due from employees	-	2,009
Refundable deposit	190	190
Prepaid expenses	4,215	3,325
Banks guarantees	10,000	10,000
<b>Total</b>	<b>14,405</b>	<b>15,524</b>

**12- Financial assets through other comprehensive income**

	<b>30/09/2017</b>	<b>2016</b>	<b>30/09/2017</b>	<b>2016</b>
	<b>Shares</b>	<b>Shares</b>	<b>JOD</b>	<b>JOD</b>
AL- Ahlyeh for Projects	85,276	85,276	5,117	6,822
Arabian Aviation	1,794	1,794	7,068	7,050
<b>Total</b>			<b>12,185</b>	<b>13,872</b>

Ubour Logistics Services Company  
Notes to the financial statements

13- Property, plants and equipments

30/09/2017	Devices	Computers	Furniture	Vehicles and trucks	Software	Total
	JOD	JOD	JOD	JOD	JOD	JOD
<b>Cost</b>						
Opening balance	4,538	5,229	8,773	2,526,711	4,274	2,549,525
Additions	-	-	-	-	-	-
Disposals	-	-	-	(282,029)	-	(282,029)
Ending balance	4,538	5,229	8,773	2,244,682	4,274	2,267,496
<b>Accumulated depreciation / impairment</b>						
Opening balance	3,811	5,142	6,800	1,134,911	4,273	1,154,937
Additions	643	86	1,316	281,291	-	283,336
Disposals	-	-	-	(143,630)	-	(143,630)
Impairment provision	-	-	-	11,791	-	11,791
Ending balance	4,454	5,228	8,116	1,284,363	4,273	1,306,434
Net book value	84	1	657	960,319	1	961,062

**Ubour Logistecs Services Company**  
**Notes to the financial statements**

<b>31/12/2016</b>	<b>Devices</b>	<b>Computers</b>	<b>Furniture</b>	<b>Vehicles and trucks</b>	<b>Software</b>	<b>Total</b>
	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>	<b>JOD</b>
<b>Cost</b>						
<b>Opening balance</b>	4,538	5,229	8,773	2,535,211	4,274	2,558,025
<b>Additions</b>	-	-	-	(8,500)	-	(8,500)
<b>Ending balance</b>	4,538	5,229	8,773	2,526,711	4,274	2,549,525
<b>Accumulated depreciation / impairment</b>						
<b>Opening balance</b>	2,807	3,799	5,045	757,539	4,249	773,439
<b>Additions</b>	1,004	1,343	1,755	377,372	24	381,498
<b>Impairment provision</b>	-	-	-	11,791	-	11,791
<b>Ending balance</b>	3,811	5,142	6,800	1,146,702	4,273	1,166,728
<b>Net book value</b>	727	87	1,973	1,380,009	1	1,382,797

**14- Other credit balances**

	<u>30/09/2017</u>	<u>2016</u>
	<b>JOD</b>	<b>JOD</b>
Due dividends	-	164
Employees' income tax	2,282	2,282
Due to social security	-	39,819
Other deposits	-	10,000
Income tax 5%	1,217	1,217
Deposit against truck maintenance	-	25,000
<b>Total</b>	<b>3,499</b>	<b>78,482</b>

**15- Due for related parties / long term**

	<u>30/09/2017</u>	<u>2016</u>
	<b>JOD</b>	<b>JOD</b>
Amwal Invest Company	-	10,000
Hussain Thiabat / board member	4,700	4,700
Hazem Thiabat/ previous chairman	37,908	37,908
Nedal Azar/ chairman deputy	19,669	19,669
Saeed Al-Zoubi/ previous board member	10,000	10,000
Jamal Alian/ previous board member	5,000	5,000
<b>Total</b>	<b>73,276</b>	<b>87,277</b>

**Ubour Logistecs Servises Company**  
**Notes to the financial statements**

**16- Operational expenses**

	<u>30/09/2017</u>	<u>30/09/2016</u>
Salaries	-	26,378
Social security	-	2,193
Fuel and oil	-	37,968
Maintenance	-	4,177
Rent	5,100	5,383
Parking and Loading	-	3,309
Licenses	-	2,449
Clearance	-	105
Testing	-	2,480
Insurances	-	4,171
Delaying expenses	-	4,385
Water and electricity	-	130
Hospitality	-	75
Truck operating expenses	-	2,500
Miscellaneous	-	106
consumables	-	7,954
Consumption	-	279,826
<b>Total</b>	<b>5,100</b>	<b>383,589</b>

**17- Administrative Expenses**

	<u>30/09/2017</u>	<u>30/09/2016</u>
Salaries	-	11,118
Social security	-	907
Professional fees	3,740	6,450
Governmental fees	4,455	5,048
penalties	3,078	-
Stationary	93	57
Maintenance	-	232
Advertisement	-	330
General assembly meeting	773	1,996
Lawsuits	1,171	27,717
depreciations	2,045	3,080
<b>Total</b>	<b>16,892</b>	<b>56,935</b>