

# **The Impact of applying IFRS (16) (Leases) on Financial Statements: A Case Study on Alia- The Royal Jordanian Airlines PLC. Company.**

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## **Abstract**

This study intends to identify the Impact of applying the International Financial Reporting Standard No. 16 Leases on the Financial Statements of Alia Royal Jordanian Airlines PLC.

To achieve the objective of this research, the researcher used the Descriptive Analytical Approach to identify the Impact of applying the standard, where Mann Whitney Test has been conducted to study and examine the hypotheses in addition to calculating the Simple Moving Average (SMA) and Standard Deviation for all the study variables data.

On the other hand, the researcher used the Case Study method where the theoretical literature and relevant previous studies have been presented along with conducting a field study on the Royal Jordanian Airlines.

The study and all related examinations have revealed the following results, There is a direct Impact on applying the International Financial Reporting Standard (IFRS) No. 16 Leases on the Financial Statement Position (Total Assets, Total Liabilities, Solvency “Debt to Total Assets Ratio, Long Term Liabilities to Shareholders Equity Ratio, Financial Leverage Ratio, Total Liabilities to Shareholders Equity Ratio”, Liquidity “Current Ratio, Cash Ratio”), And there was no Impact was found on the Acid Test Ratio, also There was no Impact on the Income Statement nor the Shareholders Equity Statement.

There is no Impact on applying the IFRS No. 16 Leases on net Cash Flow.

**Keywords:** IFRS 16: Leases, financial leases, operational leases, Right of Use Asset, lease liabilities.