

بسم الله الرحمن الرحيم



مدارس الاتحاد  
Al Ittihad Schools

## شركة مدارس الاتحاد المساهمة العامة

مدرسة الاتحاد الثانوية للبنين ٥١٦٧٩٩٠ - ٥١٦٧٩٩٨ مقابل السعيلة العامة - عمان  
منطقة طارق

مدرسة الاتحاد الثانوية للبنات ٥١٦٧٩٩٠ - ٥١٦٧٩٩٨ مقابل السعيلة العامة - عمان  
مدرسة الاتحاد الثانوية للبنين ٥١٦١٥٩٢، ٥١٦١٥٩٣ المدينة الرياضية - عمان  
الإدارة العامة ٥١٥٣٧٥٨ - ٥١٥٣٨٥٩ - ٥١٥٣٨٥٧ فاكس رقم ٥١٦٧٩٩٩  
ص ب ٦٨٠٤ الرمز البريدي ١١١١٨

الإدارة العامة

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Date: 27/3/2017

الرقم : ش س / ٢ / ٩ / ٢٠١٧

التاريخ : ٢٧ / ٣ / ٢٠١٧

To: Jordan Securities Commission  
Amman Stock Exchange

السادة هيئة الأوراق المالية  
السادة بورصة عمان

Subject: Audited Financial Statements  
for the fiscal year ended 31/12/2016

الموضوع : البيانات المالية السنوية  
المدققة للسنة المنتهية في ٢٠١٦/١٢/٣١

Attached the Audited Financial Statements  
of AL ITTIHAD SCHOOLS for the fiscal  
year ended 31/12/2016

مرفق طيه نسخة من البيانات المالية  
المدققة لشركة مدارس الاتحاد عن السنة  
المالية المنتهية في ٢٠١٦/١٢/٣١

Kindly accept our high appreciation  
and respect

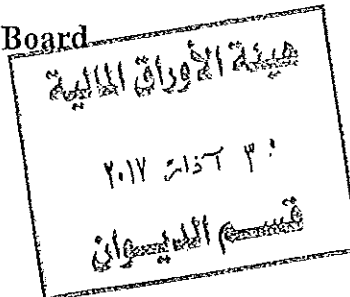
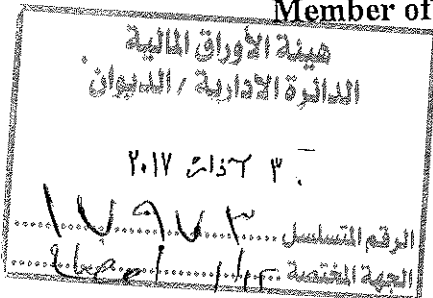
وتفضلوا بقبول فائق الاحترام،،،

Dr. Haytham Abdallah Abu-Khadijeh.

د. هيثم عبد الله أبو خديجة

Member of the Board

عضو مجلس إدارة



**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

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

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Index**

	<u>Page</u>
Independent Auditor's Report	1_3
Statement of Financial position	4
Statement of comprehensive Income	5
Statement of Changes in Owners Equity	6
Statement of Cash Flows	7
Notes To The Financial Statements	8_25



## Independent Auditors' Report

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To the Shareholder of  
Ittihad School 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 **Ittihad School 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.

**Impairment in the value of receivables owed by students and other receivables.**

Because of the nature of discretion in the process of impairment provision is calculated on the value of receivables students payable and other receivables, Management estimates the decline in the value of receivables students accrued through the use of assumptions and estimates, and due to their importance, it is one of the things checking your important, and has been recognized by dedicated low versus doubtful debts

**The audit procedures included the:**

- The evaluating control measures used by the company to collect receivables owed by students and other receivables process.
- The evaluating adequacy of impairment provision against the receivables owed by students and other receivables, by assessing hypotheses administration taking into consideration the available external information about potential as well as debts owed to the reconstruction of the collection risk.
- We've also values the adequacy of the company's disclosures about the job estimates to reach the registered provision against doubtful receivables note (9, 4, and 3).

**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 & Co.**

  
**Nabil Obeidat**  
**License 877**

**Amman in**  
**31 January 2017**

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Statement of Financial Position as of December 31 , 2016**

	<u>Note</u>	<u>2016</u> JD	<u>2015</u> JD
<b><u>Assets</u></b>			
<b><u>Non-current Assets</u></b>			
Property, plant and equipment - Net	5	20,395,539	21,222,736
financial assets at Fair value through Comprehensive income	6	1,174,893	1,468,016
Investment in associate company	7	5,000	-
<b>Total Non-current assets</b>		<b>21,575,432</b>	<b>22,690,752</b>
<b><u>current Assets</u></b>			
cash on hands and at the banks	8	63,088	65,160
Accrued student premium and Returned cheques- Net	9	1,071,592	787,320
Cheques under collection and Note Receivables	10	1,940,890	1,597,292
supplies Warehouse - Net	11	277,064	251,025
Other debit balances - Net	12	357,579	360,165
<b>Total Current Assets</b>		<b>3,710,213</b>	<b>3,060,962</b>
<b>Total Assets</b>		<b>25,285,645</b>	<b>25,751,714</b>
<b><u>Owner's Equity and liabilities</u></b>			
<b><u>Owner's Equity</u></b>			
Capital	13	15,000,000	15,000,000
Stock premium	14	67,323	67,323
Statutory reserve	15	994,723	781,825
Voluntary reserve	16	24,753	24,753
Fair value reserve for the financial assets	17	(198,917)	94,206
Retained Earning at the end of the year	18	2,624,287	1,792,347
<b>Total Owner's Equity</b>		<b>18,512,169</b>	<b>17,760,454</b>
<b><u>Current Liabilities</u></b>			
Credit banks	19	95,585	1,782,234
Due to related Parties	30	37,161	34,491
Accounts payables	20	209,091	140,517
Revenue received in advance		5,543,287	5,207,037
Other credit balances	21	888,352	826,981
<b>Total current liabilities</b>		<b>6,773,476</b>	<b>7,991,260</b>
<b>Total Owner's Equity and liabilities</b>		<b>25,285,645</b>	<b>25,751,714</b>

Accompanying notes form integral part of this statement



**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Statement of comprehensive Income For The Year Ended December 31,2016**

	Note	2016 JD	2015 JD
<b><u>Revenues</u></b>			
Schools premium - Net		7,611,832	7,143,785
Other income	22	287,152	473,441
Buses ( Losses )	23	(255,144)	(252,987)
School Uniforms profit	24	20,548	368
Cafeteria Profit	25	29,976	24,487
<b>Total Revenues</b>		<b>7,694,364</b>	<b>7,389,094</b>
<b><u>Expenses</u></b>			
Salaries and wages		(3,229,237)	(3,123,336)
Administrative and general expenses	26	(1,618,075)	(1,581,631)
Depreciation		(614,509)	(546,685)
Interest expense		(90,181)	(307,885)
Doubtful debts		-	(50,000)
Slow moving goods provision		-	(70,000)
End of service gratuity		(13,382)	(10,685)
Board of directors remunerations		(45,000)	(45,000)
<b>Total Expenses</b>		<b>(5,610,384)</b>	<b>(5,735,222)</b>
<b>Profit of the year before tax</b>		<b>2,083,980</b>	<b>1,653,872</b>
Income tax	ب 20	(297,825)	(314,292)
<b>Profit of the year</b>		<b>1,786,155</b>	<b>1,339,580</b>
<b><u>Other comprehensive income items</u></b>			
Change in fair value reserve		(293,123)	(154,387)
<b>Total Comprehensive income</b>		<b>1,493,032</b>	<b>1,185,193</b>
		JD	JD
<b>Basic and diluted per share</b>	27	<b>0.119</b>	<b>0.089</b>

Accompanying notes form integral part of this statement

**Irtihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Statement of Changes in Owners Equity For The Year Ended December 31,2016**

	Capital	Issue premium	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
<b>Balance as of Jan 1, 2016</b>	<b>15,000,000</b>	<b>67,323</b>	<b>781,825</b>	<b>24,753</b>	<b>94,206</b>	<b>1,792,347</b>	<b>17,760,454</b>
prior years revenues	-	-	-	-	-	8,683	8,683
<b>Adjusted opening balance</b>	<b>15,000,000</b>	<b>67,323</b>	<b>781,825</b>	<b>24,753</b>	<b>94,206</b>	<b>1,801,030</b>	<b>17,769,137</b>
Profit of the year after tax	-	-	-	-	-	1,786,155	1,786,155
change in fair value reserve	-	-	-	-	(293,123)	-	(293,123)
<b>Total Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(293,123)</b>	<b>1,786,155</b>	<b>1,493,032</b>
Transfer to statutory reserve	-	-	212,898	-	-	(212,898)	-
Dividends paid ( Note 13 )	-	-	-	-	-	(750,000)	(750,000)
<b>Balance as of Dec 31, 2016</b>	<b>15,000,000</b>	<b>67,323</b>	<b>994,723</b>	<b>24,753</b>	<b>(198,917)</b>	<b>2,624,287</b>	<b>18,512,169</b>
<b>Balance as of Jan 1, 2015</b>	<b>15,000,000</b>	<b>67,323</b>	<b>611,938</b>	<b>24,753</b>	<b>248,593</b>	<b>658,094</b>	<b>16,610,701</b>
prior years tax expenses	-	-	-	-	-	(35,440)	(35,440)
<b>Adjusted opening balance</b>	<b>15,000,000</b>	<b>67,323</b>	<b>611,938</b>	<b>24,753</b>	<b>248,593</b>	<b>622,654</b>	<b>16,575,261</b>
Profit of the year after tax	-	-	-	-	-	1,339,580	1,339,580
change in fair value reserve	-	-	-	-	(154,387)	-	(154,387)
<b>Total Comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(154,387)</b>	<b>1,339,580</b>	<b>1,185,193</b>
Transfer to statutory reserve	-	-	169,887	-	-	(169,887)	-
<b>Balance as of Dec 31, 2015</b>	<b>15,000,000</b>	<b>67,323</b>	<b>781,825</b>	<b>24,753</b>	<b>94,206</b>	<b>1,792,347</b>	<b>17,760,454</b>

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Statement of Cash Flows For The Year Ended December 31, 2016**

	Note	2016 JD	2015 JD
<b><u>Cash flows from operating activities</u></b>			
Profit of the year before tax		2,083,980	1,653,872
prior years revenues ( expenses )		8,683	(35,440)
Doubtful debts		-	50,000
Slow moving goods provision		-	70,000
Depreciation		905,809	846,209
End of service gratuity		13,382	10,685
Gain on sale of property and equipment		-	(181,694)
<b>Net operating profit before changes in working capital</b>		<b>3,011,854</b>	<b>2,413,632</b>
<b><u>(Increase) decrease in current assets</u></b>			
Accrued student premium and Returned cheques		(284,272)	(60,618)
Cheques under collection and Note Receivable		(343,598)	436,233
supplies Warehouse		(26,039)	164,424
Other debit balances		2,586	40,780
<b><u>Increase (decrease) in current liabilities</u></b>			
Accounts payable		68,574	(80,391)
due to related Parties		2,670	(47,179)
Revenue received in advance		336,250	372,081
Other credit balances		(61,373)	81,037
<b>Net cash Resulting from operating activities before tax</b>		<b>2,706,652</b>	<b>3,319,999</b>
Income tax	21b	(188,463)	(104,781)
<b>Net cash Resulting from operating activities</b>		<b>2,518,189</b>	<b>3,215,218</b>
<b><u>Cash flows from investing activities</u></b>			
Changes of property, plant and equipment		(78,612)	391,826
Investment in associate company		(5,000)	-
<b>Net cash flows (used in) investing activities</b>		<b>(83,612)</b>	<b>391,826</b>
<b><u>Cash Flows from Financing Activities</u></b>			
Credit banks		(1,686,649)	(3,598,510)
Dividends paid	18	(750,000)	-
<b>Net cash flows (used in) investing activities</b>		<b>(2,436,649)</b>	<b>(3,598,510)</b>
Net ( decrease ) increase in cash balances		(2,072)	8,534
Cash balances at beginning of year		65,160	56,626
<b>Cash balances at end of year</b>		<b>63,088</b>	<b>65,160</b>

Accompanying notes form integral part of this statement

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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**1- Incorporation**

Al-Ittihad Public shareholding Company Limited was established on 1/5/2000 according to the provisions of paragraph (b) of Article (231) of the Companies Law No. (22) of 1997 as a result of the merger of the Union Schools Company Limited with the Fajr Al-Sabah Limited Liability Schools. One of the goals of the company is to establish and own schools from preschool to the end of the secondary school stage and to qualify students for university studies.

The accompanying financial statements have been approved by the Board of Directors at its meeting held on January 31, 2017 and are subject to the approval of the General Assembly of Shareholders

**2- Basis of preparation**

**\* General**

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Standards Board (IFRIC)

The financial statements have been prepared accordingly Of the historical cost convention, except for financial assets and liabilities that are stated at fair value

The Jordanian Dinar is the currency of the presentation of the financial statements, which represents the Company's principal currency

**3- Use of estimates**

The preparation of the 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 affect the revenues and expenses and the resultant provisions and particular , considerable judgement 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 .

Management beleive that the estimates are reasonable and are as follows :

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .

**Specialized Investment Jordanian Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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- Inventories are held at the lower of either cost or net realizable value . When inventories become old or obsolete , an estimate is made of their realizable value . For individually significant amounts this estimation is performed on an individual basis . Amounts which are not individually significant , but which are old or obsolete , are assessed collectively and a provision applied according to the inventory type and the degree of aging or obsolescence , based on historical selling prices.

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

**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 .

**- Investments in financial assets at fair value through Comprehensive income statement**

Financial assets stated at fair value through comprehensive income are non derivative financial assets, the purpose of the acquisition is to keep them available for sale and not to trade or keep

The differences in the change in fair value of financial assets carried at fair value are recorded through the statement of comprehensive income.

Financial assets stated at fair value through comprehensive income that is available to quoted market prices in active markets at fair value, net of accumulated impairment losses in the fair Gains and losses arising from differences foreign currency debt instruments that bear interest within the specified financial assets at fair value through comprehensive income transfer register, while the registration of foreign exchange rate changes ownership of the tools included in the cumulative change in fair value in equity.

If the company did not adopt the recognition of the fair value changes of financial assets in equity instruments in the list of other comprehensive income must be an option then these assets are measured at fair value and recognize changes in fair value in the statement of comprehensive

**- Investments in Associated Companies**

The investment in associated companies that the percentages of ownership is greater than 20% will be recorded at the equity method

**Inventory**

Books warehouse is stated at the cost , the cost is determined by using the moving average method .

spare parts warehouse is stated at the cost , the cost is determined by using the moving average method .

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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**- Property, plant and equipment**

Property & 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 10-35 % .

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 .

**Accured student premium and Returned cheques**

Accured student premium and Returned chequess are stated at Fair value the recoverable amount less an allowance

An estimate for doubetful debts is made when collection of the full amounts is on longer probable . Bad debts are written off when there is no possibility of recovery

**- 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.

**Provesions**

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and that the payment of the obligations is potential and its value can be measured reliably

**Offsetting**

Offsetting of fianacial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legaly 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

**Revenue recognition**

The revenue achieved upon signing the contract and the completion of the transfer of ownership to the buyer.

**Income tax**

Taxes owed expenses are calculated on the basis of taxable profits

Provision is made for the calculation of income tax under the tax rates established in accordance with the temporary income tax law No. 34 of 2014 and its subsequent amendments

**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 .

Irtihad School Co  
Public Shareholding Company  
Amman - The Hashemite Kingdom of Jordan  
Notes to the Financial Statements

**-5 Property, plant and equipment - Net**

This item consists of :

	Lands		Buildings		Vehicles		Furniture and Decoration		electrical		Computers & P.O.S		Equipment of the scientific laboratories		Sport equipment		Other assets		Total	
	JD		JD		JD		JD		JD		JD		JD		JD		JD		JD	
<b>Cost as of t january 1, 2016</b>	6,278,024		16,068,608		2,489,858		1,276,683		498,182		828,689		71,631		202,133		479,836		28,193,644	
Additions during the year	-		31,176		5,162		14,875		17,592		3,683		989		171		4,964		78,612	
<b>Cost at December 31, 2016</b>	6,278,024		16,099,784		2,495,020		1,291,558		515,774		832,372		72,620		202,304		484,800		28,272,256	
<b>Accumulated Depreciation</b>																				
balance as of january 1, 2016	-		3,130,397		1,489,817		910,487		307,190		691,031		65,111		99,029		277,846		6,970,908	
Additions during the year	-		323,794		291,300		84,721		40,748		58,519		2,750		17,563		86,414		905,809	
Disposals during the year	-		-		-		-		-		-		-		-		-		-	
<b>balance as of December 31, 2016</b>	-		3,454,191		1,781,117		995,208		347,938		749,550		67,861		116,592		364,260		7,876,717	
<b>Net book value as of December 31, 2016</b>	6,278,024		12,645,593		713,903		296,350		167,836		82,822		4,759		85,712		120,540		20,395,539	
<b>Net book value as of December 31, 2015</b>	6,278,024		12,938,211		1,000,041		366,196		190,992		137,658		6,520		103,104		201,990		21,222,736	

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**6- Investments in financial assets at fair value through Comprehensive income statement**

This item consists of the following:

	<u>2016</u>	<u>2015</u>
	JD	JD
<b><u>listed Shares</u></b>		
Arab international co for educationn and investments	1,172,093	1,465,116
Jordanian real state co for development	<u>2,800</u>	<u>2,900</u>
<b>Total</b>	<b><u>1,174,893</u></b>	<b><u>1,468,016</u></b>

**7- Investment in associated**

This item consists of the following:

	<u>2016</u>	<u>2015</u>
	JD	JD
Applied Company for Energy (under establish )	<u>5,000</u>	-
<b>Total</b>	<b><u>5,000</u></b>	<b><u>-</u></b>

**8- Cash in hand and at banks**

This item consists of the following:

	<u>2016</u>	<u>2015</u>
	JD	JD
petty Cash	14,430	12,710
cash at the stamp machine	1,308	1,277
Cash at local banks	<u>47,350</u>	<u>51,173</u>
<b>Total</b>	<b><u>63,088</u></b>	<b><u>65,160</u></b>



**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**9- Accrued student premium and Returned cheques - Net**

a- This item consists of the following :

	2016	2015
	JD	JD
Accrued student premium	1,420,867	1,128,487
Returned cheques	117,725	125,833
<b>Total</b>	<b>1,538,592</b>	<b>1,254,320</b>
Less: Provision for doubtful debts (5C)	(467,000)	(467,000)
<b>Net</b>	<b>1,071,592</b>	<b>787,320</b>

b- **The movement of provision for doubtful debts during the year as follows :**

	2016	2015
	JD	JD
Balance beginning of the year	467,000	437,000
Additions for the year	-	30,000
<b>Balance ending of the year</b>	<b>467,000</b>	<b>467,000</b>

**10- Cheques under collection and Note payable**

This item consists of the following :

	2016	2015
	JD	JD
Cheques under collection	790,178	648,744
unaccrued - Note receivable	1,150,712	948,548
<b>Total</b>	<b>1,940,890</b>	<b>1,597,292</b>

**11- supplies Warehouse - Net**

This item consists of the following :

	2016	2015
	JD	JD
Books	78,603	59,239
School uniforms	96,246	120,447
spare parts	37,242	35,752
public Warehouses	88,124	105,587
<b>Total</b>	<b>300,215</b>	<b>321,025</b>
Slow moving goods provision	(23,151)	(70,000)
<b>Net</b>	<b>277,064</b>	<b>251,025</b>

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**12- Other debit balances - Net**

This item consists of the following:

	2016	2015
	JD	JD
Prepaid expenses	38,446	41,753
Receivables staff	153,741	145,576
Refundable Deposits	4,240	4,240
work in process	6,273	6,273
Other debit balances	157,072	151,544
Guaranties Deposit	20,098	20,098
Others withholding	86,216	99,188
Guaranties Deposit	20,184	20,184
<b>Total</b>	<b>486,270</b>	<b>488,856</b>
provision for doubtful debts	(128,691)	(128,691)
<b>Net</b>	<b>357,579</b>	<b>360,165</b>

**The movement of provision for doubtful debts during the year as follows :**

	2016	2015
	JD	JD
Balance beginning of the year	128,691	108,691
Additions for the year	-	20,000
<b>Balance ending of the year</b>	<b>128,691</b>	<b>128,691</b>

**13- Capital**

The paid-up capital and unauthorized amounted to 15,000,000 Jordanian dinars, divided into 15,000,000 shares, the par value per share is JD one share (value per share of nominal dinars).

**14- Stock premium**

premium account represents difference between nominal value and share value issued

**15- 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

**16- Voluntary reserves**

This item represents the accumulated amount appropriated at a rate of 20% of annual income before taxes, and it is used in purpose determined by the Board of Directors

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**17- Fair value reserve**

This item consists of the following:

	2016	2015
	JD	JD
Balance at the beginning of the year	94,206	248,593
Change through of the year	(293,123)	(154,387)
<b>Balance at end of year</b>	<b>(198,917)</b>	<b>94,206</b>

**18- Retained Earning at the end of the year**

This item consists of the following:

	2016	2015
	JD	JD
Balance at the beginning of the year	1,792,347	658,094
Profit for the year	1,786,155	1,339,580
prior years revenues ( expenses )	8,683	(35,440)
Transfer to statutory reserve	(212,898)	(169,887)
Dividends paid ( Note 13 )	(750,000)	-
<b>Balance at end of year</b>	<b>2,624,287</b>	<b>1,792,347</b>

- According to general assembly in his meeting which held on April 30,2016 , the decided to distribute 5% frome capital amount JD (750,000) .
- At its meeting held on 31 January 2017, the Board of Directors decided to recommend to the General Assembly the distribution of cash dividends of 7% of the capital at a value of JD 10,500,000. This percentage is subject to the approval of the General Assembly of Shareholders

**19- Credit banks**

This item consists of the following:

	rate	2016	2015
		JD	JD
Bank Al Etihad	7.75%	-	678,354
Arab Bank	7.75%	95,585	1,103,880
<b>Total</b>		<b>95,585</b>	<b>1,782,234</b>

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**20- Accounts payable**

This item consists of the following:

	2016	2015
	JD	JD
Accounts payable and Suppliers	209,091	140,517
<b>Total</b>	<b>209,091</b>	<b>140,517</b>

**21- Other credit balances**

a- This item consists of the following:

	2016	2015
	JD	JD
Shareholders withholding	155,838	140,300
Government withholding	63,478	57,451
payable staff	22,748	19,174
others withholding	90,444	158,595
Income Tax provision ( 21b )	421,677	312,315
Board of directors remuneration	45,000	45,000
Accrued expenses	41,365	49,115
Other credit balances	1,125	3,257
Employees end of service of indemnity	20,677	18,430
garantte deposit	20,439	20,439
Scientific research and professional training	262	262
Legal Expenses	1,015	1,015
Board of directors paybles	4,284	1,628
<b>Total</b>	<b>888,352</b>	<b>826,981</b>

b- The movement of provision Tax during the year as follows :

	2016	2015
	JD	JD
Balance beginning of the year	312,315	102,804
tax for the year	297,825	314,292
tax Paid Half yearly	(51,655)	(55,892)
tax Paid during the year	(136,808)	(48,889)
<b>Balance at the ending of the year</b>	<b>421,677</b>	<b>312,315</b>

- The company was terminated with the Income and Sales Tax Department until 2014
- The annual estimate of 2015 was presented within the legal period of the Income and Sales Tax Department and has not yet been reviewed

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**22- Other income**

This item consists of the following:

	2016	2015
	JD	JD
profit dividines	73,256	109,884
Gain on sale of property and equipment	-	181,694
Other revenues	125,453	58,207
activities Revenue	12,951	49,568
gratuations Revenues	56,892	68,708
Educational Revenue	18,600	5,380
<b>Total</b>	<b>287,152</b>	<b>473,441</b>

**23- Buses ( losses )**

This item consists of the following:

	2016	2015
	JD	JD
<b>Buses Revenues</b>	<b>661,856</b>	<b>699,515</b>
<b><u>Buses Expenses</u></b>		
Salaries and Wages	340,822	330,380
Social security	40,150	33,986
Maintenance	6,170	6,709
spare part	41,196	40,848
Fuels	112,918	138,053
GPS expenses	6,264	10,120
insurance and License	53,177	69,792
depreciation	291,300	299,524
Parking Rental	12,875	5,000
others	12,128	18,090
<b>Total Expenses</b>	<b>917,000</b>	<b>952,502</b>
<b>Buses ( losses )</b>	<b>(255,144)</b>	<b>(252,987)</b>

**24- School Uniforms profit**

This item consists of the following:

	2016	2015
	JD	JD
Uniforms sales	99,637	83,832
Uniforms cost of sales	(79,089)	(83,464)
<b>Net profit</b>	<b>20,548</b>	<b>368</b>

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**25- Cafeteria Profit**

This item consists of the following:

	2016	2015
	JD	JD
cafeteria sales	83,545	71,547
cafeteria cost of sales	(53,569)	(47,060)
<b>Net Profit</b>	<b>29,976</b>	<b>24,487</b>

**26- General and administrative expenses**

This item consists of the following:

	2016	2015
	JD	JD
Social security	398,576	375,535
Health Insurance	26,091	20,774
Students expenses	94,242	153,866
Electric and water	457,093	439,976
Maintenance	96,500	94,107
stationery ,Computer supplies	35,702	37,960
Cleaning services	10,803	11,606
Fees and subscriptions	80,735	125,807
Fuels and Heating	27,666	5,114
transportation of baords of directors	44,050	46,700
miscellaneous	33,805	25,841
Phone and Internet expenses	20,542	23,250
Hospitality	13,611	10,661
Advertising	19,761	29,987
Books expenses	199,414	143,406
Legal expenses and Commissions collection	34,672	12,368
insurance expenses	4,607	8,326
Professional fees	20,205	16,347
<b>Total</b>	<b>1,618,075</b>	<b>1,581,631</b>

**27- Earnings Per Share**

This item consists of the following:

	2016	2015
	JD	JD
Profit of the year after tax	1,786,155	1,339,580
The weighted average number of shares	15,000,000	15,000,000
<b>Basic and diluted, earnings per share</b>	<b>0.119</b>	<b>0.089</b>

The reduced per share from the year profit is equal to the basic share from the year profit.

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**28- Segment Information**

the main company objective is import and export and get to a trade agencies and investing in the company share Following is a breakdown of the segment information for the business segments:

2016				
	The main activity	shares	others	Total
	JD	JD	JD	JD
Revenue	7,619,052	-	75,312	7,694,364
<u>other segment</u>				
Capital expenditure	78,612	-	-	78,612
Depreciation	905,809			905,809
<u>Assets And Liability</u>				
Assets	24,042,664	1,179,893	63,088	25,285,645
Liabilities	6,773,476		-	6,773,476
2015				
	The main activity		others	Total
	JD		JD	JD
Revenue	7,143,785	-	245,309	7,389,094
<u>other segment</u>				
Capital expenditure	391,826	-	-	391,826
Depreciation	846,209			846,209
<u>Assets And Liability</u>				
Assets	24,218,538	1,468,016	65,160	25,751,714
Liabilities	7,991,260		-	7,991,260

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**29- Entitlement analysis of assets and liabilities**

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

	<b>2016</b>		
	for year	more than one year	Total
	JD	JD	JD
<b><u>Assets</u></b>			
Property, plant and equipment	-	20,395,539	20,395,539
Investments in financial assets at Fair value through Comprehensive income	-	1,174,893	1,174,893
Investment in associate company	-	5,000	5,000
Cash on hands and at the Banks	63,088	-	63,088
Accrued student premium and Returned cheques	1,071,592	-	1,071,592
Cheques under collection and Note Receivables	1,940,890	-	1,940,890
supplies Warehouse	277,064	-	277,064
Other debit balances	357,579	-	357,579
<b>Total Assets</b>	<b>3,710,213</b>	<b>21,575,432</b>	<b>25,285,645</b>
<b><u>Current Liability</u></b>			
Credit banks	95,585	-	95,585
Due to related Parties	37,161	-	37,161
Accounts payables	209,091	-	209,091
Revenue received in advance	5,543,287	-	5,543,287
Other credit balances	888,352	-	888,352
<b>Total current liabilities</b>	<b>6,773,476</b>	<b>-</b>	<b>6,773,476</b>
<b>Net</b>	<b>(3,063,263)</b>	<b>21,575,432</b>	<b>18,512,169</b>



**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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

	<b>2015</b>		
	for year	more than one year	Total
	JD	JD	JD
<b><u>Assets</u></b>			
Property, plant and equipment	-	21,222,736	21,222,736
Investments in financial assets at Fair value through Comprehensive income	-	1,468,016	1,468,016
Cash on hands an at the Banks	65,160	-	65,160
Accured student premium and Returned cheques	787,320	-	787,320
Cheques under collection and Note Receivables	1,597,292	-	1,597,292
supplies Warehouse	251,025	-	251,025
Other debit balances	360,165	-	360,165
<b>Total Assets</b>	<b>3,060,962</b>	<b>22,690,752</b>	<b>25,751,714</b>
<b><u>Current Liability</u></b>			
Credit banks	1,782,234	-	1,782,234
Due to relatted Parties	34,491	-	34,491
Accounts payables	140,517	-	140,517
Revenue received in advance	5,207,037	-	5,207,037
Other credit balances	826,981	-	826,981
<b>Total current liabilites</b>	<b>7,991,260</b>	<b>-</b>	<b>7,991,260</b>
<b>Net</b>	<b>(4,930,298)</b>	<b>22,690,752</b>	<b>17,760,454</b>

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**30- Transactions with related parties**

Related parties represent key shareholders, associates, directors and companies with principal owners. The prices and terms of these transactions are approved by the Company's management.

**a- Items within the financial statement**

	<u>2016</u>	<u>2015</u>
	JD	JD
First Finance co	493	-
Arab international co for educationn and investments	7,356	-
Ibn Al haytham hospital co	29,312	34,491
<b>Total Assets</b>	<u>37,161</u>	<u>34,491</u>

**b- Items within the Statement of comprehensive Income**

	<u>2016</u>	<u>2015</u>
	JD	JD
Health Insurance - Ibn Al haytham hospital co	25,560	67,376
cash dividend - Arab international co for educationn and investments	73,256	109,884

**c- The following is a summary of the benefits of management of the company**

	<u>2016</u>	<u>2015</u>
	JD	JD
Salaries and bonus	211,517	215,065

**Ittihad School Co**  
**The Arab International Food Factories And Investment Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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**31- Risk management**

The company follows various risk management financial policies within a specific strategy. The company manages risk control and control and optimizes the strategic distribution of both financial assets and financial liabilities. Risks include interest rates, credit risk, foreign currency risk.

The Company follows the financial hedging policy for both financial assets and financial liabilities whenever required, which is the hedge relating to future foreseeable risks

**- Market risk**

Market risk is the risk that the fair value or cash flows of a financial instrument will fluctuate due to changes in market prices such as interest rates, stock prices and currency prices. Market risk arises as a result of open positions in interest and currency returns and equity investments. These risks are monitored in accordance with specific policies and procedures and through committees And market risk, including interest rate risk, exchange rate risk and the risk of changes in share prices.

Market risk is measured and controlled by sensitivity analysis

**- 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.

**- 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.

**- Fair value of financial instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash in hand and at banks, receivables and other receivables. Financial liabilities consist of accounts payable, bank loans, loans and other credit balances. The fair values of financial instruments are not materially different from the value The books for these tools.

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

**- Liquidity risks**

Liquidity risk is the risk that the Company will not be able to provide the necessary funding to meet its obligations on due dates. In order to prevent these risks, the management diversifies sources of finance, manages assets and liabilities, adjusts their terms and maintains sufficient cash and cash equivalents and negotiable securities

The Company monitors its liquidity requirements on a monthly basis and ensures that sufficient funds are available to meet any liabilities as they arise. The Company also manages liquidity risk by ensuring that banks have cash available to cover undiscounted financial liabilities, which are mostly credit balances to customers.

The table below shows the distribution of financial liabilities (not discounted) based on the remaining contractual maturity and current market interest rates

	2016		
	Less than three months.	From three months to 12 months	Total
Credit banks	-	95,585	95,585
Due to related Parties	-	37,161	37,161
Accounts payable	-	209,091	209,091
advance income	-	5,543,287	5,543,287
Other credit balances	-	888,352	888,352
<b>Total</b>	-	<b>6,773,476</b>	<b>6,773,476</b>

	2015		
	Less than three months.	From three months to 12 months	Total
	JD	JD	JD
Credit banks	-	1,782,234	1,782,234
Due to related Parties	-	34,491	34,491
Accounts payable	-	140,517	140,517
advance income	-	5,207,037	5,207,037
Other credit balances	-	826,981	826,981
<b>Total</b>	-	<b>7,991,260</b>	<b>7,991,260</b>

**Ittihad School Co**  
**Public Shareholding Company**  
**Amman - The Hashemite Kingdom of Jordan**

**Notes to the Financial Statements**

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**32- 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 18,711,086 as of December 31, 2016 against JD 17,666,248 as of December 31, 2015

**33- Contingent Liabilities**

At the date of financial statements there was contingent liabilities represented of Banks Guarantees 20,098 JD

**34- Events after the reporting period :**

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements

**35- Comparative**

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