



شركة مدارس الاتحاد المساهمة العامة

مدرسة الاتحاد الثانوية للبنات ☎ 5167990 - 5167998 مقابل التغطية العامة - عمان
مدرسة الاتحاد الثانوية للبنين ☎ 5161593 ، 5161596 المدينة الرياضية - عمان
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To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الأوراق المالية
السادة بورصة عمان

Subject: Quarterly Report
as of 31/3/2017

الموضوع: التقرير ربع
السنوي كما هي في 2017/3/31

Attached the Quarterly Report of Al-
Ittihad Schools Co. as of 31/3/2017.

مرفق طيه نسخة من البيانات المالية ربع
السنوية لشركة مدارس الاتحاد كما هي بتاريخ
2017/3/31

Kindly accept our high appreciation
and respect

وتفضلوا بقبول فائق الاحترام،،،

Abdallah Abu-Khadijeh.

Chairman of the Board

عبد الله أبو خديجة

رئيس مجلس الإدارة

بورصة عمان
الداشرة الإدارية والمالية
الدبوسان

٤ ١ أيار ٢٠١٧

الرقم المتسلسل: 2042

رقم الملف: 31093

الجهة المختصة: ٢٠١٧/٦/١١

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

Condensed Interim Financial Statements
and Report on Review as of March 31, 2017
(Reviewed Not Audited)

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

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Report on the review of the condensed interim financial statements

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To the Board of Directors of

Ittihad School Co. (P.S.C)

Amman - The Hashemite Kingdom of Jordan

Introduction:

We have reviewed the accompanying condensed interim financial statements of Ittihad School Co. (P.S.C) comprising of condensed interim statement of financial position as at 31 March 2017, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for three months ended 31 March 2017 and the related explanatory notes.

The management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with *IAS 34 –interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of review:

We conducted our review in accordance with International Standard on Review 2410 "Review of interim Financial Information Performed by the Independent Auditor of the Entity". A review of the condensed 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. Consequently, it 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.

Conclusion:

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial statements are not prepared, in all material respects in accordance with IAS 34.

Other matters:

- Condensed interim financial statements were prepared for Instructions for listing the securities in the Amman Stock Exchange & for management's purposes.

Ibrahim Abbasi & Co.

Ahmed Moh'd Abbasi

License No. 710



Amman in

27 April 2017

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

Condensed Interim Statement of Financial Position as of March 31, 2017

Reviewed Not Audited

	Note	31-Mar-2017 JD (Reviewed)	31-Dec-2016 JD (Audited)
<u>Assets</u>			
<u>Non - Current Assets</u>			
Property , plant & equipments - net	5	20,205,973	20,395,539
Financial assets at fair value through comprehensive income		1,167,367	1,174,893
Investments in associates		5,000	5,000
Total Non - Current Assets		21,378,340	21,575,432
<u>Current Assets</u>			
Cash on hand and at banks		32,134	63,088
Accrued student premium and Returned cheques- Net	6	1,047,052	1,071,592
Cheques under collection and Note Receivables		637,963	1,940,890
supplies Warehouse		338,937	277,064
Other debit balances - Net		307,100	357,579
Total Current Assets		2,363,186	3,710,213
Total Assets		23,741,526	25,285,645
<u>Owners' Equity And Liabilities</u>			
<u>Owners' Equity</u>			
Capital		15,000,000	15,000,000
Issuance premium		67,323	67,323
Statutory reserve		994,723	994,723
Voluntary reserve		24,753	24,753
Fair value reserve		(206,443)	(198,917)
Retained earning		2,624,287	2,624,287
Profit for the period		471,443	-
Total Owner's Equity		18,976,086	18,512,169
<u>Current Liabilities</u>			
Credit banks	7	112,160	95,585
Due to related parties	11A	43,915	37,161
accounts payable		154,673	209,091
Unearned revenues		3,499,474	5,543,287
Income Tax Provision	8	431,340	421,677
Other credit balances		523,878	466,675
Total Current Liabilities		4,765,440	6,773,476
Total owners' Equity And Liabilities		23,741,526	25,285,645

The accompanying notes form is an integral part of these statements

Ittihad School Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Condensed Interim Statement of Comprehensive Income
For the Three Months Ended March 31, 2017

Reviewed Not Audited

		<u>31-Mar-2017</u>	<u>31-Mar-2016</u>
		JD	JD
<u>Revenue and profit (loss) of various activities</u>			
Schools premium - Net		1,899,816	1,796,085
Other income		13,935	8,896
Buses (Losses)		(54,961)	(62,398)
School Uniforms & Cafeteria profit		10,707	6,459
Total Revenues		<u>1,869,497</u>	<u>1,749,042</u>
<u>Expenses</u>			
Salaries and wages		(842,137)	(801,094)
Administrative and general expenses	9	(360,056)	(307,115)
Depreciation		(130,754)	(169,592)
Interest expense		(575)	(26,237)
Total Expenses		<u>(1,333,522)</u>	<u>(1,304,038)</u>
Profit of the year before tax		<u>535,975</u>	<u>445,004</u>
Income tax	8	(64,532)	(58,852)
Profit of the year		<u>471,443</u>	<u>386,152</u>
<u>Add: Other comprehensive income items</u>			
Net changes in fair value for financial assets through comprehensive income		(7,526)	(6,876)
Total Comprehensive income for the period		<u>463,917</u>	<u>379,276</u>
		<u>Fils/Dinar</u>	<u>Fils/Dinar</u>
Basic and diluted earning per share	10	<u>0.031</u>	<u>0.026</u>

The accompanying notes form is an integral part of these statements

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

Condensed Interim Statement Of Changes In Owners' Equity For the Three Months Ended March 31, 2017

Reviewed Not Audited

Description	JD						JD		Total
	Capital	Issuance premium	Statutory Reserve	Voluntary reserve	Fair Value Reserve	Retained Earnings	Profit Of The Period		
For the three months ended March 31, 2017									
Balance as of January 1, 2017 (Audited)	15,000,000	67,323	994,723	24,753	(198,917)	2,624,287	-		18,512,169
Profit of the period	-	-	-	-	-	-	471,443		471,443
Change in Fair value	-	-	-	-	(7,526)	-	-		(7,526)
Total Comprehensive income for the period	-	-	-	-	(7,526)	-	471,443		463,917
Balance as of March 31, 2017 (Exhibit A) - Reviewed	15,000,000	67,323	994,723	24,753	(206,443)	2,624,287	471,443		18,976,086
For the three months ended March 31, 2016									
Balance as of January 1, 2016 (Audited)	15,000,000	67,323	781,825	24,753	94,206	1,792,347	-		17,760,454
Perior Year Expenses	-	-	-	-	-	26,711	-		26,711
Adjusted Opening Balance	15,000,000	67,323	781,825	24,753	94,206	1,819,058	-		17,787,165
Profit of the period	-	-	-	-	-	-	386,152		386,152
Change in Fair value	-	-	-	-	(6,876)	-	-		(6,876)
Total Comprehensive income for the period	-	-	-	-	(6,876)	-	386,152		379,276
Balance as of March 31, 2016 (Exhibit A) - Reviewed	15,000,000	67,323	781,825	24,753	87,330	1,819,058	386,152		18,166,441

The accompanying notes form is an integral part of these statements

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

Condensed Interim Statement of Cash Flows For the Three Months Ended March 31, 2017

Reviewed Not Audited

	Note	31-Mar-2017 JD	31-Mar-2016 JD
<u>Cash Flows From Operating Activities</u>			
Profit for the period before tax		535,975	445,004
Perior Years Expenses		-	26,711
Depreciation		194,915	250,620
Operating Income before changes in working capital		730,890	722,335
<u>(Increase) decrease in current assets</u>			
Accrued student premium and Returned cheques		24,540	(66,780)
Cheques under collection and Note Receivable		1,302,927	1,250,753
Inventory		(61,873)	(9,879)
Other debit balances		50,479	23,250
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		(54,418)	(20,289)
Due to related parties		6,754	(27,127)
Unearned revenues		(2,043,813)	(1,930,484)
Other credit balances		57,203	(101,436)
Net Cash Provided from Operating Activities before paid tax		12,689	(159,657)
Paid tax	8	(54,869)	(26,315)
Net Cash (Used in) Operating Activities		(42,180)	(185,972)
<u>Cash flows from investing activities</u>			
Changes of property, plant and equipment		(5,349)	(8,391)
Net cash flows (used in) investing activities		(5,349)	(8,391)
<u>Cash Flows from Financing Activities</u>			
Credit banks		16,575	200,914
Net cash flows (used in) Financing activities		16,575	200,914
Net (decrease) increase in cash balances		(30,954)	6,551
Cash balances at beginning of Period		63,088	65,160
Cash balances at end of Period		32,134	71,711

The accompanying notes form is an integral part of these statements

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

1- Company's Registration and Objectives

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.

2- Significant Accounting Policies

Basis of Preparation of Interim Financial Statements

These condensed interim financial statement have been prepared in accordance with international accounting standards ((IFRS) IAS 34))(Interim Financial Reporting).

These condensed interim financial statements do not include all the information required for a complete set of IFRS financial statements, However , selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the company's financial position and performance since the last annual report of financial statements as of **December 31,2016** . in addition, The results for the three months period ended **March 31,2017** are not necessarily indicative of the results that may be expected for the financial year ending **December 31,2017** . No Provision has been made for the profit for the three months ended at March 31,2017 wich is made at the end of the financial year

The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .

3- Significant accounting policies

The preparation of interim condensed financial information requires to use of significant and specific accounting estimates It also requires management to use its own judgment in the process of applying accounting policies, The significant estimates and assumptions used in the preparation of the financial statements have been disclosed in note No. (4)

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year .

4- Significant accounting estimates and assumptions

There are no material changes to the nature and amount of the changes in the estimate of amounts recognized in the interim financial statements as compared to the financial statements for 2016

Ittihad School Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

5- Property, plant and equipment - Net

This item consists of:

	Lands		Buildings		Vehicles		Furniture and Decoration		Computers & P.O.S		Equipment of the scientific laboratories		Sport equipment		Other assets		Total
	JD		JD		JD		JD		JD		JD		JD		JD		JD
<u>Cost at March 31, 2017</u>																	
Balance as of January 1, 2017	6,278,024		16,099,784		2,495,020		1,291,558		515,774		832,372		72,620		202,304		484,800
Additions	-		2,500		-		2,160		-		-		-		-		689
Cost at March 31, 2017	6,278,024		16,102,284		2,495,020		1,293,718		515,774		832,372		72,620		202,304		485,489
																	28,272,256
																	5,349
																	28,277,605
<u>Accumulated Depreciation at March 31, 2017</u>																	
balance as of January 1, 2017	-		3,454,191		1,781,117		995,208		347,938		749,550		67,861		116,592		364,260
Additions	-		79,401		64,161		21,008		10,520		9,063		485		4,335		5,942
balance as of March 31, 2017	-		3,533,592		1,845,278		1,016,216		358,458		758,613		68,346		120,927		370,202
																	8,071,632
Net book value as of March 31, 2017 (Reviewed)	6,278,024		12,568,692		649,742		277,502		157,316		73,759		4,274		81,377		115,287
																	20,205,973
Net book value as of December 31, 2016 (Audited)	6,278,024		12,645,593		713,903		296,350		167,836		82,822		4,759		85,712		120,540
																	20,395,539

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

6- Accrued student premium and Returned cheques - Net

This item consists of :

	<u>31-Mar-2017</u>	<u>31-Dec-2016</u>
	JD	JD
	(Reviewed)	(Audited)
Accrued student premium	1,385,095	1,420,867
Returned cheques	128,957	117,725
Total	1,514,052	1,538,592
Less: Provision for doubtful debts (5C)	(467,000)	(467,000)
Net	1,047,052	1,071,592

7- Credit Banks

This item consists of :

	<u>Interest rate</u>	<u>Ceiling facilities</u>	<u>31-Mar-2017</u>	<u>31-Dec-2016</u>
			JD	JD
			(Reviewed)	(Audited)
Arab Bank	7.75	4,500,000	112,160	95,585
Total			112,160	95,585

8- Income Tax

	<u>31-Mar-2017</u>	<u>31-Dec-2016</u>
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the Period / year	421,677	312,315
tax for the Period	(54,869)	(136,808)
tax Paid Half yearly	-	(51,655)
tax Paid	64,532	297,825
Balance at the ending of the Period / year	431,340	421,677

The annual estimate of 2015 & 2016 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 Condensed Interim Financial Statements - Reviewed Not Audited

9- General and administrative expenses

This item consists of :

	<u>31-Mar-2017</u> JD (Reviewed)	<u>31-Mar-2016</u> JD (Reviewed)
Students expenses	28,044	26,272
Social security	114,895	94,985
Electric and water	96,365	87,620
Health Insurance	11,232	9,788
Maintenance	11,388	12,165
Stationery and prints	11,058	9,061
Cleaning services	3,917	1,951
Fees and subscriptions	21,246	11,247
Fuels and Heating	14,701	7,287
transportation of baords of directors	10,950	11,350
miscellaneous	6,567	20,770
Phone and Internet expenses	4,039	3,458
Hospitality	2,291	2,756
Advertising	5,617	4,049
Educational Consultancy Fees	7,216	-
Computer supplies and maintenance	5,353	-
insurance expenses	1,536	-
Legal expenses and Commissions collection	1,941	2,856
Professional fees	1,700	1,500
Tota	360,056	307,115

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

Notes to The Condensed Interim Financial Statements - Reviewd Not Audited

10- Basic and diluted earningig per share

This item consists of :

	<u>31-Mar-2017</u>	<u>31-Mar-2016</u>
	JD	JD
Profit of the period after tax	471,443	386,152
Weighted average shares (share)	15,000,000	15,000,000
Basic and diluted earningig per share	<u>0.031</u>	<u>0.026</u>

11- Related parties transactions

Realted parties include key shareholders , key management personnel , key managers , associates and subcidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

A- Details of due from related parties appear on financial position

	<u>31-Mar-2017</u>	<u>31-Dec-2016</u>
	JD	JD
	(Reviewed)	(Audited)
First Finance Co.	493	493
Arab International Company For Education And Investment	6,855	7,356
IBn-Alhitham Hospital Co	36,567	29,312
Total of due from related parties	<u>43,915</u>	<u>37,161</u>

B. Details of due to related parties appear on Statement of Comprehensive Income

	<u>31-Mar-2017</u>	<u>31-Dec-2016</u>
	JD	JD
	(Reviewed)	(Audited)
Ibn-Alhaytham Hospital Co - Health Insuranse	7,255	7,344

Wages , Allowances and other benefits for senior excutive managements :

	<u>31-Mar-2017</u>	<u>31-Mar-2016</u>
	JD	JD
Wages & other benefits	32,438	55,230

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

12- Segment Information

the main company objective is Establishing and owning schools from kindergarten to high school Following is a breakdown of the segment information for the business segments:

			Fro the three Monthes ended at March 31	
	The main activity	shares	others	
	JD	JD	JD	JD

Revenue	1,899,816	-	30,319-	1,869,497	1,749,042
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other segment

Capital expenditure	5,349	-	-	5,349	8,391
Depreciation	194,915	-	-	194,915	250,620

7

Assets And Liability

	The main activity	shares	others	Total	Total
	JD	JD	JD	JD	JD
Assets	22,538,025	1,172,367	31,134	23,741,526	25,285,645
Liabilities	4,765,440	-	-	4,765,440	6,773,476

13- 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.

14- Subsequent events

There are no subsequent events may have material affects to financial position .

15- Comparative Figures

Certain comparative figures were reclassified to conform with the presentation of the current period.