

No: (161/2017)

Date: 04/11/2017

To Messrs. Jordan Securities Commission
Att. Disclosure Department,
PO Box 8802 Amman 11121
The Hashemite kingdom of Jordan

لديهم
* سيرة أعمال
السياسة
مستند
11/05

Subject: Quarterly Report of Philadelphia Pharmaceuticals as 30/09/2017

Attached the Quarterly Report of Philadelphia Pharmaceuticals as 30/09/2017 audited from international professional Bureau for Consulting and Auditing.

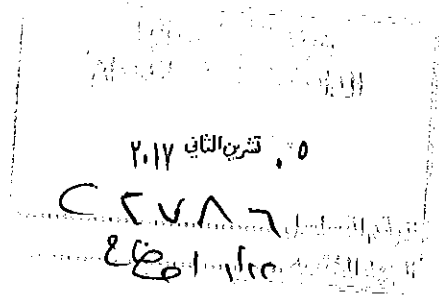
Thank you very much

Kind regards,

Vice Chairman / CEO
Kayed Al-Shabani

Copy to:

- Amman Stock Exchange.
- Securities Depository Center.



Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman—The Hashemite Kingdom of Jordan
Interim Financial Statements
30 September 2017
With Report on Review of Interim Financial Information

Philadelphia Pharmaceuticals 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
Philadelphia Pharmaceuticals Company
Public Shareholding Company
Amman – Jordan**

Introduction

We have reviewed the accompanying interim financial statement of Philadelphia Pharmaceuticals Company (P.S) 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 - month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these 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.



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Conclusion

Based on our review, 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 - month period then ended in accordance with International Financial Reporting Standards.

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

Amman - Jordan
18 October 2017



Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Financial Position (JOD)

Assets	Notes	As at	
		30/09/2017	31/12/2016
Current Assets			
Cash and cash equivalent	8	21,110	21,557
Cheques under collection		1,491,747	969,030
Trade accounts receivable	9	7,155,307	6,109,012
Inventory and warehouses	10	1,279,676	1,205,927
Accepted bank withdrawals		1,265,132	116,293
Goods in transit		20,582	9,764
Other debit balances	11	434,34	299,900
Total current assets		11,667,868	8,731,483
Non-current assets			
Property, plants and equipments (net)	12	2,570,023	2,734,215
Intangible assets	13	156,922	151,828
Total Non-current assets		2,726,945	2,886,043
Total assets		14,394,813	11,617,526
Liabilities			
Current Liabilities			
Credit banks	14	2,902,071	1,502,636
Trade accounts payable		1,346,601	588,179
Notes payable		16,772	58,856
Income tax provision		29,060	40,791
Other credit balances	15	139,279	131,095
Total Current liabilities		4,433,783	2,321,557
Total liabilities		4,433,783	2,321,557
Equity	16		
Authorized, subscribed and paid up capital		7,500,000	7,500,000
Statutory reserve		946,911	946,911
Voluntary reserve		266,772	266,772
Retained earnings		1,247,347	582,286
Total Equity		9,961,030	9,295,969
Total equity and liabilities		14,394,813	11,617,526

The notes from page 8 to 26 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Profit or Loss and Other Comprehensive Income (JOD)

		For the period ended	
		30/09/2017	30/09/2016
Continuing operations	Note		
Sales	17	5,051,646	5,232,210
Cost of sales	18	(2,532,160)	(1,976,666)
Gross profit		2,519,486	3,255,544
Other expenses		(280)	(5,145)
Research and development expenses		(130,960)	(113,886)
Selling and distribution expenses	19	(1,001,919)	(1,632,883)
Administrative expenses	20	(574,883)	(724,997)
Operating profit		811,444	778,633
Finance expense		(102,569)	(100,337)
(Loss) on sale of property, plant and equipment		(3,488)	-
Profit before tax		705,387	678,296
Income tax expense		(40,326)	(50,756)
Profit from continuing operations		665,061	627,540
Other comprehensive income		-	-
Total comprehensive income		665,601	627,540
Weighted average of shares		7,500,00	7,500,000
Earnings per shares for the period		0.089	0.099

The notes from page 8 to26 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Changes in Equity (JOD)

For the period ended 30, September 2017	Authorized, subscribed and paid up capital	Statutory reserve	Voluntary reserve	Retained earnings	Total equity
Balance at 1 January 2017	7,500,000	946,911	266,772	582,286	9,295,969
Comprehensive income					
Profit for the period	-	-	-	665,061	665,061
Period total comprehensive income	-	-	-	665,061	665,061
Balance as at 30, September 2017	7,500,000	946,911	266,772	1,247,347	9,961,030

The notes from page 8 to 26 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Changes in Equity (JOD)

For the period ended 30, September 2016	Authorized, subscribed and paid up capital	Statutory reserve	Voluntary reserve	Retained earnings	Total equity
Balance at 1 January 2016	5,000,000	873,804	328,821	2,437,951	8,640,576
Comprehensive income					
Profit for the period	-	-	-	627,540	627,540
Period total comprehensive income	-	-	-	627,540	627,540
Transaction with owners of the company					
Capital increase	2,500,000	-	(62,049)	(2,437,951)	-
Total transaction with owners of the company	2,500,000	-	(62,049)	(2,437,951)	-
Balance as at 30, September 2016	7,500,000	873,804	266,772	627,540	9,268,116

The notes from page 8 to 26 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Cash Flows (JOD)

	For the period ended	
	30/09/2017	30/09/2016
Cash Flows from Operating Activities		
Profit for the period	665,061	627,540
Adjustments		
Losses on sale of property and equipment	3,488	3,067
Depreciation & amortization	206,101	227,523
Finance expense	102,569	100,337
Changes in:		
Trade accounts receivable	(1,046,295)	(576,734)
Cheques under collection	(522,717)	300,000
Accepted bank withdrawals	(1,159,657)	(37,452)
Inventory and warehouses	(73,749)	(187,978)
Other debit balances	(134,414)	(283,535)
Trade account payables	758,422	2,416
Note payables	(42,082)	(127,479)
Other credit balances	8,184	6,012
paid Income tax	(52,057)	(106,997)
Cash generated from operating activities		
Income tax expenses	40,326	50,756
Net cash from operating activities	(1,246,820)	371,432
Cash flows from investment activities		
Purchase of property and equipment	(56,651)	(575,024)
Intangible assets	(11,429)	(42,842)
Projects under construction	-	(113,461)
Proceeds from sale of property and equipment		272,197
Net cash flows from investment activities		(479,130)
Cash flows from financing activities		
Finance expense	(102,569)	(100,337)
Credit banks	1,399,435	755,924
Net cash flows from financing activities	1,296,866	655,587
Net (decrease) increase in cash	(447)	547,889
Cash and cash equivalents at beginning of the year	21,557	25,305
Cash and cash equivalent at ending of the period	21,110	573,194

The notes from page 8 to 26 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Notes to the Financial Statements

1- Reporting Entity

Philadelphia Pharmaceuticals Company was established on 5 July 1993; it was registered in Ministry of Industry and Trade as a public shareholding company at 17 January 2006 (no. 394) with (7,500,000) JOD capital. The head office of the company is located at king Abdullah Industrial Estate in Sahab - Jordan, The company is primarily involves in the production of human medicines and medical supplies and solvents, sterilization devices dialysis, disinfectants, purchase and import of raw materials for productions and machinery and equipment in addition to other objectives 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.

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. Lesser 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 22/07/2017.
- 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 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.

B- 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.

C- 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.

D- 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.
- ✓ Philadelphia Pharmaceuticals Company is classified as industrial company, and subjected to 14% income tax in compliance with Jordanian Taxation Law for the year 2015 with income tax number is (4038649) and VAT no.(61558).

E- 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.

F- 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.
- ✓ 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 are as follows:
 - Buildings 3%
 - Machines , equipments 8%
 - Vehicles 15%
 - Furniture and decoration 15%
- ✓ Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

- ✓ When the use of a property changes from owner-occupied to investment property, the property is recognized at cost as using fair value is prohibited by local legislation.

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.
- ✓ 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.

H- 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 comprehensive 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.

I-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 company 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.

J- 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

K- 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.

L- 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.

M- 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.

Bank guarantees (net)	165,767 JOD
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N- 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.

O- 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 30 and 180 day .
- ✓ The company monitors risk cash and cash equivalents by dealing with banks with good 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.

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.

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	31/12/2016
	JOD	JOD
Cash at hand	3,860	1,370
Arab Bank – USD	-	5,173
Arab Bank – USD –Algeria	14,180	14,160
Islamic International Arab Bank-JOD	793	789
Investment bank – USD	2,238	56
Al Rajhi Bank – USD	35	9
Capital bank – JOD	4	-
Total	21,110	21,557

9- Trade account receivable

	30/09/2017	31/12/2016
	JOD	JOD
Local receivables	3,495,972	3,537,500
External receivables	3,711,188	2,623,365
Doubtful allowance	(51,853)	(51,853)
Total	7,155,307	6,109,012

10- Inventory and warehouses

	<u>30/09/2017</u>	<u>31/12/2016</u>
	JOD	JOD
Raw materials and Packing	935,154	903,742
Finished good	230,701	164,361
Spare parts and disposals	75,821	82,450
Goods in process	38,000	55,374
Total	<u>1,279,676</u>	<u>1,205,927</u>

11- Other debit balances

	<u>30/09/2017</u>	<u>31/12/2016</u>
	JOD	JOD
Prepaid expenses	273,072	180,638
Health insurance	17,642	-
Refundable deposits	5,628	5,676
Margin on guarantees	67,502	11,336
Income tax	1,732	1,581
Due from employees	34,717	30,171
Payments in advanced	-	29,617
Sale tax deposits	17,716	-
Others	16,305	40,881
Total	<u>434,314</u>	<u>299,900</u>

12- Property, plants and equipments

30/09/2017	Lands	Buildings	Machines , equipments & vehicles	Furniture and decorations	Total
Cost	JOD	JOD	JOD	JOD	JOD
Opening balance	124,865	1,517,898	2,518,281	232,953	4,393,997
Additions	-	2,295	48,383	5,973	56,651
Disposals	-	-	(23,790)	(1,161)	(24,951)
Ending balance	124,865	1,520,193	2,542,874	237,765	4,425,697
Accumulated depreciation					
Opening balance	-	365,052	1,186,651	108,079	1,659,782
Additions	-	34,184	153,852	11,732	199,768
Disposals	-	-	(3,720)	(156)	(3,876)
Ending balance	-	399,236	1,336,783	119,655	1,855,674
Net book value	124,865	1,120,957	1,206,091	118,110	2,570,023

31/12/2016	Lands	Buildings	Machines , equipments & vehicles	Furniture and decorations	Total
cost	JOD	JOD	JOD	JOD	JOD
Opening balance	124,865	1,281,336	2,339,464	213,111	3,958,776
Additions	-	236,562	496,103	19,842	752,507
Disposals	-	-	(317,286)	-	(317,286)
Ending balance	124,865	1,517,898	2,518,281	232,953	4,393,997
Accumulated depreciation					
Opening balance	-	324,663	994,478	92,491	1,411,632
Additions	-	40,389	230,565	15,588	286,542
Disposals	-	-	(38,392)	-	(38,392)
Ending balance	-	365,052	1,186,651	108,079	1,659,782
Net book value	124,865	1,152,846	1,331,630	124,874	2,734,215

13 - Intangible assets

	30/09/2017	31/12/2016
	JOD	JOD
Research and development and softwares	198,467	118,003
Additions	46,617	80,464
Total	245,084	198,467
Accumulated amortization		
Opening balance	46,639	6,074
Additions	41,523	40,565
Ending balance	88,162	46,639
Net book value	156,922	151,828

14- Credit banks

	30/09/2017	31/12/2016
	JOD	JOD
Capital Bank –JOD	-	156
Capital Bank – USD	709,090	558,041
Arab Bank –JOD	297,868	5,557
Arab Bank – USD	901,809	334,425
Union Bank – USD	897,668	584,067
Union Bank –JOD	95,341	2
Al Rajhi Bank – USD	295	20,388
Total	2,902,071	1,502,636

15- Other credit balances

	30/09/2017	31/12/2016
	JOD	JOD
Accrued expenses	96,357	25,241
Due to taxation department	4,408	4,814
Due to social security	20,051	20,189
Due to employees	7,513	11,547
Sale tax	-	22,323
Directors' incentives	5,000	35,000
Employees' benefits	5,950	11,981
Total	139,279	131,095

16- Equity

▪ Authorized, subscribed and paid up capital

The company was established in 05/07/1993 as limited liability company, it was transferred to public shareholding company at 17/Jan/2006 with authorized, subscribed and paid up capital of (1,200,000) JOD then the capital was increased up to (5,000,000) JOD as at 31/12/2015.

At 26/4/2015 the General Assembly decided in an extraordinary meeting to increase the capital by (2,500,000) JOD through capitalization of retained earning, with covering the rest of increase from voluntary reserve and to distribute this increase as free shares to the shareholders in proportion of their shares in capital.

▪ Statutory reserve

This balance represents 10% of previous years' profit carried forward in compliance with Jordanian Company's Law article (186) and this balance is not attributable to shareholders.

▪ Voluntary reserve

This balance represents 10% of previous years' profit carried forward in compliance with Jordanian Company's Law article (187).

▪ Retained earnings

This balance represents the profit carried forward from this year and previous years after provisions.

17 - Sales

	30/09/2017	30/09/2016
	JOD	JOD
Local sales	1,012,013	1,466,165
Export sales	4,039,633	3,766,045
Total	5,051,646	5,232,210

18- Cost of sales

	Note	30/09/2017	30/09/2016
		JOD	JOD
Raw materials		1,773,177	1,072,952
Operational expenses	18-1	668,946	741,481
Depreciation & amortization		139,003	132,298
Cost of production		2,581,126	1,946,731
Good in process - opening balance		55,374	68,669
Good in process - ending balance		(38,000)	(18,738)
Cost of goods available for sale		2,598,500	1,966,662
Finished goods – opening balance		164,361	167,516
Finished goods – ending balance		(230,701)	(187,512)
Total		2,532,160	1,976,666

18-1- Operational expenses

	30/09/2017	30/09/2016
	JOD	JOD
Wages and salaries	347,780	386,267
Social security	49,286	53,106
Water and electricity	60,771	57,499
Maintenance	38,819	29,792
Workers' wages	2,969	2,432
Analysis expenses	30,911	36,735
Health insurance	19,677	34,276
Testing expenses	9,250	21,850
Consumable	33,526	29,520
Fuel	10,839	5,661
Training and development	680	5,182
Water treatment expenses	7,424	4,452
Transportation	1,841	3,135
Write off expenses	1,025	7,294
Factory insurance	1,563	1,758
Calibration and air tests	10,315	14,745
Food	8,670	14,381
Stationery	3,320	2,583
Cleaning	4,501	8,071
Miscellaneous	25,779	22,742
Total	668,946	741,481

19-Selling and distribution expenses

	30/09/2017	30/09/2016
	JOD	JOD
Wages and salaries	158,135	276,311
Social security	20,804	35,676
Rents	7,974	10,101
Offices' expenses	12,425	27,923
Tenders	8,815	7,047
Health insurance	6,589	15,391
Advertising	40,109	53,807
Foreign markets expenses	733,873	1,190,788
Miscellaneous	13,195	15,839
Total	1,001,919	1,632,883

Philadelphia Pharmaceuticals Company
Notes to the financial Statements

20- Administrative and general expenses

	30/09/2017	30/09/2016
	JOD	JOD
Wages and salaries	325,339	313,053
Social security	42,605	41,741
Rents	18,352	24,455
Phones and mail	7,404	14,900
Stationery	3,958	8,603
Vehicle expenses	20,454	18,713
Security	14,000	13,950
Professional fees	6,500	11,950
Hospitality & cleaning	2,492	9,016
Health insurance	15,912	22,735
Fees and licenses	14,592	31,649
Head office expenses	17,360	36,220
Software's	7,023	8,794
Depreciation & amortization	67,098	95,225
Miscellaneous	11,794	34,784
Bonuses and incentives	-	39,209
Total	574,883	724,997