شركة مدارس الاتحاد المساهمة العامة

مدرسة الاتحاد الثانوية للبنين ☎ 5167990، 1، 2، 3، 4، 5، 6، 7، 8، 9 منطقة طارق

مدرسة الاتحاد الثانوية للبنات ☎ 5167990 - 5167998 مقابل التعبئة العامة – عمان
مدرسة الاتحاد الثانوية للبنين ☎ 5161593 ، 5161596 المدينة الرياضية – عمان
الإدارة العامة ☎ 5153758 – 5153859 – 5153857 فاكس رقم 5167999
ص.ب 6804 الرمز البريدي 11118

الإدارة العامة

الرقم : ش س /2019/7/
التاريخ : 2019/3/11

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الاوراق المالية
السادة بورصة عمان

Subject: Audited Financial Statements for the fiscal year ended 31/12/2018

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 2018/12/31

Attached the Audited Financial Statements of **(AL ITTIHAD SCHOOLS CO.)** for the fiscal year ended 31/12/2018

مرفق طيه نسخة من البيانات المالية المدققة **(لشركة مدارس الاتحاد)** عن السنة المالية المنتهية في 2018/12/31

Kindly accept our high appreciation and respect

وتفضلوا بقبول فائق الاحترام،،

Mr. Mohammd Abdullah Abu Khadijeh
Vice Chairman of the Board

السيد محمد عبدالله أبوخديجة
نائب رئيس مجلس الإدارة

مدارس الاتحاد
الإدارة العامة
Al Ittihad Schools

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
١٣ آذار ٢٠١٩
الرقم المتسلسل ....
الجهة المختصة ....

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

Financial Statements
and Independent Auditor's Report
as of December 31, 2018

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

Index

Independent Auditors' Report

02 19 521

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 31,2018,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, 2018, 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.

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ص.ب 925111
عمان 11190 الأردن

The adequacy of the expected credit loss provision	**The audit procedures included the:**
- Due to the estimated nature of the calculation of the expected credit loss provision for receivables as per IFRS 9 requirements amounted of JD 1,987,915, this matter is considered an important audit. - The Company applies the simplified method of IFRS 9 Financial Instruments to record expected credit losses. - The Company used estimates based on the Company's experience in calculating the allowance for impairment considering future factors and the economic environment. - The adjustment made to retained earnings upon transition to IFRS 9 was JD 237,890, and had a significant impact on its statement of financial statements.	• Examining the appropriateness of the approach used in the application of IFRS 9, Financial Instruments and Practical Instruments • Evaluating management's process for selection of the "expected credit loss" methodology. • Considering management's processes and controls implemented to ensure the completeness and accuracy of the transition adjustments. • Evaluate the appropriateness and reasonableness of the estimates made by management in calculating the expected credit loss provision. • Reviewing the adequacy of the Company's disclosures about the expected credit loss provision (9) and disclosing the accounting policies and estimates of the provision for credit losses expected in Note (4) to the financial statements.

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.

AL - Abbasi & Partners Co.

AL-ABBASI & PARTNERS CO. PUBLIC ACCOUNTANTS Member of Moore Stephens International Limited

Ahmed M. Abbasi
License 710

Amman in
28 February 2019

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

Statement of Financial Position as of December 31 , 2018

	Note	2018	2017
		JD	JD
Assets			
Non-current Assets			
Property, plant and equipment - Net	5	20,473,491	20,330,359
financial assets at Fair value through Comprehensive income	6	950,173	1,022,216
Investment in associate company	7	-	5,000
Total Non-current assets		**21,423,664**	**21,357,575**
current Assets			
cash on hands and at the banks	8	42,640	272,917
Accrued student premium and Returned cheques- Net	9	1,183,025	1,197,392
Cheques under collection and Note Receivables	10	2,258,366	2,166,957
Due on related Parties	30	85,450	10,000
supplies Warehouse - Net	11	304,543	413,983
Other debit balances - Net	12	334,170	281,652
Total Current Assets		**4,208,194**	**4,342,901**
Total Assets		**25,631,858**	**25,700,476**
Owner's Equity and liabilities			
Owner's Equity			
Capital	13	15,000,000	15,000,000
Stock premium	14	67,323	67,323
Statutory reserve	15	1,330,510	1,203,095
Voluntary reserve	16	24,753	24,753
Fair value reserve for the financial assets	17	(453,001)	(380,958)
Retained Earning at the end of the year	18	2,269,758	3,088,877
Total Owner's Equity		**18,239,343**	**19,003,090**
Current Liabilities			
Credit banks	19	837,552	-
Due to related Parties	30	92,169	33,041
Accounts payables	20	241,684	293,998
Revenue received in advance		5,353,108	5,497,554
Other credit balances	21	868,002	872,793
Total current liabilities		**7,392,515**	**6,697,386**
Total Owner's Equity and liabilities		**25,631,858**	**25,700,476**

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 31,2018

	Note	2018	2017
		JD	JD
Revenues			
Schools premium - Net		7,781,316	7,882,463
Other income	22	338,725	277,703
Buses (Losses)	23	(358,111)	(263,458)
School Uniforms profit	24	35,608	22,936
Cafeteria Profit	25	30,314	32,279
Total Revenues		**7,827,852**	**7,951,923**
Expenses			
Salaries and wages		(3,963,751)	(3,580,151)
Administrative and general expenses	26	(1,908,795)	(1,747,818)
Impairment of receivables		(100,000)	-
The Company's share of the results of the associate company		(10,000)	-
Depreciation		(513,147)	(523,623)
Interest expense		(58,006)	(16,605)
Board of directors remunerations		(44,836)	(45,000)
Total Expenses		**(6,598,535)**	**(5,913,197)**
Profit of the year before tax		**1,229,317**	**2,038,726**
Income tax	B 21	(155,734)	(272,029)
Profit of the year		**1,073,583**	**1,766,697**
Other comprehensive income items			
Change in fair value reserve		(72,043)	(182,041)
Total Comprehensive income		**1,001,540**	**1,584,656**
		JD	JD
Basic and diluted per share	27	**0.072**	**0.118**

Accompanying notes form integral part of this statement

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

Statement of Changes in Owners Equity For The Year Ended December 31,2018

	Capital	Issue premium	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
	JD	JD	JD	JD	JD	JD	JD
Balance as of Jan 1, 2018	**15,000,000**	**67,323**	**1,203,095**	**24,753**	**(380,958)**	**3,088,877**	**19,003,090**
prior years revenues	-	-	-	-	-	(27,397)	**(27,397)**
Effect of application of (IFRS No 9)						(237,890)	**(237,890)**
Adjusted opening balance	**15,000,000**	**67,323**	**1,203,095**	**24,753**	**(380,958)**	**2,823,590**	**18,737,803**
Profit of the year after tax	-	-	-	-	-	1,073,583	1,073,583
change in fair value reserve	-	-	-	-	(72,043)	-	(72,043)
Total Comprehensive income	-	-	-	-	**(72,043)**	**1,073,583**	**1,001,540**
Transfer to statutory reserve	-	-	127,415	-	-	(127,415)	-
Dividends paid (Note 18)	-	-	-	-	-	(1,500,000)	(1,500,000)
Balance as of Dec 31, 2018	**15,000,000**	**67,323**	**1,330,510**	**24,753**	**(453,001)**	**2,269,758**	**18,239,343**
Balance as of Jan 1, 2017	**15,000,000**	**67,323**	**994,723**	**24,753**	**(198,917)**	**2,624,287**	**18,512,169**
prior years revenues	-	-	-	-	-	(43,735)	**(43,735)**
Adjusted opening balance	**15,000,000**	**67,323**	**994,723**	**24,753**	**(198,917)**	**2,580,552**	**18,468,434**
Profit of the year after tax	-	-	-	-	-	1,766,697	1,766,697
change in fair value reserve	-	-	-	-	(182,041)	-	(182,041)
Total Comprehensive income	-	-	-	-	**(182,041)**	**1,766,697**	**1,584,656**
Transfer to statutory reserve	-	-	208,372	-	-	(208,372)	-
Dividends paid	-	-	-	-	-	(1,050,000)	(1,050,000)
Balance as of Dec 31, 2017	**15,000,000**	**67,323**	**1,203,095**	**24,753**	**(380,958)**	**3,088,877**	**19,003,090**

Accompanying notes form integral part of this statement

Ittihad School Co
Public Shareholding Company
Amman - The Hashemite Kingdom of Jordan
Statement of Cash Flows For The Year Ended December 31, 2018

	Note	2018	2017
		JD	JD
Cash flows from operating activities			
Profit of the year before tax		1,229,317	2,038,726
prior years revenues (expenses)		(27,397)	(43,735)
Impairment of receivables		100,000	-
The Company's share of the results of the associate company		10,000	-
Depreciation		760,486	779,797
End of service gratuity		8,652	7,300
Net operating profit before changes in working		**2,081,058**	**2,782,088**
(Increase) decrease in current assets			
Accrued student premium and Returned cheques		(323,523)	(125,800)
Cheques under collection and Note Receivable		(91,409)	(226,067)
due on related Parties		(75,450)	(10,000)
supplies Warehouse		109,440	(136,919)
Other debit balances		(52,518)	75,927
Increase (decrease) in current liabilities			
Accounts payable		(52,314)	84,907
due to related Parties		59,128	(4,120)
Revenue received in advance		(144,446)	(45,733)
Other credit balances		80,313	20,262
Net cash Resulting from operating activities before tax		**1,590,279**	**2,414,545**
Income tax	21b	**(249,490)**	**(315,150)**
Net cash Resulting from operating activities		**1,340,789**	**2,099,395**
Cash flows from investing activities			
Changes of property, plant and equipment		(903,618)	(714,617)
financial assets at Fair value through Comprehensive income		-	(29,364)
Investment in associate company		(5,000)	-
Net cash flows (used in) investing activities		**(908,618)**	**(743,981)**
Cash Flows from Financing Activities			
Credit banks		837,552	(95,585)
Dividends paid	18	(1,500,000)	(1,050,000)
Net cash flows (used in) investing activities		**(662,448)**	**(1,145,585)**
Net (decrease) increase in cash balances		(230,277)	209,829
Cash balances at beginning of year		272,917	63,088
Cash balances at end of year		**42,640**	**272,917**

Accompanying notes form integral part of this statement

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 February 28, 2019 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 .

- 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 polices used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2017 except for the followings:

Change in accounting policies

During the current period, the Group adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for periods beginning on 1 January 2018:

* IFRS 15 "Revenue from Contracts with Customers"
* IFRS 9 "Financial Instruments"
* Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions".
* Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts".

* Amendments to IAS 40 "Transfers of Investment Property"
* Annual improvements to IFRS 2014-2016 Cycle "Amendments to IFRS 1 and IAS 38".
* IFRIC 22 Foreign Currency Transactions and Advances consideration.

The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the condensed consolidated interim financial statements, except for IFRS 9, which led an increase in the provision for impairment of trade and other receivables .

IFRS 9 "Financial Instruments"

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recongnition and Measurement for The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and , in line with IFRS 9, comparative amounts have not been restated

The impact of the adoption of IFRS 9 as at 1st Janauary 2018 has been recognised in retained earnings. The standard eliminated the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

The adoptiion of IFRS 9 has fundamentally changed the Group's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance fro ECLs for all debt instruments measured at amorization cost.

For all debt instruments, the Group has applied the standard's simplified approach and has calculated ECLs bases on lefetime expected credit losses. The Group's policy to calculate ECls of debt instruments is for a period of 12 months

The following table summarizes the impact of transition to IFRS 9 on the opening balance of retained earnings (for a description of the transition method,

Line item impacted in the financial statements	As reported at 31 December 2017	Effect of application of IFRS 9	Estimated adjusted opening balances as at 1 January 2018
Expected credit Losses (Note9)	467,000	237,890	704,890
Retained earnings	3,088,877	(237,890)	2,850,987

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" (hereafter "IFRS 15) introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 "Revenue" , IAS 11 "Construction Contracts" and related interpretations.

Management reviewed and assessed the Group's existing contracts with customers at 1 January 2018 and concluded that, apart from more extensive disclosures for the Group's revenue transactions (Note 17), the initial application of IFRS 15 had no significant impact on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 January 2018.

New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standard that are available for early adoption for financial years beginning after 1 January 2018 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2019

- IFRS 16 "Leases"
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments"
- Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation.
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures.
- Amendments to IAS 19 "Employee Benefits" on plan amendment curtailment or settlement.
- Amendments to varicus standards based on the Annual Improvements to IFRSs 2015-2017 Cycle.

Effective for year beginning 1 January 2020

Amendments to references to conceptual framework in IFRS standards

Effective for year beginning 1 January 2021

IFRS 17 "Insurance Contracts

Effective date deferred indefinitely / available for optional adoption

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture

The following is a summary of the significant accounting policies

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 impairement 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 .

- **Investments in financial assetsat 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 them until maturity.

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 value appear.

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 income.

- **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

Cash and cash equivalents

The cash and cash equivalents represent the cash on hands and at the banks and the investments able to liquefaction with an original maturity of three months or less So that do not include the risk of change in value

- **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

- **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 .

- **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

  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 .

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
Cost as of januarey 1, 2018	**6,848,142**	**16,184,561**	**2,499,170**	**1,319,594**	**529,954**	**844,586**	**72,620**	**202,645**	**485,601**	**28,986,873**
Additions during the year	126,369	332,210	156,000	47,664	45,777	114,761	1,102	5,544	74,191	903,618
Cost at December 31, 2018	**6,974,511**	**16,516,771**	**2,655,170**	**1,367,258**	**575,731**	**959,347**	**73,722**	**208,189**	**559,792**	**29,890,491**
Acumulated Depreciation										
balance as of januarey 1, 2018	-	3,777,096	2,037,291	1,077,185	388,595	786,425	69,517	134,174	386,231	8,656,514
Additions during the year	-	328,006	247,341	63,560	42,186	42,389	1,403	17,610	17,991	760,486
balance as of December 31, 2018	**-**	**4,105,102**	**2,284,632**	**1,140,745**	**430,781**	**828,814**	**70,920**	**151,784**	**404,222**	**9,417,000**
Net book value as of December 31, 2018	**6,974,511**	**12,411,669**	**370,538**	**226,513**	**144,950**	**130,533**	**2,802**	**56,405**	**155,570**	**20,473,491**
Net book value as of December 31, 2017	**6,848,142**	**12,407,465**	**461,879**	**242,409**	**141,359**	**58,161**	**3,103**	**68,471**	**99,370**	**20,330,359**

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

This item consists of the following:

	2018	2017
	JD	JD
listed Shares		
listed Shares	950,173	1,022,216
Fair value	**950,173**	**1,022,216**

7- **Investment in associated - Applied Company for Energy**

This item consists of the following:

	Contribution Ratio	2018	2017
	20%	JD	JD
Balance at the beginig of the year		**5,000**	**5,000**
Payment of the remaining share of the company in the capital		5,000	-
The Company's share of the results of the associate company		(10,000)	-
Balance at the endinf of the year		-	**5,000**

The following table summarizes the financial statements of the investments in the associate:

	2018	2017
	JD	JD
Assets	352,812	11,678
Liabilities	410,399	3,267
Net Assets	**(57,587)**	**8,411**

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

This item consists of the following:

	2018	2017
	JD	JD
petty Cash	7,180	15,477
cash at the stamp machine	1,382	379
Cash at local banks	34,078	257,061
Total	**42,640**	**272,917**

9- Accured student premium and Returned cheques - Net

a- This item consists of the following :

	2018	2017
	JD	JD
Accrued student premium	1,854,039	1,542,206
Returned cheques	133,876	122,186
Total	**1,987,915**	**1,664,392**
Less: Provision for doubtful debts (9b)	(804,890)	(467,000)
Net	**1,183,025**	**1,197,392**

b- Changes in Expected credit loss Provision as following :

	2018	2017
	دينار اردني	دينار اردني
Balance at the beginig of the year	**467,000**	**467,000**
Effect of application of IFRS 9 (Note 4)	237,890	-
Additions for the year	100,000	-
Balance at the endinf of the year	**804,890**	**467,000**

10- Cheques under collection and Note payable

This item consists of the following :

	2018	2017
	JD	JD
Cheques under collection	684,333	664,112
unaccrued - Note recevable	1,574,033	1,502,845
Total	**2,258,366**	**2,166,957**

The maturity date of the deeds of arrest extends until December 30, 2019

11- supplies Warehouse - Net

This item consists of the following :

	2018	2017
	JD	JD
Books	133,689	108,071
School uniforms	67,231	103,515
spare parts	34,713	34,031
public Warehouses	92,061	191,517
Total	**327,694**	**437,134**
Slow moving goods provision	(23,151)	(23,151)
Net	**304,543**	**413,983**

12- **Other debit balances - Net**

This item consists of the following:

	2018	2017
	JD	JD
Prepaid expenses	24,835	32,390
Receivables staff	209,741	145,786
Refundable Debosit	4,424	4,424
work in process	16,961	7,214
Other debit balances	97,273	109,098
Guaranties Deposit	23,378	20,098
Others withholding	86,249	91,333
Total	**462,861**	**410,343**
provision for doubtful debts (Note 12b)	(128,691)	(128,691)
Net	**334,170**	**281,652**

13- **Capital**

The paid-up capital and unauthorized amounted to15,000,000 Jordanian dinars, divided into15,000,000 shares, the par value per share is JD one shares) value per share of nominal dinars).

14- **Stock premium**

premium account reperesent difference between from 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

The statutory resrve can be used for amortization accumulated loss in accordance with the companies law

16- **Voluntary reserves**

This item represents the accumulated amount appropriated at a rate of 20% of annual income before taxs , and it used in purpose detrmined by the Border of Directors

17- **Fair value reserve**

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	(380,958)	(198,917)
Change through of the year	(72,043)	(182,041)
Balance at end of year	**(453,001)**	**(380,958)**

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

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	3,088,877	2,624,287
prior years revenues (expenses)	(27,397)	(43,735)
Effect of application of (IFRS No 9)	(237,890)	-
Adjusted opening balance	**2,823,590**	**2,580,552**
Profit for the year	1,073,583	1,766,697
Transfer to statutory reserve	(127,415)	(208,372)
Dividends paid (Note 18b)	(1,500,000)	(1,050,000)
Balance at end of year	**2,269,758**	**3,088,877**

- At its meeting held on 26 April 2018, the General Assembly decided to Approve to the distribution of cash dividends of amount 1,500,000 JD 10% of the capital .

Proposed profits to be distributed to shareholders

The Board of Directors decided in their meeting held on 28 February 2019 to sujest to the ordinary general assembly for distributing cash dividends for the year 2018 at the rate of 6% of capital, amounted of JD 900,000 .

19- **Credit banks**

This item consists of the following:

	Rate	2018	2017
		JD	JD
Arab Bank	9.125%	837,552	-
Total		**837,552**	-

20- **Accounts payable**

This item consists of the following:

	2018	2017
	JD	JD
Accounts payable and Suppliers	241,684	293,998
Total	**241,684**	**293,998**

21- **Other credit balances**

a- This item consists of the following:

	2018	2017
	JD	JD
Income Tax provision (21b)	284,800	378,556
Shareholders withholding	107,854	161,246
Government withholding	79,550	6,372
payable staff	17,420	50,258
others withholding	278,296	171,048
Board of directors remuneration	45,000	45,000
Accrued expenses	6,487	25,947
Other credit balances	3,380	225
Employees end of service of indemnity	35,879	24,945
garantte deposit	3,718	439
Scientific research and professional training	262	262
Legal Expenses	1,015	1,015
Board of directors paybles	4,341	7,480
Total	**868,002**	**872,793**

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

	2018	2017
	JD	JD
Balance beginning of the year	378,556	421,677
tax for the year	155,734	272,029
tax Paid Half yearly	-	(63,363)
tax Paid during the year	(249,490)	(251,787)
Balance at the ending of the year	**284,800**	**378,556**

- The company was terminated with the Income and Sales Tax Department until 2015 with a sambel system
- The annual estimate of 2016 , 2017 was presented within the legal period of the Income and Sales Tax Department and has not yet been reviewed
- The income tax provision for the results of 2018 was calculated by the Company's tax advisor.

22- **Other income**

This item consists of the following:

	2018	2017
	JD	JD
profit dividines	75,256	73,256
Other revenues	104,466	140,280
activities Revenue	90,663	12,549
gratuations Revenues	64,324	38,781
Educational Revenue	4,016	12,837
Total	**338,725**	**277,703**

23- **Buses (losses)**

This item consists of the following:

	2018	2017
	JD	JD
Buses Revenues	**668,810**	**672,726**
Buses Expenses		
Salaries and Wages	386,168	360,534
Social security	41,539	47,430
Maintenance	17,407	9,004
spare part	70,334	55,325
Fuels	186,775	145,151
GPS expenses	5,528	5,111
insurance and License	51,575	45,203
depreciation	247,340	256,174
Parking Rental	7,336	-
others	12,919	12,252
Total Expenses	**1,026,921**	**936,184**
Buses (losses)	**(358,111)**	**(263,458)**

24- **School Uniforms profit**

This item consists of the following:

	2018	2017
	JD	JD
Uniforms sales	100,932	109,558
Uniforms cost of sales	(65,324)	(86,622)
Net profit	**35,608**	**22,936**

25- **Cafeteria Profit**

This item consists of the following:

	2018	2017
	JD	JD
cafeteria sales	70,948	81,043
cafeteria cost of sales	(40,634)	(48,764)
Net Profit	**30,314**	**32,279**

26- General and administrative expenses

This item consists of the following:

	2018	2017
	JD	JD
Social security	503,437	465,248
Health Insurance	13,557	51,025
Students expenses	82,441	75,186
Electric and water	479,045	463,048
Maintenance	126,962	99,928
stationery ,Computer supplies	65,474	43,781
Cleaning services	14,816	13,517
Fees and subscriptions	83,410	83,512
Fuels and Heating	77,835	40,019
transportation of baords of directors	40,167	43,152
miscellaneous	71,706	40,582
Phone and Internet expenses	34,919	18,293
Hospitality	12,736	12,353
Advertising	43,992	28,917
Books expenses	198,488	200,254
Legal expenses and Commissions collection	18,455	11,235
insurance expenses	5,144	5,195
Professional fees	21,194	20,470
Educational consultoting	6,365	24,803
Employees end of service of indemnity	8,652	7,300
Total	**1,908,795**	**1,747,818**

27- Earnings Per Share

This item consists of the following:

	2018	2017
	JD	JD
Profit of the year after tax	1,073,583	1,766,697
The weighted average number of shares	15,000,000	15,000,000
Basic and diluted, earnings per share	**0.072**	**0.118**

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

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:

2018	The main activity	shares	others	Total
	JD	JD	JD	JD
Revenue	7,752,596	-	75,256	7,827,852
other segment				
Capital expenditure	903,618	-	-	903,618
Depreciation	760,486	-	-	760,486
Assets And Liability				
Assets	24,599,045	950,173	42,640	25,591,858
Liabilities	7,392,515	-	-	7,392,515

2017	The main activity	shares	others	Total
	JD		JD	JD
Revenue	7,878,667	-	73,256	7,951,923
other segment				
Capital expenditure	(714,617)	-	-	(714,617)
Depreciation	779,797	-	-	779,797
Assets And Liability				
Assets	24,400,343	1,027,216	272,917	25,700,476
Liabilities	6,697,386	-	-	6,697,386

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

the following table shows the analysis of assets and liabilities accordaing to the expected period of recovery and settelment :

2018	for year	more than one year	Total
	JD	JD	JD
Assets			
Property, plant and equipment	-	20,473,491	20,473,491
Investments in financial assets at Fair value through Comprehensive income	-	950,173	950,173
Investment in associate company	-	-	-
Cash on hands an at the Banks	42,640	-	42,640
Accured student premium and Returned cheques	1,183,025	-	1,183,025
Cheques under collection and Note Receivables	2,258,366	-	2,258,366
Due on related Parties	85,450	-	85,450
supplies Warehouse	304,543	-	304,543
Other debit balances	334,170	-	334,170
Total Assets	**4,208,194**	**21,423,664**	**25,631,858**
Current Liability			
Credit banks	837,552	-	837,552
Due to relalted Parties	92,169	-	92,169
Accounts payables	241,684	-	241,684
Revenue received in advance	5,353,108	-	5,353,108
Other credit balances	868,002	-	868,002
Total current liabilites	**7,392,515**	**-**	**7,392,515**
Net	**(3,184,321)**	**21,423,664**	**18,239,343**

The analysis of maturity of assets and liabilities

	2017		
	for year	more than one year	Total
	JD	JD	JD
Assets			
Property, plant and equipment	-	20,330,359	20,330,359
Investments in financial assets at Fair value through Comprehensive income	-	1,022,216	1,022,216
Investment in associate company	-	5,000	5,000
Cash on hands an at the Banks	272,917	-	272,917
Accured student premium and Returned cheques	1,197,392	-	1,197,392
Cheques under collection and Note Receivables	2,166,957	-	2,166,957
Due on related Parties	10,000	-	10,000
supplies Warehouse	413,983	-	413,983
Other debit balances	281,652	-	281,652
Total Assets	**4,342,901**	**21,357,575**	**25,700,476**
Current Liability			
Credit banks	-	-	-
Due to relalted Parties	33,041	-	33,041
Accounts payables	293,998	-	293,998
Revenue received in advance	5,497,554	-	5,497,554
Other credit balances	872,793	-	872,793
Total current liabilites	**6,697,386**	**-**	**6,697,386**
Net	**(2,354,485)**	**21,357,575**	**19,003,090**

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- The following is thw transaction that Due on related Parties

	2018	2017
	JD	JD
Applied Company for Energy	74,778	-
AL-Omana'a for Investment and financial portfolio management	10,000	10,000
Ibn Al haytham hospital co	672	-
Total	**85,450**	**10,000**

The following is thw transaction that Due to related Parties

	2018	2017
	JD	دينار اردني
Arab international co for educationn and investments	73,514	3,909
Ibn Al haytham hospital co	18,655	29,132
Total Assets	**92,169**	**33,041**

b- Items within the Statement of comprehensive Income

	2018	2017
	JD	JD
Health Insurance - Ibn Al haytham hospital co	18,655	27,935
cash dividend - Arab international co for educationn and investments	75,256	73,256

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

	2018	2017
	JD	JD
Salaries and bonus	388,553	216,954

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.

- **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

	2018		
	Less than three months.	From three months to 12 months	Total
	JD	JD	JD
Credit banks	837,552	-	837,552.00
Due to relalted Parties	92,169	-	92,169
Accounts payable	241,684	-	241,684
advance income	5,353,108	-	5,353,108
Other credit balances	868,002	-	868,002
Total	**7,392,515**	-	**7,392,515**

	2017		
	Less than three months.	From three months to 12 months	Total
	JD	JD	JD
Due to relalted Parties	33,041	-	33,041
Accounts payable	293,998	-	293,998
advance income	5,497,554	-	5,497,554
Other credit balances	872,793	-	872,793
Total	**6,697,386**	-	**6,697,386**

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 18,692,344 as of December 31, 2018 against JD19,384,048 as of December 31, 2017

33- **Contingent Liabilities**

At the date of financial statements there was contingent liabilities represented ofBanks Guarantees 23,378 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- **Public**

In extraordinary meeting held on December 23, 2018, the General Assembly decided to transfer the legal status of the Company from a public joint stock company to a limited liability company.

36- **Comparative**

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

33- **Extension Distribution of income statement**

The distribution of the income statement of the Head Office (Amman) and the

	2018			2017		
	Amman	**Aqaba**	**Total**	**Amman**	**Aqaba**	**Total**
Revenues						
Schools premium - Net	5,376,208	2,405,108	7,781,316	5,405,363	2,477,100	7,882,463
Other income	280,090	58,635	338,725	237,612	40,091	277,703
Buses (Losses)	(341,376)	(16,735)	(358,111)	(255,867)	(7,591)	(263,458)
School Uniforms profit	22,032	13,576	35,608	15,344	7,592	22,936
Cafeteria Profit	30,314	-	30,314	32,279	-	32,279
Total Revenues	**5,367,268**	**2,460,584**	**7,827,852**	**5,434,731**	**2,517,192**	**7,951,923**
Expenses						
Salaries and wages	(2,886,614)	(1,077,137)	(3,963,751)	(2,581,408)	(998,743)	(3,580,151)
Administrative and general expenses	(1,349,165)	(559,630)	(1,908,795)	(1,293,821)	(453,997)	(1,747,818)
Impairment of receivables	(100,000)	-	(100,000)	-	-	-
The Company's share of the results of the associate company	(10,000)	-	(10,000)	-	-	-
Depreciation	(385,924)	(127,223)	(513,147)	(394,966)	(128,657)	(523,623)
Interest expense	(34,320)	(23,686)	(58,006)	(9,988)	(6,617)	(16,605)
Board of directors remunerations	(44,836)	-	(44,836)	(45,000)	-	(45,000)
Total Expenses	**(4,810,859)**	**(1,787,676)**	**(6,598,535)**	**(4,325,183)**	**(1,588,014)**	**(5,913,197)**
Profit of the year before tax	**556,409**	**672,908**	**1,229,317**	**1,109,548**	**929,178**	**2,038,726**
Income tax	(122,089)	(33,645)	(155,734)	(225,571)	(46,458)	(272,029)
Profit of the year	**434,320**	**639,263**	**1,073,583**	**883,977**	**882,720**	**1,766,697**