

شركة مدارس الاتحاد المساهمة العامة

مدرسة الاتحاد الثانوية للبنين 5167990 - 5167998 مقابل التعلبة العامة - عمان

مدرسة الاتحاد الثانوية للبنات 5161593 - 5161596 المدينة الرياضية - عمان

الإدارة العامة 5153758 - 5153859 - 5153857 فاكس رقم 5167999

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الإدارة العامة

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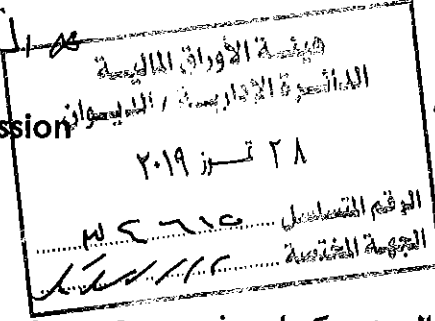
Date: 29/7/2019

الرقم : ش س / 2 / 29

التاريخ: 29/7/2019

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الأوراق المالية
السادة بورصة عمان



Subject: Semi- Annual Report as of
30/6/2019

الموضوع: التقرير نصف السنوي كما هو في
2019/6/30

Attached the company's Semi- Annual
Report of **AL ITTIHAD SCHOOLS Co.** As of
30/6/2019

مرفق طيه نسخة من التقرير نصف
السنوي لشركة مدارس الاتحاد كما هو بتاريخ

2019/6/30

Kindly accept our highly appreciation
and respect

وتفضلوا بقبول فائق الاحترام...

Mr. Mohammad Abdullah AbuKhadijeh
Vice Chairman of the Board

السيد محمد عبدالله أبوخديجة
نائب رئيس مجلس الإدارة



Attachments:

A copy of the condensed interim financial
statements as of June 30, 2019 for AL ITTIHAD
SCHOOLS Co. and the report of the accountant

المرفقات:

نسخة من القوائم المالية المرحلية الموجزة كما في 30 حزيران
2019 لشركة مدارس الاتحاد مع تقرير المحاسب القانوني حول
مراجعة القوائم المالية المرحلية الموجزة على CD بصيغة

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

Condensed Interim Financial Statements
as of June 30, 2019
(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

521 19 03

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 30 June 2019, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for six months ended 30 June 2019 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 matter:

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

Al Abbasi & Partners Co.



Nabil Moh'd Obeidat

License No. 877



Amman in

18 July 2019

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

Condensed Interim Statement of Financial Position as of June 30, 2019

Reviewed Not Audited

	Note	30-Jun-2019 JD (Reviewed)	31-Dec-2018 JD (Audited)
<u>Assets</u>			
<u>Non - Current Assets</u>			
Property , plant & equipments - net	5	20,216,922	20,473,491
Financial assets at fair value through comprehensive income		901,157	950,173
Investments in associates	6	20,000	-
Total Non - Current Assets		21,138,079	21,423,664
<u>Current Assets</u>			
Cash on hand and at banks		140,035	42,640
Accrued student premium and Returned cheques- Net	7	1,461,355	1,183,025
Cheques under collection and Note Receivables		810,302	2,258,366
Due from related parties	13	512,762	85,450
supplies Warehouse		238,158	304,543
Other debit Accounts - Net		320,578	334,170
Total Current Assets		3,483,190	4,208,194
Total Assets		24,621,269	25,631,858
<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		1,330,510	1,330,510
Voluntary reserve		24,753	24,753
Fair value reserve		(502,018)	(453,001)
Retained earning	8	1,352,236	2,269,758
Profit for the period		478,345	-
Total Owner's Equity		17,751,149	18,239,343
<u>Current Liabilities</u>			
Credit banks	9	3,229,457	837,552
Due to related parties	13	105,797	92,169
accounts payable		133,058	241,684
Unearned revenues		2,556,127	5,353,108
Income Tax Provision	10	172,822	284,800
National Sahring Account		4,806	-
Other credit Accounts		668,053	583,202
Total Current Liabilities		6,870,120	7,392,515
Total owners' Equity And Liabilities		24,621,269	25,631,858

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 six Months Ended June 30, 2019

Reviewed Not Audited

	Note	For the six months ended at		For the three months ended at	
		30-Jun-2019	30-Jun-2018	30-Jun-2019	30-Jun-2018
		JD	JD	JD	JD
<u>Revenue and profit (loss) of various activities</u>					
Schools premium - Net		3,727,289	3,817,399	1,915,740	1,935,393
Other income		170,477	191,712	143,098	165,539
Buses (Losses)		(150,308)	(167,419)	(62,055)	(94,521)
School Uniforms & Cafeteria profit		7,806	14,152	1,776	6,523
Total Revenues		3,755,264	3,855,844	1,998,559	2,012,934
<u>Expenses</u>					
Salaries and wages		(2,350,745)	(2,202,068)	(1,179,302)	(1,246,551)
Administrative and general expenses	11	(564,205)	(576,541)	(301,343)	(160,115)
Depreciation		(257,943)	(255,575)	(130,294)	(128,380)
Company's share of associates profit		-	(3,318)	-	-
Interest expenses		(60,376)	(23,969)	(40,166)	(23,969)
Total Expenses		(3,233,269)	(3,061,471)	(1,651,105)	(1,559,015)
Profit of the year before tax		521,995	794,373	347,454	453,919
Income tax	10	(38,844)	(88,331)	(29,854)	(51,877)
National Sahrng Account		(4,806)	-	(3,061)	-
Profit of the year		478,345	706,042	314,539	402,042
<u>Add: Other comprehensive income items</u>					
Change in Fair value		(49,017)	(7,876)	(52,579)	(68,230)
Total Comprehensive income for the period		429,328	698,166	261,960	333,812
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Basic and diluted earning per share	12	0.032	0.047	0.021	0.027

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 Changes In Owners' Equity For the six Months Ended June 30, 2019

Description	Capital		Issuance premium		Statutory Reserve		Voluntary reserve		Fair Value Reserve		Retained Earnings		Profit Of The Period		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the three months ended June 30, 2019																
Balance as of January 1, 2019	15,000,000	-	67,323	1,330,510	24,753	(453,001)	2,269,758	-	18,239,343							
Expenses of previous years	-	-	-	-	-	-	(17,522)	-	(17,522)							
adjusted opening Balance	15,000,000	-	67,323	1,330,510	24,753	(453,001)	2,252,236	-	18,221,821							
Profit of the period	-	-	-	-	-	-	-	478,345	478,345							
Change in Fair value	-	-	-	-	-	(49,017)	-	-	(49,017)							
Total Comprehensive income for the period	-	-	-	-	-	(49,017)	-	478,345	429,328							
Dividends paid (note 8)	-	-	-	-	-	-	(900,000)	-	(900,000)							
Balance as of June 30, 2019 (Reviewed)	15,000,000	-	67,323	1,330,510	24,753	(502,018)	1,352,236	478,345	17,751,149							
For the three months ended June 30, 2018																
Balance as of January 1, 2018	15,000,000	-	67,323	1,203,095	24,753	(380,958)	3,088,877	-	19,003,090							
Expenses of previous years	-	-	-	-	-	-	(11,815)	-	(11,815)							
Effect of application of IFRS 9 (note 4)	-	-	-	-	-	-	(237,890)	-	(237,890)							
adjusted opening Balance	15,000,000	-	67,323	1,203,095	24,753	(380,958)	2,839,172	-	18,753,385							
Profit of the period	-	-	-	-	-	-	-	706,042	706,042							
Change in Fair value	-	-	-	-	-	(7,876)	-	-	(7,876)							
Total Comprehensive income for the period	-	-	-	-	-	(7,876)	-	706,042	698,166							
Dividends paid	-	-	-	-	-	-	(1,500,000)	-	(1,500,000)							
Balance as of June 30, 2018 (Reviewed)	15,000,000	-	67,323	1,203,095	24,753	(388,834)	1,339,172	706,042	17,951,551							

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 six Months Ended June 30, 2019

Reviewed Not Audited

	Note	30-Jun-2019 JD	30-Jun-2018 JD
<u>Cash Flows From Operating Activities</u>			
Profit for the period before tax		521,995	794,373
Expenses of previous years		(17,522)	(11,815)
Depreciation	5	339,048	381,554
Company's share of associates profit / (Loss)		-	3,318
Operating Income before changes in working capital		843,521	1,167,430
<u>(Increase) decrease in current assets</u>			
Accrued student premium and Returned cheques		(278,330)	(470,594)
Cheques under collection and Note Receivable		1,448,064	1,306,786
Due to related parties		(427,312)	-
Inventory		66,385	142,028
Other debit Accounts		13,592	(74,601)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		(108,626)	(113,013)
Due from related parties		13,628	(15,869)
Unearned revenues		(2,796,981)	(2,340,811)
Other credit Accounts		84,850	132,215
Net Cash (Used in) Operating Activities before paid tax		(1,141,209)	(266,429)
Paid tax	10	(150,822)	(199,900)
Net Cash (Used in) Operating Activities		(1,292,031)	(466,329)
<u>Cash flows from investing activities</u>			
Changes of property, plant and equipment	5	(82,479)	(580,567)
Investments in associates		(20,000)	(5,000)
Net cash flows (Used in) investing activities		(102,479)	(585,567)
<u>Cash Flows from Financing Activities</u>			
Credit banks		2,391,905	2,350,463
Dividends paid		(900,000)	(1,500,000)
Net cash flows Provided from Financing activities		1,491,905	850,463
Net increase (decrease) in cash balances		97,395	(201,433)
Cash balances at beginning of Period		42,640	272,917
Cash balances at end of Period		140,035	71,484

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.

The Condensed interim financial statements were approved by the board of directors at its meeting held on 18 July 2019 it is not subject to the approval of the General Assembly of Shareholders .

2- The basis of preparation Condensed financial statements

General

- These condensed interim financial statement have been prepared in accordance with international accounting standards ((IFRS) IAS 34)(Interim Financial Reporting).
- The condensed interim financial statements have been prepared on historical cost except financial assets and liabilities which appears on fair value.
- 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 31,2018**, in addition, The results for the Six months period ended **June 30,2019** are not necessarily indicative of the results that may be expected for the financial year ending **December 31,2019** . No Provision has been made for the profit for the six months ended at June 30,2019 which 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 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 2018

4- Significant accounting policies

The preparation of interim condensed financial information at June 30,2019 in accordance to ((IFRS) IAS 34) 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. (3)

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

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

Changes in accounting Policies

During the period , the company applied the followinf adjusted standard and improvements on the (IFRS) Which takes effect for the periods start at January 1,2019

- (IFRS 16 - Rents)
- Interpretations No (23) from Interpretations Committee for IFRS On uncertainties about tax treatment
- Adjustments on (IFRS 9) Financial instruments , Advantages of prepayments with negative compensation
- Adjustments on (IFRS 28) Investments in associats and Joint ventures , Long-term quotas in Sister companies and Joint ventures
- Adjustment on (IFRS 19) Staff benefits , Modification or settlement of the plan
- Adjustment on differnet standards on the basis of the annual imprvemets on the IFRS 2015-2017

The company does not expect to have to apply of new and revised IFRSs and improvements to IFRSs have no significant impact on the interim condensed financial statements

Ittilhad 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	JD	JD	JD	JD	JD	JD	JD	JD	JD	
Cost at June 30, 2019																			
Balance as of January 1, 2019	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									
Additions	-	-	-	6,050	39,170	10,738	-	-	26,521	82,479									
Cost at June 30, 2019	6,974,511	16,516,771	2,655,170	1,373,308	614,901	970,085	73,722	208,189	586,313	29,972,970									
Accumulated Depreciation at June 30, 2019																			
balance as of January 1, 2019	-	4,105,102	2,284,632	1,140,745	430,781	828,814	70,920	151,784	404,222	9,417,000									
Additions	-	163,809	82,534	25,306	20,268	21,159	700	7,140	18,132	339,048									
balance as of June 30, 2019	-	4,268,911	2,367,166	1,166,051	451,049	849,973	71,620	158,924	422,354	9,756,048									
book value as of June 30, 2019 (Reviwed)	6,974,511	12,247,860	288,004	207,257	163,852	120,112	2,102	49,265	163,959	20,216,922									
book value as of December 31, 2018 (Audited)	6,974,511	12,411,669	370,538	226,513	144,950	130,533	2,802	56,405	155,570	20,473,491									

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

6- Investments in associates

	<u>Ownership</u>	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
		JD	JD
		(Reviewed)	(Audited)
Balance at the Bigening of the Period / year	20%	-	5,000
Pay the 50% of the company share in increasing the capital		20,000	5,000
Company's share of associates profit for 2018		-	(10,000)
Balance at the Ending of the Period / year		20,000	-

- investments in associates comapany - Applied Energy Company has not been evaluated Due to the lack of interim financial statements as of June 30,2019

7- Accured student premium and Returned cheques - Net

a- This item consists of :

	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Accrued student premium	2,127,517	1,854,039
Returned cheques	138,728	133,876
Total	2,266,245	1,987,915
Provision for impairment (Note 7-b)	(804,890)	(804,890)
Net	1,461,355	1,183,025

b- Changes Provision for impairment as following :

	<u>30-Jun-2019</u>	<u>31-Dec-2018</u>
	JD	JD
	(Reviewed)	(Audited)
Balance at the beginig of the period / year	804,890	467,000
Effect of application of IFRS 9	-	237,890
Addition During the Period / year	-	100,000
Balance at the endinf of the period / year	804,890	804,890

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

8- **Retained Earning at the end of the Period / year**

This item consists of the following:

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance at the beginning of the Period / year	2,269,758	3,088,877
prior years revenues (expenses)	(17,522)	(27,397)
Effect of application of IFRS 9	-	(237,890)
Adjusted Opening Balance	2,252,236	2,823,590
Profit for the year	-	1,073,583
Transfer to statutory reserve	-	(127,415)
Dividends paid (Note 8 - B)	(900,000)	(1,500,000)
Balance at end of Period / year	1,352,236	2,269,758

the General Assembly decided At its meeting held on 21 April 2019 to Approve to the distribution of cash dividends JD 900,000 of 6 % of the capital

9- **Credit Banks**

This item consists of :

	Interest rate	Ceiling facilities	30-Jun-2019	31-Dec-2018
	%		JD	JD
			(Reviewed)	(Audited)
Arab Bank	9.25	4,500,000	2,202,803	837,552
Union Bank	8.50	1,300,000	1,026,654	-
Total			3,229,457	837,552

- The facilities granted to the Company are to ensure the name of the company

10- **Income Tax**

This item consists of :

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the Period / year	284,800	378,556
tax for the Period	38,844.00	155,734
tax Paid Half yearly	-	-
tax Paid	(150,822)	(249,490)
Balance at the ending of the Period / year	172,822	284,800

- The annual estimate Statement for 2017 , 2018 was Submitted within the legal period to the Income and Sales Tax Department and has not yet been reviewed

- The income tax for the period ended at June 30,2019 was calculated by the tax advisor for the company

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

Notes to The Condensed Interim Financial Statements - Reviewed Not Audited

11- General and administrative expenses

This item consists of :

	30-Jun-2019	30-Jun-2018
	JD	JD
	(Reviewed)	(Reviewed)
Students expenses	101,034	88,094
Electric and water	202,905	216,730
Maintenance	20,712	33,253
Stationery and prints and computer	18,927	41,027
Cleaning services and materials	7,750	6,433
Fees and subscriptions and general tax	60,370	49,068
Fuels and Heating	52,748	47,895
transportation of boards of directors	22,500	22,580
miscellaneous	9,026	9,954
Phone and Internet expenses	17,000	18,133
Hospitality	4,518	6,202
Advertising	5,638	15,725
insurance expenses	2,451	2,528
Professional fees	38,626	18,919
Tota	564,205	576,541

12- earninig per share

This item consists of :

	30-Jun-2019	30-Jun-2018
	JD	JD
Profit of the period after tax	478,345	706,042
Weighted average shares (share)	15,000,000	15,000,000
Basic and diluted earninig per share	0.032	0.047

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

Notes to The Condensed Interim Financial Statements - Reviewd Not Audited

13 Related parties transactions

Realated parties include key shareholders , key management personnel , key managers , associates and subcdiaries 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

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Applied Energy Company	502,762	74,778
Omnaa for investment	10,000	10,000
IBn-Alhitham Hospital Co	-	672
Total of due from related parties	512,762	85,450

B- Details of due to related parties appear on financial position

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Arab International Company For Education And Investment	73,529	73,514
IBn-Alhitham Hospital Co	32,268	18,655
Total of due to related parties	105,797	92,169

C- Details of due to related parties appear on Statement of Comprehensive Income

	30-Jun-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Ibn-Alhaytham Hospital Co - Health Insuranse	30,862	6,748

D- Wages , Allowances and other benefits for senior excutive managements :

	30-Jun-2019	31-Dec-2018
	JD	JD
Wages & other benefits	110,400	102,513

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

Notes to The Condensed Interim Financial Statements - Reviewd Not Audited

14- 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 Six Monthes ended at June 30	
	The main activity	shares	others	2019	2018
	JD	JD	JD	Total JD	Total JD
Revenue	3,698,822	56,442	-	3,755,264	3,855,844
<u>other segment</u>					
Capital expenditure	82,479	-	-	82,479	580,567
Depreciation	339,048	-	-	339,048	381,554
				30-Jun-2019	31-Dec-2018
	The main activity	shares	others	Total	Total
	JD	JD	JD	JD	JD
<u>Assets And Liability</u>					
Assets	23,560,077	921,157	140,035	24,621,269	25,631,858
Liabilities	6,870,120	-	-	6,870,120	7,392,515

15- 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.

16- Subsequent events

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

17- Comparative Figures

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