

شركة مدارس الاتحاد المساهمة العامة

مدرسة الاتحاد الثانوية للبنين ☎ 5167990 - 5167998 مقابل التعينة العامة - عمان

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

الإدارة العامة

Ref. : Sh/S/ /2019

Date: /10/2019

الرقم : ش س / 32 / 2019

التاريخ: 2019/10/29

To: Jordan Securities Commission
Amman Stock Exchange



السادة هيئة الأوراق المالية
السادة بورصة عمان

**Subject: Quarterly Report as of
30/9/2019**

**الموضوع: التقرير الربع السنوي كما هو في
2019/9/30**

Attached the company's Quarterly
Report of **AL ITTIHAD SCHOOLS Co.** As of
30/9/2019

مرفق طيه نسخة من التقرير الربع السنوي
لشركة مدارس الاتحاد كما هو بتاريخ
2019/9/30

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 September 30, 2019 for **AL
ITTIHAD SCHOOLS Co.** and the report of the
accountant on the review of the condensed
interim financial statements on CD in PDF format.

المرفقات:

نسخة من القوائم المالية المرحلية الموجزة كما في 30 أيلول
2019 لشركة مدارس الاتحاد مع تقرير المحاسب القانوني حول
مراجعة القوائم المالية المرحلية الموجزة على CD بصيغة
ملف (PDF).



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

Condensed Interim Financial Statements
as of september 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 04

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 September 2019, and the related condensed interim statements of comprehensive income, changes in owners' equity and cash flows for nine months ended 30 September 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

27 October 2019

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

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

Reviewed Not Audited

<u>Assets</u>	Note	30-Sep-2019 JD (Reviewed)	31-Dec-2018 JD (Audited)
<u>Non - Current Assets</u>			
Property , plant & equipments - net	5	20,104,118	20,473,491
Financial assets at fair value through comprehensive		912,495	950,173
Investments in associates	6	20,000	-
Total Non - Current Assets		21,036,613	21,423,664
<u>Current Assets</u>			
Cash on hand and at banks		42,701	42,640
Accrued student premium and Returned cheques- Net	7	903,433	1,183,025
Cheques under collection and Note Receivables		3,584,700	2,258,366
Due to related parties	13	622,782	85,450
supplies Warehouse		357,803	304,543
Other debit balances - Net		512,820	334,170
Total Current Assets		6,024,239	4,208,194
Total Assets		27,060,852	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		(490,680)	(453,001)
Retained earning	8	1,352,894	2,269,758
Profit for the period		898,609	-
Total Owner's Equity		18,183,409	18,239,343
<u>Current Liabilities</u>			
Credit banks	9	720,635	837,552
Due to related parties	13	92,848	92,169
accounts payable		261,967	241,684
Unearned revenues		6,579,019	5,353,108
Income Tax Provision	10	222,438	284,800
Other credit balances		1,000,536	583,202
Total Current Liabilities		8,877,443	7,392,515
Total owners' Equity And Liabilities		27,060,852	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 nine Months Ended september 30, 2019

Reviewed Not Audited

	Note	For the nine monthes ended at		For the three monthes ended at	
		30-Sep-2019	30-Sep-2018	30-Sep-2019	30-Sep-2018
		JD (Reviéd)	JD (Reviéd)	JD (Reviéd)	JD (Reviéd)
<u>Revenue and profit (loss) of various activities</u>					
Schools premium - Net		5,619,327	5,718,665	1,892,038	1,901,266
Other income		257,411	302,680	86,934	110,968
Buses (Losses)		(182,990)	(169,986)	(32,682)	(2,567)
School Uniforms & Cafeteria profit		84,213	36,570	76,407	22,418
Total Revenues		5,777,961	5,887,929	2,022,697	2,032,085
<u>Expenses</u>					
Salaries and wages		(3,476,484)	(3,341,127)	(1,125,739)	(1,139,059)
Administrative and general expenses	11	(790,069)	(801,293)	(224,310)	(224,752)
Depreciations		(411,444)	(416,353)	(153,501)	(160,778)
Provision for doubtful debts		-	(100,000)	-	(100,000)
Company's share of associates profit		-	(3,318)	-	-
Interest expenses		(97,358)	(51,095)	(36,982)	(27,126)
Total Expenses		(4,775,355)	(4,713,186)	(1,540,532)	(1,651,715)
Profit of the period before tax		1,002,606	1,174,743	482,165	380,370
Income tax	10	(103,997)	(150,450)	(103,997)	(62,119)
Profit of the period		898,609	1,024,293	378,168	318,251
<u>Add: Other comprehensive income items</u>					
Change in Fair value		(37,679)	(53,129)	11,338	(45,253)
Total Comprehensive income for the period		860,930	971,164	389,506	272,998
		Fils/Dinar	Fils/Dinar	Fils/Dinar	Fils/Dinar
Basic and diluted earningig per share	12	0.060	0.068	0.025	0.021

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 nine Months Ended september 30, 2019

Description	Reviewed Not Audited							
	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
Balance as of January 1,2019 (Audited)	15,000,000	67,323	1,330,510	24,753	(453,001)	2,269,758	-	18,239,343
previous years Expenses	-	-	-	-	-	(16,864)	-	(16,864)
adjusted opening Balance	15,000,000	67,323	1,330,510	24,753	(453,001)	2,252,894	-	18,222,479
Profit of the period	-	-	-	-	-	-	898,609	898,609
Change in Fair value reserv	-	-	-	-	(37,679)	-	-	(37,679)
Total Comprehensive income for the period	-	-	-	-	(37,679)	-	898,609	860,930
Dividends paid (note 8)	-	-	-	-	-	(900,000)	-	(900,000)
Balance as of september 30,2019 (Reviewed)	15,000,000	67,323	1,330,510	24,753	(490,680)	1,352,894	898,609	18,183,409
Balance as of January 1,2018 (audited)	15,000,000	67,323	1,203,095	24,753	(380,958)	3,088,877	-	19,003,090
previous years Expenses	-	-	-	-	-	(16,266)	-	(16,266)
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)	2,834,721	-	18,748,934
Profit of the period	-	-	-	-	-	-	1,024,293	1,024,293
Change in Fair value reserv	-	-	-	-	(53,129)	-	-	(53,129)
Total Comprehensive income for the period	-	-	-	-	(53,129)	-	1,024,293	971,164
Dividends paid (note 8)	-	-	-	-	-	(1,500,000)	-	(1,500,000)
Balance as of september 30,2018 (Reviewed)	15,000,000	67,323	1,203,095	24,753	(434,087)	1,334,721	1,024,293	18,220,098

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 nine Months Ended september 30, 2019

Reviewed Not Audited

	Note	30-Sep-2019 JD (Reviewed)	30-Sep-2018 JD (Reviewed)
<u>Cash Flows From Operating Activities</u>			
Profit for the period before tax		1,002,606	1,174,743
previous years Expenses		(16,864)	(16,266)
Depreciations		505,118	570,587
Provision for doubtful debts		-	100,000
Company's share of associates profit / (Loss)		-	3,318
Operating Income before changes in working capital		1,490,860	1,832,382
<u>(Increase) decrease in current assets</u>			
Accrued student premium and Returned cheques		279,592	86,234
Cheques under collection and Note Receivable		(1,326,334)	(1,602,277)
Due to related parties		(537,332)	(5,000)
Inventory		(53,260)	111,845
Other debit balances		(178,650)	(204,351)
<u>Increase (decrease) in current liabilities</u>			
Accounts payable		20,283	45,969
Due to related parties		679	17,993
Unearned revenues		1,225,911	1,801,299
Other credit balances		417,334	105,403
Net Cash Provided from Operating Activities before paid tax		1,339,083	2,189,497
Paid tax	10	(166,359)	(233,809)
Net Cash Provided from Operating Activities		1,172,724	1,955,688
<u>Cash flows from investing activities</u>			
Changes of property, plant and equipment		(135,746)	(802,526)
Investments in associates		(20,000)	(45,000)
Net cash flows (used in) investing activities		(155,746)	(847,526)
<u>Cash Flows from Financing Activities</u>			
Credit banks		(116,917)	184,084
Dividends paid		(900,000)	(1,500,000)
Net cash flows (used in) Financing activities		(1,016,917)	(1,315,916)
Net Increase (decrease) in cash balances		61	(207,754)
Cash balances at beginning of Period		42,640	272,917
Cash balances at end of Period		42,701	65,163

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 27 October 2019 .

2- Significant Accounting Policies

Basis of Preparation of Interim Financial Statements

- These condensed interim financial statement have been prepared in accordance with international accounting standards ((IFRS) IAS 34)(Interim Financial Reporting).
- The condensed interim financial statements are presented in Jordanian Dinars (JOD) which is the company's presentation functional currency .
- 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 nine months ended september 30,2019 are not necessarily indicative of the results that may be expected for the financial year ending December 31,2019 . No appropriations has been made for the profit for the nine months ended at september 30,2019 wich is made at the end of the financial year

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- Changes in accounting policies

The preparation of interim condensed financial information requires to use of significant and specific accounting estimates It also requires management to use its own judgment in the process of applying accounting policies, The significant estimates and assumptions used in the preparation of the financial statements have been disclosed in note No. (3)

Accounting policies followed in condensed interim financial statements' preparation for this period are consistent with the policies followed the last year 2018 .

Ittihad School Co
Public Shareholding Company
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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 imprvements on the IFRS 2015-2017

According to the administration, The adoption of new and revised IFRSs and improvements to IFRSs have no significant impact on the interim condensed financial statements

Ittihad School Co
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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		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	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost at september 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		1,100	9,051	44,074	13,493															
Cost at september 30, 2019	6,974,511	16,516,771	2,656,270	1,376,309	619,805	972,840	73,722	208,189	627,819	30,026,236										
Accumulated Depreciation at september 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	-	247,070	117,182	37,124	31,447	31420	1,011	10,688	29,176	505,118										
balance as of september 30, 2019	-	4,352,172	2,401,814	1,177,869	462,228	860,234	71,931	162,472	433,398	9,922,118										
book value as of september 30, 2019 (Reviewed)	6,974,511	12,164,599	254,456	198,440	157,577	112,606	1,791	45,717	194,421	20,104,118										
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

	Ownership	30-Sep-2019	31-Dec-2018
		JD (Reviewed)	JD (Audited)
Balance at the Bigening of the year	20%	-	5,000
Pay the remaining Of the capital		20,000	5,000
Company's share of associates profit for 2018		-	(10,000)
Balance at the Ending of the year		20,000	-

7- Accured student premium and Returned cheques - Net

a- This item consists of :

	30-Sep-2019	31-Dec-2018
	JD (Reviewed)	JD (Audited)
Accrued student premium	1,579,013	1,854,039
Returned cheques	129,310	133,876
Total	1,578,158	1,987,915
Impairment	(804,890)	(804,890)
Net	773,268	1,183,025

b- Changes in impairment as following :

	30-Sep-2019	31-Dec-2018
	JD (Reviewed)	JD (Audited)
Balance at the beginig of the period / year	804,890	467,000
Effect of application of IFRS 9 (Note 4)	-	237,890
Additions for the year	-	100,000
Balance at the ending 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 year

This item consists of the following:

	30-Sep-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance at the beginning of the Period / year	2,269,758	3,088,877
prior years (expenses)	(16,864)	(27,397)
Effect of application of IFRS 9 (note 4)	-	(237,890)
Adjusted Opening Balance	2,252,894	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 the period / year	1,352,894	2,269,758

At its meeting held on 21 April 2019 , the General Assembly decided 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-Sep-2019	31-Dec-2018
			JD	JD
			(Reviewed)	(Audited)
Arab Bank	8.25	4,500,000	482,617	837,552
Union Bank	8.5	1,300,000	238,018	-
Total			720,635	837,552

- The facilities granted to the company are guaranteed by the company's name

10- Income Tax

This item consists of :

	30-Sep-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Balance beginning of the Period / year	284,800	378,556
tax Paid	(150,821)	155,734
tax Paid Half yearly	(15,538)	-
tax for the Period	94,385	(249,490)
National Contribution Account	9,612	-
Balance at the ending of the Period / year	222,438	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 September 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 :

	<u>30-Sep-2019</u> JD (Reviewed)	<u>30-Sep-2018</u> JD (Reviewed)
Students expenses	65,857	72,417
Electric and water	312,359	328,340
Maintenance	42,081	75,378
Stationery and prints	36,830	48,583
Cleaning services	13,149	10,949
Fees and subscriptions and other taxes	89,338	63,388
Fuels and Heating	56,097	47,896
transportation of boards of directors	32,850	32,867
miscellaneous	32,977	16,556
Phone and Internet expenses	25,711	26,498
Hospitality	8,083	8,386
Advertising	17,023	34,369
Vehicle expenses	16,628	12,177
Educational Consultancy Fees	28,227	11,637
insurance expenses	3,606	3,836
Professional fees	9,253	8,016
Tota	790,069	801,293

12- Basic and diluted earning per share

This item consists of :

	<u>30-Sep-2019</u> JD (Reviewed)	<u>30-Sep-2018</u> JD (Reviewed)
Profit of the period after tax	898,609	1,024,293
Weighted average shares (share)	15,000,000	15,000,000
Basic and diluted earning per share	0.060	0.068

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 subcidiaries and controlled companies . The company's management has approved the pricing policies and terms of transactions with related parties.

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

	30-Sep-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Applied Energy Company	612,782	74,778
Omnaa for investment	10,000	10,000
IBn-Alhitham Hospital Co	-	672
Total	622,782	85,450

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

	30-Sep-2019	31-Dec-2018
	JD	JD
	(Reviewed)	(Audited)
Arab International Company For Education And Investment	69,905	73,514
IBn-Alhitham Hospital Co	22,943	18,655
Total of due from related parties	92,848	92,169

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

	30-Sep-2019	30-Sep-2018
	JD	JD
	(Reviewed)	(Audited)
Ibn-Alhaytham Hospital Co - Health Insuranse	21,491	6,792

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

	30-Sep-2019	30-Sep-2018
	JD	JD
	(Reviewed)	(Reviewed)
Wages & other benefits	112,230	106,653

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:

	<u>The main activity</u>	<u>shares</u>	<u>others</u>	<u>Fro the nine Monthes ended at september 30</u>	
				<u>2019</u>	<u>2018</u>
				<u>Total</u>	<u>Total</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
				<u>(Reviewed)</u>	<u>(Reviewed)</u>
Revenue	5,777,961	-	-	5,777,961	5,887,929
<u>other segment</u>					
Capital expenditure	137,745	-	-	137,745	802,526
Depreciation	505,118	-	-	505,118	570,587
	<u>The main activity</u>	<u>shares</u>	<u>others</u>	<u>30-Sep-2019</u>	<u>31-Dec-2018</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>Total</u>	<u>Total</u>
				<u>JD</u>	<u>JD</u>
				<u>(Reviewed)</u>	<u>(Reviewed)</u>
<u>Assets And Liability</u>					
Assets	26,085,656	932,495	42,701	27,060,852	25,631,858
Liabilities	8,877,443	-	-	8,877,443	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.