

التاريخ: 2019/04/29  
الرقم: داد/م/ع/ 35

السادة بورصة عمان المحترمين  
عمان- الأردن

تحية طيبة وبعد،

نرفق لكم وبناءً على تعليمات الإفصاح نسخة من القوائم المالية المرحلية الموحدة المختصرة (غير المدققة) لشركة دار الدواء للتنمية والاستثمار المساهمة العامة المحدودة وتقرير مراجعة مدقق الحسابات كما في 2019/03/31.

وتفضلوا بقبول فائق الاحترام،

المدير العام  
د. معن عبد الحافظ



بورصة عمان	
الدائرة الإدارية والمالية	
الديوان	
٢٠ نيسان ٢٠١٩	
2644	الرقم المتسلسل:
41512	رقم الملف:
2004/61	الجهة المختصة:

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY**

**PUBLIC SHAREHOLDING COMPANY**

**INTERIM CONDENSED CONSOLIDATED  
FINANCIAL STATEMENTS (UNAUDITED)**

**31 MARCH 2019**



Building a better  
working world

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**REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
TO THE BOARD OF DIRECTORS OF DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY  
PUBLIC SHAREHOLDING COMPANY  
AMMAN – JORDAN**

**Introduction**

We have reviewed the accompanying interim condensed consolidated financial statements of Dar Al Dawa Development And Investment Company (the "Company") and its subsidiaries (together the "Group") as at 31 March 2019, comprising of the interim condensed consolidated statement of financial position as at 31 March 2019 and the related interim condensed consolidated statements of profit or loss, interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the three-month period then ended and explanatory notes. The Board of Directors is responsible for the preparation and presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34 *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

**Scope of review**

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for the financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

**Conclusion**

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

Amman - Jordan  
30 April 2019

*Ernst + Young*

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF 31 MARCH 2019**

	Notes	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>ASSETS</b>			
<b>Non-current assets -</b>			
Property, plant and equipment	3	35,772,835	36,019,548
Projects in progress	4	4,552,189	4,350,057
Investment in an associate		2,329,201	2,300,712
Intangible assets		3,938,155	3,938,558
Deferred tax assets		2,244,436	2,218,550
Financial assets at fair value through other comprehensive income		4,749	4,765
		<u>48,841,565</u>	<u>48,832,190</u>
<b>Current assets -</b>			
Inventories		16,271,151	15,359,933
Other current assets		4,471,838	6,054,402
Due from related parties	5	7,392,304	7,722,255
Accounts receivable		15,435,821	20,236,563
Checks under collection		5,311,519	5,910,795
Cash and bank balances	6	2,907,454	2,907,252
Restricted bank balances		1,921,290	1,920,251
		<u>53,711,377</u>	<u>60,111,451</u>
Net assets held for sale		<u>111,502</u>	<u>111,502</u>
<b>Total Assets</b>		<u>102,664,444</u>	<u>109,055,143</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
<b>Attribution to shareholders of the Parent Company</b>	1		
Paid - in capital		25,000,000	25,000,000
Statutory reserve		9,260,627	9,260,627
Voluntary reserve		9,372,759	9,372,759
Special reserve		2,902,203	2,902,203
Other reserves		4,348,452	4,348,452
Foreign currency translation differences reserve		(6,673,618)	(6,685,625)
Fair value reserve		(257,865)	(257,865)
Accumulated losses		(14,060,460)	(8,694,669)
		<u>29,892,098</u>	<u>35,245,882</u>
Non-controlling interests		<u>1,153,381</u>	<u>1,179,275</u>
<b>Net equity</b>		<u>31,045,479</u>	<u>36,425,157</u>
<b>Liabilities</b>			
<b>Non-current liabilities -</b>			
Provision for end of service indemnity		809,784	770,057
Deferred tax liabilities		141,851	149,474
Long term loans		9,953,107	8,547,662
		<u>10,904,742</u>	<u>9,467,193</u>
<b>Current liabilities -</b>			
Current portion of long term loans		3,329,935	3,818,532
Accounts payable		9,940,235	9,042,460
Revolving loans		13,588,141	14,306,482
Due to banks		19,506,266	19,278,649
Other current liabilities		2,805,339	5,273,275
Other provisions		11,375,133	11,273,408
Income tax provision	7	169,174	169,987
		<u>60,714,223</u>	<u>63,162,793</u>
<b>Total Liabilities</b>		<u>71,618,965</u>	<u>72,629,986</u>
<b>Total Equity and Liabilities</b>		<u>102,664,444</u>	<u>109,055,143</u>

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

	Note	For the three months ended 31 March	
		2019	2018
		JD	JD
Net sales	8	8,231,403	14,909,123
Cost of sales	8	(6,399,319)	(8,094,783)
<b>Gross profit</b>		<b>1,832,084</b>	<b>6,814,340</b>
Selling and distribution expenses		(3,840,596)	(3,540,726)
Administrative expenses		(1,396,906)	(1,315,754)
Research and development expenses		(294,289)	(354,103)
(Provision for) recovery from expected credit losses		(383,144)	53,149
Other income, net		50,569	31,770
Other expenses		(582,182)	(309,083)
<b>(Loss) profit from operations</b>		<b>(4,614,464)</b>	<b>1,379,593</b>
Group's share of an associate's results		28,489	6,740
Currency exchange differences		(8,927)	(38,962)
Finance costs		(827,863)	(563,359)
<b>(Loss) profit for the period before income tax</b>		<b>(5,422,765)</b>	<b>784,012</b>
Income tax benefit (expense) for the period		33,509	(6,500)
<b>(Loss) profit for the period</b>		<b>(5,389,256)</b>	<b>777,512</b>
<b>(Loss) profit attributable to:</b>			
Shareholders of the Parent Company		(5,365,791)	803,592
Non-controlling interests		(23,465)	(26,080)
		<b>(5,389,256)</b>	<b>777,512</b>
		<b>JD/Fils</b>	<b>JD/Fils</b>
<b>Basic and diluted (loss) profit per share attributable to shareholders of the Parent Company</b>		<b>(0/215)</b>	<b>0/032</b>

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

	For the three months ended 31 March	
	2019	2018
	JD	JD
(Loss) profit for the period	(5,389,256)	777,512
Other comprehensive income items that may be reclassified to profit or loss in subsequent periods, net of tax:		
Foreign currency translation differences	9,578	82,496
<b>Total comprehensive income for the period</b>	<b>(5,379,678)</b>	<b>860,008</b>
<b>Attributable to:</b>		
Shareholders of the Parent Company	(5,353,784)	880,922
Non-controlling interests	(25,894)	(20,914)
	<b>(5,379,678)</b>	<b>860,008</b>

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements

INTERIM CONDENSED CONSOLIDATED STATEMENTS OF INCOME FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)

**For the three months ended 31 March 2018.**

**The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements.**

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE THREE MONTHS ENDED 31 MARCH 2019 (UNAUDITED)**

		For the three months ended 31 March	
	Notes	2019 JD	2018 JD
<b><u>OPERATING ACTIVITIES</u></b>			
(Loss) profit for the period before tax		(5,422,765)	784,012
<b>Adjustments for:</b>			
Depreciation		642,396	672,954
Currency exchange differences		8,927	38,962
Provision for (recovery from) expected credit losses		383,144	(53,149)
Other provisions		484,553	620,205
Group's share of an associate's results		(28,489)	(6,740)
Provision for end of service indemnity		230,950	250,435
Slow moving and near expiry inventories provision expense		187,550	141,416
Finance costs		827,863	563,359
<b>Changes in working capital-</b>			
Inventories		(1,098,768)	762,166
Other current assets		1,582,564	(576,304)
Due from related parties		329,951	(572,639)
Accounts receivable		4,460,552	(2,315,688)
Checks under collection		599,276	(1,720,078)
Accounts payable		897,775	(634,750)
Other current liabilities		(2,467,936)	(1,210,462)
Provision for end of service indemnity paid		(191,223)	(186,522)
Other provisions		(382,828)	280,074
Income tax paid		(813)	(11,340)
<b>Net cash flows from (used in) operating activities</b>		<u>1,042,679</u>	<u>(3,174,089)</u>
<b><u>INVESTING ACTIVITIES</u></b>			
Purchase of property, plant and equipment	3	(522,935)	(366,172)
Projects in progress	4	(116,764)	(615,637)
Restricted bank balances		(1,039)	(94,250)
<b>Net cash flows used in investing activities</b>		<u>(640,738)</u>	<u>(1,076,059)</u>
<b><u>FINANCING ACTIVITIES</u></b>			
Repayments of loans		(891,102)	(311,937)
Proceeds from loans		1,807,950	-
Finance costs paid		(827,863)	(563,359)
Revolving loans		(718,341)	923,167
<b>Net cash flows (used in) from financing activities</b>		<u>(629,356)</u>	<u>47,871</u>
<b>Net decrease in cash and cash equivalents</b>		(227,415)	(4,202,277)
Cash and cash equivalents at the beginning of the period		<u>(16,254,568)</u>	<u>(9,695,911)</u>
<b>Cash and cash equivalents at the ending of period</b>	6	<u>(16,481,983)</u>	<u>(13,898,188)</u>

The attached notes from 1 to 10 form part of these interim condensed consolidated financial statements



**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019 (UNAUDITED)**

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**(1) GENERAL**

Dar Al Dawa Development and Investment Company (the "Company") was established as a public shareholding company on 17 August 1975 with a paid in capital of JD 500,000. The Company's paid in capital has increased over the years to reach JD 25,000,000 dividend into 25,000,000 shares at a par value of JD 1 per share.

The Company's main objectives are producing medical, chemical, and pharmaceutical products, and importing pharmaceutical products. The subsidiaries' main objectives are marketing and distributing the company products and producing some specialized medical products and investments activities.

The interim condensed consolidated financial statements were approved by the Board of Directors on 25 April 2019.

The headquarters of the Company is located in Na'our – the Hashemite Kingdom of Jordan.

**(2-1) BASIS OF PREPARATION**

The interim condensed consolidated financial statements for the period ended on 31 March 2019 are prepared in accordance with IAS 34 ("Interim Financial Information").

The interim condensed consolidated financial statements are presented in Jordanian Dinars ("JD") which is the functional currency of the Group.

The interim condensed consolidated financial statements have been prepared on a historical cost basis, except for financial assets at fair value through other comprehensive income that have been measured at fair value as at the date of the interim condensed consolidated financial statements.

The interim condensed consolidated financial statements do not contain all information and disclosures required for full financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Group's annual financial statements as at 31 December 2018. In addition, the results for the three months ended 31 March 2019 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2019.

**(2-2) CHANGES IN ACCOUNTING POLICES**

The accounting policies used in the preparation of the interim condensed consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

**IFRS 16 Leases**

IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.

Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the Group is the lessor.

The Group adopted IFRS 16 using the modified retrospective approach with the date of initial application of 1 January 2019 accordingly, prior year financial statements were not restated. The Group elected to use the transition practical expedient allowing the standard to be applied only to contracts that were previously identified as leases applying IAS 17 and IFRIC 4 at the date of initial application. The Group also elected to use the recognition exemptions for lease contracts that, at the commencement date, have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

The adoption does not have any impact on the Group's interim condensed consolidated financial statements.

**IFRIC Interpretation 23 Uncertainty over Income Tax Treatment**

The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1 January 2019, but certain transition reliefs are available.

This interpretation does not have any impact on the Group's interim condensed consolidated financial statements.

**Amendments to IFRS 9: Prepayment Features with Negative Compensation**

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

**Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture**

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

**Amendments to IAS 19: Plan Amendment, Curtailment or Settlement**

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

### **Amendments to IAS 28: Long-term interests in associates and joint ventures**

The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

These amendments do not have any impact on the Group's interim condensed consolidated financial statements.

### **(2-3) BASIS OF CONSOLIDATION**

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries under its control; control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intra-company balances and transactions revenues and expenses between the Company and its subsidiaries are eliminated. The subsidiaries that are included in the interim condensed consolidated financial statements are as follow:

<u>Subsidiary Name</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Ownership</u>	<u>Effective ownership</u>	<u>Ownership</u>	<u>Effective ownership</u>
			<u>Percentage</u>	<u>Percentage</u>	<u>Percentage</u>	<u>Percentage</u>
			<u>2019</u>	<u>2019</u>	<u>2018</u>	<u>2018</u>
Dar Al Dawa – Algeria	Marketing	Algeria	100 %	100 %	100 %	100 %
Dar Al Dawa – Tunisia	Marketing	Tunisia	100 %	100 %	100 %	100 %
Joras– Algeria*	Industrial	Algeria	70 %	70 %	70 %	70 %
Dar Al Dawa Pharma- Romania	Marketing	Romania	100 %	100 %	100 %	100 %
Al Dar Jordan Investment Company	Investment	Jordan	100 %	100 %	100 %	100 %
Medi Pharma – Algeria	Industrial	Algeria	85 %	85 %	85 %	85 %
Nutri Dar – Jordan and its subsidiary:	Industrial	Jordan	90.4 %	90.4 %	90.4 %	90.4 %
Nutri Dar –Russia**	Marketing	Russia	70 %	61.25 %	70 %	61.25 %
Al-Nahda Company for Financial Investments***	Investment	Jordan	40.2 %	40.2 %	40.2 %	40.2 %

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019 (UNAUDITED)**

- \* Joras Company – Algeria is under liquidation.
- \*\* This Company was established during 2010. Nutridar- Russia had no operations during previous years.
- \*\*\* Al Nahda Company for financial investment is under liquidation.

**(3) PROPERTY, PLANT AND EQUIPMENT**

During the three months period ended 31 March 2019, the Group purchased property, plant and equipment at a cost of JD 522,935 (31 March 2018: JD 366,172).

**(4) PROJECTS IN PROGRESS**

This item mainly represents the cost of design and construction of a new plant for the group in Algeria as of 31 March 2019 and the plant was officially declared open during October of 2017, the total cost of this project is JD 12,165,973, the remaining balance of the projects in progress is the cost of establishing the production lines of drops and capsules in the Algerian plant in addition to the cost of processing additional new machines in the main plant of the Parent Company. Furthermore, during the three months period ended 31 March 2019, the Group added projects in progress at a cost of JD 116,764 (31 March 2018: JD 615,637).

**(5) RELATED PARTIES BALANCES AND TRANSACTIONS**

Related parties represent major shareholders, associates, directors and key management personnel of the Group, and entities significantly controlled by them. Pricing policies and terms of the transactions are approved by the Group's management.

Balances with related parties as shown in the interim condensed consolidated statement of financial position are as follows:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
<b>Amounts due from related parties:</b>		
Dar Al Dawa Veterinary Industries Company (Associate)	99,676	97,797
Al Mufeed Trading Co. - UAE	7,079,778	7,411,608
Zakrya Hawash (Medi Pharma International's Partner)	212,850	212,850
	7,392,304	7,722,255
Provision for amounts due from related parties*	-	-
	7,392,304	7,722,255

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019 (UNAUDITED)**

\* Movement on the provision for amounts due from related parties is as follows:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Balance as at 1 January	-	516,450
Impact of the adoption of IFRS (9)	-	(516,450)
Adjusted balance at the beginning of the period/ year	-	-
Balance at the ending of the period /year	-	-

**Bank facilities from related parties - Invest Bank**

	31 March 2019 JD (Unaudited)	31 December 2018 JD (Audited)
Long-term loans	5,317,500	6,072,000
Due to banks - Invest Bank	1,063,500	1,063,500
Revolving loan - Invest bank	-	1,141,072
	<u>6,381,000</u>	<u>8,276,572</u>
Bank guarantees - Invest Bank	<u>79,709</u>	<u>192,246</u>

The following is a summary of transactions with related parties that appear in the interim condensed consolidated statement of profit or loss:

	For the three months ended 31 March	
	2019 JD (Unaudited)	2018 JD (Unaudited)
Sales - agents and customers	28,149	1,320,705
Service revenue - Dar Al Dawa Veterinary Industries (associate)	-	4,591
Financing costs (Invest Bank)	147,278	123,783
Bioequivalence studies expenses – Arab Pharmaceutical Industry Consulting Company	-	53,480

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019 (UNAUDITED)**

The following is a summary of the compensation (salaries, bonuses and other benefits) of key management of the Group:

	For the three months ended 31 March	
	2019	2018
	JD	JD
	(Unaudited)	(Unaudited)
Salaries and other benefits	217,965	114,666

**(6) CASH AND BANK BALANCES**

Cash and bank balances shown in the interim condensed consolidated statement of financial position represent the following:

	31 March 2019	31 December 2018
	JD	JD
	(Unaudited)	(Audited)
Cash on hand	45,065	44,133
Bank balances	1,295,587	1,790,691
Cheques under collection maturing within three months	1,683,631	1,189,257
Transferred to assets held for sale	(116,829)	(116,829)
	2,907,454	2,907,252

For the purpose of the interim condensed consolidated statement of cash flows, cash and cash equivalents comprise the following:

	31 March 2019	31 March 2018
	JD	JD
	(Unaudited)	(Unaudited)
Cash and bank balances	2,907,454	1,146,141
Due to banks*	(19,506,266)	(15,161,158)
Cash and bank balances from discontinued operation	116,829	116,829
	(16,481,983)	(13,898,188)

- \* Due to banks represent the facilities granted to the Group's companies from several banks and in different currencies (Jordanian Dinar, Algerian Dinar, US Dollar and Euro). As at 31 March 2019, the total of ceiling granted was equivalent to JD 20,155,358 and the average interest rate was 6.5% per annum.

**(7) INCOME TAX**

**Dar Al Dawa Development and investment Company - Parent Company:**

No income tax provision was calculated for the period ended 31 March 2019 due to the excess of deductible expenses over taxable revenues in accordance with the Income Tax Law No. (34) of 2014 amended by Income Tax Law No. (38) of 2018.

No income tax provision was calculated for the period ended 31 March 2018 due to the excess of deductible expenses over taxable revenues in accordance with the Income Tax Law No. (34) of 2014.

Tax returns for the years 2018, 2017 and 2016 were submitted to the Income Tax Department but not reviewed yet up to the date of these interim condensed consolidated financial statements.

Income Tax Department reviewed the tax declarations for the year ended 2015, where they imposed income tax for the year 2015 equal to JD 365,448. However, the company recorded a provision of JD 60,000 and filed a lawsuit to reach a settlement. No decision has been made from the Tax Court up to the date of these interim condensed consolidated financial statements.

The Company has reached a final settlement with the Income Tax Department up to the year 2014.

**Nutri Dar Public Shareholding Company:**

No income tax provision was calculated for the period ended 31 March 2019 due to the excess of deductible expenses over taxable revenues in accordance with the Income Tax Law No. (34) of 2014 amended by Income Tax Law No. (38) of 2018.

No income tax provision was calculated for the period ended 31 March 2018 due to the excess of deductible expenses over taxable revenues in accordance with the Income Tax Law No. (34) of 2014.

Tax returns for the years 2018, 2017 and 2016 were submitted to the Income Tax Department but not reviewed yet up to the date of these interim condensed consolidated financial statements.

The Company has reached a final settlement with the Income Tax Department up to the year 2015.



**Al Dar Jordan Investment Company:**

Tax returns for the years 2010, 2011, 2014 and 2015 were submitted to the Income Tax Department but not reviewed yet up to the date of these interim condensed consolidated financial statements.

The Company has reached a final settlement with the Income Tax Department for the years 2012 and 2013.

**Dar Al-Dawa– Romania:**

The Company has reached a final settlement with the Income Tax Department up to the year 2015. Tax returns for the years 2018, 2017 and 2016 were submitted to the Income Tax Departments but not reviewed yet up to the date of these interim condensed consolidated financial statements.

**Dar Al-Dawa – Algeria:**

During 2017, the Algerian Income Tax Department has reviewed the Company's records for the years from 2011 to 2014 and issued its report, which requires the Company to pay an additional amount to the amounts paid for these years. During the period, the Company recorded a provision of JD 948,092 against these claims for the period from 2011 until the date of these interim condensed consolidated financial statements. An amount of JD 462,957 was paid for the years from 2011 to 2014. The management of the Company and its legal consultant believe the provision is adequate against these liabilities.

**(8) SEGMENT INFORMATION**

For management purposes, the Group is organized based on the reports which are used by the Chief Executive Officer (CEO) and the main Decision Maker of the Group through the geographical distribution of revenues and the geographical distribution of assets and liabilities. The geographical distribution of sales, cost of sales, gross profit and type of sold items is as follows:

**DAR AL DAWA DEVELOPMENT AND INVESTMENT COMPANY - PUBLIC SHAREHOLDING COMPANY**  
**NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**31 MARCH 2019 (UNAUDITED)**

**For the three months ended 31 March 2019 (unaudited):**

	Levant	Gulf and Yemen	Africa	Europe and Asia	Total
	JD	JD	JD	JD	JD
Net sales	5,019,858	1,261,635	1,897,747	52,163	8,231,403
Cost of sales	(3,778,386)	(1,071,274)	(1,486,431)	(63,228)	(6,399,319)
Gross profit	<u>1,241,472</u>	<u>190,361</u>	<u>411,316</u>	<u>(11,065)</u>	<u>1,832,084</u>

	Medicine	Babies cereals and milk formula	Total
	JD	JD	JD
Net sales	4,940,164	3,291,239	8,231,403
Cost of sales	(4,063,283)	(2,336,036)	(6,399,319)
Gross profit	<u>876,881</u>	<u>955,203</u>	<u>1,832,084</u>

Other information	Jordan	Algeria	Total
	JD	JD	JD
Depreciation	642,396	-	642,396
Finance costs	663,486	164,377	827,863
Provision for expected credit losses	383,144	-	383,144
Group's share of an associate's results	28,489	-	28,489

**For the three months ended in 31 March 2018 (unaudited):**

	Levant	Gulf and Yemen	Africa	Europe and Asia	Total
	JD	JD	JD	JD	JD
Net sales	7,388,851	3,980,084	3,175,048	365,140	14,909,123
Cost of sales	(4,110,439)	(2,302,759)	(1,328,615)	(352,970)	(8,094,783)
Gross profit	<u>3,278,412</u>	<u>1,677,325</u>	<u>1,846,433</u>	<u>12,170</u>	<u>6,814,340</u>

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	Medicine	Babies cereals and milk formula	Total
	JD	JD	JD
Net sales	12,424,817	2,484,306	14,909,123
Cost of sales	(6,257,642)	(1,837,141)	(8,094,783)
Gross profit	6,167,175	647,165	6,814,340
<b>Other information</b>			
	Jordan	Algeria	Total
	JD	JD	JD
Depreciation	672,954	-	672,954
Finance costs	403,141	160,218	563,359
Recovery of expected credit losses provision	32,271	(85,420)	(53,149)
Group's share of an associate's results	6,740	-	6,740

The geographical distribution of assets, liabilities is as follows:

**As at 31 March 2019 (Unaudited)**

	Jordan	Algeria	Tunisia	Romania	Total
	JD	JD	JD	JD	JD
Total assets	75,315,769	26,766,179	9,444	573,052	102,664,444
Total liabilities	56,748,668	14,866,632	111	3,554	71,618,965

**As at 31 December 2018 (Audited)**

	Jordan	Algeria	Tunisia	Romania	Total
	JD	JD	JD	JD	JD
Total assets	80,723,665	27,748,739	9,687	573,052	109,055,143
Total liabilities	56,193,542	16,432,890	-	3,554	72,629,986

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**(9) CONTINGENT LIABILITIES**

As of the date of the interim condensed consolidated financial statements, the Group has contingent liabilities, contractual and capital commitments and operating leases as follows:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (audited)
<b>Contingent liabilities:</b>		
Letters of credit	309,000	354,508
Bank of guarantee	12,098,821	12,206,288
Bills for collection	656,912	1,892,007

**Capital commitments:**

The estimated cost to complete project in progress is JD 78,551 as at 31 March 2019.

**Operating lease:**

The Group has entered into non-cancelable rent contracts for offices and stores which the period ranges from 1 to 5 years. The minimum future rent payments as of 31 March 2019 are as follows:

	31 March 2019 JD (Unaudited)	31 December 2018 JD (audited)
Up to 1 year	28,013	28,013
From 1 to 5 years	47,869	47,869
	<u>75,882</u>	<u>75,882</u>

**(10) LEGAL CLAIMS**

The Group is defendant in a number of lawsuits with claims amounting to JD 2,704,605 as at 31 March 2019 (31 December 2018: JD 2,831,827) related to its ordinary course of business. The management and their legal advisor believe that no material liabilities are likely to result from these lawsuits.

There are lawsuits by the Group against third parties, amounted to JD 3,496,471 as of 31 March 2019 (31 December 2018: JD 3,449,346) representation accounts receivable and checks returned resulted from the Group's normal business.