

Petra Education Company

Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

31 March 2021

Petra Education Company
Public Shareholding Company

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Report on Review of Condensed Interim Financial Statements

**To The Board of Directors
Petra Education Company
Public Shareholding Company
Amman – Jordan**

Introduction

We have reviewed the accompanying condensed interim financial statements of **Petra Education Company PLC**, comprising the interim statement of financial position as at 31 March 2021 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

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

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 International Accounting Standard number (34) "Interim Financial Reporting".

25 April 2021
Amman – Jordan




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Petra Education Company
Public Shareholding Company
Interim Statement of Financial Position
As at 31 March 2021

(In Jordanian Dinar)

	31 March 2021 <u>(Unaudited)</u>	31 December 2020 <u>(Audited)</u>
Assets		
Non-current assets		
Property and equipment	38,254,808	38,769,377
Projects under construction	435,050	108,513
Total non-current assets	<u>38,689,858</u>	<u>38,877,890</u>
Current assets		
Inventory	226,598	211,998
Other current assets	850,067	989,510
Accounts receivable	6,406,879	4,928,182
Financial assets measured at amortized cost	1,500,000	1,500,000
Checks under collection	650,740	389,457
Cash and cash equivalents	7,201,373	4,364,252
Total current assets	<u>16,835,657</u>	<u>12,383,399</u>
Total assets	<u>55,525,515</u>	<u>51,261,289</u>
Equity and liabilities		
Equity		
Paid-in capital	16,000,000	16,000,000
Statutory reserve	4,000,000	4,000,000
Retained earnings	24,946,735	22,532,621
Total equity	<u>44,946,735</u>	<u>42,532,621</u>
Liabilities		
Accounts payable	1,676,921	2,347,568
Post-dated checks	-	59,100
Unearned revenues	4,864,315	2,997,486
Other current liabilities	4,037,544	3,324,514
Total liabilities	<u>10,578,780</u>	<u>8,728,668</u>
Total equity and liabilities	<u>55,525,515</u>	<u>51,261,289</u>

“The accompanying notes from (1) to (3) are an integral part of these condensed interim financial statements and read with review report”

Petra Education Company
Public Shareholding Company
Interim Statement of Comprehensive Income
For the Three Months Ended at 31 March 2021

(In Jordanian Dinar)

	<u>31 March 2021 (Unaudited)</u>	<u>31 March 2020 (Unaudited)</u>
Operational revenues	7,174,437	8,580,107
Operational costs	<u>(2,664,447)</u>	<u>(3,301,079)</u>
Gross profit	4,509,990	5,279,028
Administrative expenses	(922,230)	(1,212,714)
Depreciation	(531,802)	(510,412)
Other revenues	<u>39,106</u>	<u>128,075</u>
Profit for the period before income tax	3,095,064	3,683,977
Income tax for the period	(650,000)	(750,000)
National Contribution tax for the period	<u>(30,950)</u>	<u>(36,840)</u>
Total comprehensive income for the period	<u>2,414,114</u>	<u>2,897,137</u>
Basic and diluted earnings per share	<u>0.151</u>	<u>0.181</u>

“The accompanying notes from (1) to (3) are an integral part of these condensed interim financial statements and read with review report”

Petra Education Company
Public Shareholding Company
Interim Statement of Changes in Equity
For the Three Months Ended at 31 March 2021 (Unaudited)

(In Jordanian Dinar)

	<u>Paid-in Capital</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Total Equity</u>
Balance at 1 January 2021	16,000,000	4,000,000	22,532,621	42,532,621
Total comprehensive income for the period	-	-	2,414,114	2,414,114
Balance at 31 March 2021	16,000,000	4,000,000	24,946,735	44,946,735
Balance at 1 January 2020	16,000,000	4,000,000	20,314,198	40,314,198
Total comprehensive income for the period	-	-	2,897,137	2,897,137
Balance at 31 March 2020	16,000,000	4,000,000	23,211,335	43,211,335

“The accompanying notes from (1) to (3) are an integral part of these condensed interim financial statements and read with review report”

Petra Education Company
Public Shareholding Company
Interim Statement of Cash Flows
For the Three Months Ended at 31 March 2021

(In Jordanian Dinar)

	31 March 2021 <u>(Unaudited)</u>	31 March 2020 <u>(Unaudited)</u>
Operating activities		
Profit for the period before income tax	3,095,064	3,683,977
Depreciation	531,802	510,412
Changes in working capital		
Checks under collection	(261,283)	(153,317)
Accounts receivable	(1,478,697)	(959,071)
Inventory	(14,600)	14,504
Other current assets	139,443	193,362
Accounts payable	(670,647)	(413,231)
Unearned revenues	1,866,829	(229,215)
Other current liabilities	189,080	(198,336)
Post-dated checks	(59,100)	(59,100)
Income tax paid	(157,000)	(368,000)
Net cash flows from operating activities	<u>3,180,891</u>	<u>2,021,985</u>
Investing activities		
Property and equipment & projects under construction	<u>(343,770)</u>	<u>(450,363)</u>
Changes in cash and cash equivalents	2,837,121	1,571,622
Cash and cash equivalents, at beginning of year	4,364,252	4,236,302
Cash and cash equivalents, at end of period	<u>7,201,373</u>	<u>5,807,924</u>

"The accompanying notes from (1) to (3) are an integral part of these condensed interim financial statements and read with review report"

Petra Education Company
Public Shareholding Company
Notes to the Condensed Interim Financial Statements (Unaudited)
31 March 2021

(In Jordanian Dinar)

1 . General

Petra Education Company was established and registered as a limited liability Company on 1 August 1990 at the Ministry of Industry and Trade under number (2308) and it was a university for females only, on 5 December 1999 the Company's name was changed to Petra Company and it became a university for both males and females starting from the academic year 1999/2000, on 22 September 2004 the Legal form of the Company was changed to a public shareholding company under number (353). The Company's head office is in the Hashemite Kingdom of Jordan.

The Company's shares are listed in Amman Stock Exchange - Jordan.

The accompanying condensed interim financial statements were authorized for issue by the Company's Audit Committee in its meeting held on the 25 April 2021.

2 . Summary of significant accounting policies

Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

The condensed interim financial statements have been prepared on a historical cost basis.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the period.

Use of estimates

The preparation of the condensed interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. 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 changes in such provisions.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).
- Inventories are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value.

3 . Income Tax

- The Company settled its tax liabilities with the Income Tax Department up to 2017.
- The income tax returns for the years 2018 and 2019 have been filed with the Income Tax Department, but the Department has not reviewed the Company's records till the date of this report.
- The Income and National Contribution tax provision for the three months ended 31 March 2021 was calculated in accordance with the Income Tax Law.