



To: Jordan Securities Commission
Amman Stock Exchange

Date : 04/06/2017

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Subject: Quarterly Report as of 31/03/2017

السادة هيئة الاوراق المالية

السادة بورصة عمان

التاريخ : 2017/06/04

الرقم : 2017/113

الموضوع: التقرير ربع السنوي كما هي في 2017/03/31

Attached the Quarterly Report of Petra
Education Company as of 31/03/2017

مرفق طيه نسخة من البيانات المالية ربع السنوية
لشركة البتراء للتعليم المساهمة العامة كما هي بتاريخ
2017/03/31م

Kindly accept our highly appreciation and
respect

وتفضلوا بقبول فائق الاحترام...

Petra Education Company

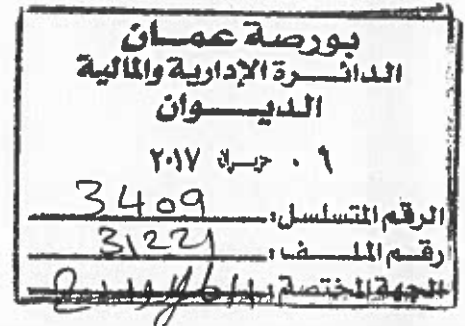
شركة البتراء للتعليم المساهمة العامة

General Manager

عضو مجلس الإدارة / المدير العام

Arch. (Mohammad Mazen) El-Ansari

المهندس / "محمد مازن" الأنصاري



Petra Education Company
Public Shareholding Company

Condensed Interim Financial Statements (Not Audited)

31 March 2017

Arab Professionals

(Member firm within of Grant Thornton International Ltd)

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 2017 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 (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 statement as at 31 March 2017 are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

26 April 2017
Amman - Jordan



**Amin Samara
(License No. 481)
Arab Professionals**

Petra Education Company
Public Shareholding Company
Interim Statement of Financial Position as at 31 March 2017

(In Jordanian Dinar)

	31 March 2017	31 December 2016
Assets		
Non - current assets		
Property and equipment	29,910,599	30,107,305
Projects under construction	2,659,245	1,816,353
Total non-current assets	32,569,844	31,923,658
Current assets		
Inventory	76,951	88,406
Other current assets	799,687	752,498
Accounts receivable	3,970,448	3,411,151
Financial assets measured at amortized cost	1,500,000	1,500,000
Checks under collection	699,958	667,332
Cash and cash equivalents	3,864,146	8,107,024
Total current assets	10,911,190	14,526,411
Total assets	43,481,034	46,450,069
Equity and liabilities		
Equity		
Paid - in capital	16,000,000	16,000,000
Statutory reserve	4,000,000	4,000,000
Retained earnings	12,545,941	14,836,453
Total equity	32,545,941	34,836,453
Liabilities		
Accounts payable	2,257,462	1,743,231
Unearned revenues	3,984,924	5,565,669
Other current liabilities	4,692,707	4,304,716
Total liabilities	10,935,093	11,613,616
Total equity and liabilities	43,481,034	46,450,069

"The accompanying notes from (1) to (6) 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 2017**

(In Jordanian Dinar)

	<u>31 March 2017</u>	<u>31 March 2016</u>
Operational revenues	8,910,774	8,557,855
Operational costs	<u>(3,524,835)</u>	<u>(3,203,067)</u>
Gross profit	5,385,939	5,354,788
Administrative expenses	(1,066,004)	(934,494)
Depreciation	(375,141)	(355,040)
Other revenues & expenses, net	<u>194,694</u>	<u>218,377</u>
Profit before income tax	4,139,488	4,283,631
Income tax	<u>(830,000)</u>	<u>(860,000)</u>
Total comprehensive income for the period	<u>3,309,488</u>	<u>3,423,631</u>
Basic and diluted earnings per share	<u>0,207</u>	<u>0,214</u>

"The accompanying notes from (1) to (6) 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 2017**

(In Jordanian Dinar)

	<u>Paid - in Capital</u>	<u>Statutory Reserve</u>	<u>Retained Earnings</u>	<u>Total</u>
Balance at 1 January 2017	16,000,000	4,000,000	14,836,453	34,836,453
Paid dividends	-	-	(5,600,000)	(5,600,000)
Total comprehensive income for the period	-	-	3,309,488	3,309,488
Balance at 31 March 2017	<u>16,000,000</u>	<u>4,000,000</u>	<u>12,545,941</u>	<u>32,545,941</u>
Balance at 1 January 2016	16,000,000	4,000,000	12,463,832	32,463,832
Paid dividends	-	-	(4,800,000)	(4,800,000)
Total comprehensive income for the period	-	-	3,423,631	3,423,631
Balance at 31 March 2016	<u>16,000,000</u>	<u>4,000,000</u>	<u>11,087,463</u>	<u>31,087,463</u>

“The accompanying notes from (1) to (6) 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 2017

(In Jordanian Dinar)

	31 March 2017	31 March 2016
Operating activities		
Profit for the period	3,309,488	3,423,631
Depreciation	375,141	355,040
Change in working capital		
Checks under collection	(32,626)	(156,231)
Accounts receivable	(559,297)	(749,385)
Inventory	11,455	(830)
Other current assets	(47,189)	358,774
Accounts payable	514,231	(195,903)
Unearned revenues	(1,580,745)	(578,008)
Other current liabilities	387,991	508,269
Net cash flows from operating activities	<u>2,378,449</u>	<u>2,965,357</u>
Net cash flows used in investing activities		
Property and equipment & projects under construction	(1,021,327)	(555,760)
Net cash flows used in financing activities		
Paid dividends	(5,600,000)	(4,800,000)
Change in cash and cash equivalents	(4,242,878)	(2,390,403)
Cash and cash equivalents, at beginning of the year	8,107,024	6,238,739
Cash and cash equivalents, at end of the period	<u>3,864,146</u>	<u>3,848,336</u>

"The accompanying notes from (1) to (6) 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 (Not Audited)
31 March 2017

(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.

The accompanying condensed interim financial statements were authorized for issue by the Company's Audit Committee in its meeting held on the 26 April 2017.

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 2017.

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.

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, considerable judgment 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 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 statement of comprehensive income.
- The management periodically reviews whether a financial asset or group of financial assets is impaired, if so this impairment is taken to the statement of comprehensive income.
- Estimate of the collectible amount of trade accounts receivable 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.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in statement of comprehensive income.

The initial cost of property and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the property and equipment have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed on a straight-line basis using the following annual depreciation rates:

Furniture and fixture	10-25%	Buildings	2%
Vehicles	15-20%	Electromechanical equipment	5-10%
Scientific equipment and labs	10%	Others	2-20%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Projects under construction

Projects under construction are recorded at cost which represents the contractual obligations of the Company for the construction. Allocated costs directly attributable to the construction of the asset are capitalized. The Projects under construction is transferred to the appropriate asset category and depreciated in accordance with the Company's policies when construction of the asset is completed and commissioned.

Financial assets at amortized cost

Financial assets at amortized cost are the financial assets which the company management intends according to its business model to hold for the purpose of collecting the contractual cash flows which comprise the contractual cash flows that are solely payments of principal and interest on the principal outstanding.

Financial assets are recorded at cost upon purchase plus acquisition expenses. Moreover, the issue premium \ discount is amortized using the effective interest rate method, and recorded to interest account. Provisions associated with the decline in value of these investments leading to the inability to recover the investment or parts thereof are deducted. Any impairment is registered in the statement of comprehensive income and should be presented subsequently at amortized cost less any impairment losses.

Fair Value

For fair value of investments, which are traded in organized financial markets, is determined by reference to the quoted market bid price at the close of the business on the statement of financial position date. For investments which are listed in inactive stock markets, traded in small quantities or have no current prices, the fair value is measured using the current value of cash flows or any other method adopted. If there is no reliable method for the measurement of these investments, then they are stated at cost less any impairment in their value.

Trading and Settlement Date Accounting

Purchases and sales of financial assets are recognized on the trade date, i.e. the date on which the Company commits its self to purchase or sell the asset.

Accounts receivables

Accounts receivable are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified

Cash and cash equivalents

Cash and cash equivalents are carried in the statement of financial position at cost. For the purposes of the Cash flows statement, cash and cash equivalents comprise cash on hand, deposits held at call with banks, and other short-term highly liquid investments.

Inventory

Cost of stationary and educational materials is determined by the weighted average method.

Accounts payable and accrued expenses

Accounts payable and accrued expenses are recorded when goods are received and services are rendered.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the financial statement when there is a legally enforceable right to offset the recognized amounts and the company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue recognition

Educational services revenues are recognized when the services are rendered.

Other revenues are recognized according to accrual basis.

Income Taxes

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

3. Paid Dividends

The General Assembly has resolved in its meeting held on 11 March 2017 to distribute 35% cash dividends to shareholders.

4. Income Tax

- The Company settled its tax liabilities with the Income Tax Department up to 2014.
- The income tax return for the year 2015 has 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 tax provision for the three months ended 31 March 2017 was calculated in accordance with the Income Tax Law.

5. Financial Instruments

Financial instruments comprise financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, accounts receivable and checks under collection. Financial liabilities of the Company include accounts payable.

Credit risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Foreign currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the statement of comprehensive income.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligations. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at date of the statement of financial position to the contractual maturity date.

<u>31 March 2017</u>	<u>Less than one year</u>	<u>More than one year</u>	<u>Total</u>
Accounts payable	2,257,462	-	2,257,462
Unearned revenues	3,984,924	-	3,984,924
Other current liabilities	4,692,707	-	4,692,707
	<u>10,935,093</u>	<u>-</u>	<u>10,935,093</u>
<u>31 December 2016</u>	<u>Less than one year</u>	<u>More than one year</u>	<u>Total</u>
Accounts payable	1,743,231	-	1,743,231
Unearned revenues	5,565,669	-	5,565,669
Other current liabilities	4,304,716	-	4,304,716
	<u>11,613,616</u>	<u>-</u>	<u>11,613,616</u>

6. Capital Management

The Company's board of directors manages its capital structure with the objective of safeguarding the Company's ability to continue as an ongoing entity and providing an adequate return to shareholders by pricing products and services commensurately with the level of risk.