



No: (67/2018)

Date: 02/05/2018

To Messrs. Jordan Securities Commission
Att. Disclosure Department,
PO Box 8802 Amman 11121
The Hashemite kingdom of Jordan

Subject: Quarterly Report of Philadelphia Pharmaceuticals as 31/03/2018

Attached the Quarterly Report of Philadelphia Pharmaceuticals as 31/03/2018 audited from international professional Bureau for Consulting and Auditing.

Thank you very much

Kind regards,

Vice Chairman / CEO
Kayed Al-Shabani



Copy to:

- Amman Stock Exchange.
- Securities Depository Center.

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الديسوان	
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الرقم التسلسل:	2743
رقم الملف:	41219
الجهة المختصة:	20011611

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman–The Hashemite Kingdom of Jordan
Interim Financial Statements
31 March 2018
with
Report on Review of Interim Financial Information

Philadelphia Pharmaceuticals Co.
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan

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Report on Review of Interim Financial Information

**To the Shareholders of
Philadelphia Pharmaceuticals Company
Public Shareholding Company
Amman – Jordan**

Introduction

We have reviewed the accompanying interim financial statement of Philadelphia Pharmaceuticals Company (P.S) as of March 31, 2018 and interim statement of profit or loss and other comprehensive income and interim statement of changes in equity and interim statements of cash flows for the three- month period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of this interim financial information in accordance with International Financial Reporting Standard (34). Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410. A review of 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 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 financial information does not give a true and fair view of the financial position of the entity as at march 31, 2018, and of its financial performance and its cash flows for the three – month period then ended in accordance with International Financial Reporting Standards.

On behalf of
IPB Member of Kreston Int'l
Dr. Reem AL-Araj
License No. (820)

Amman - Jordan
15 April 2018





Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Financial Position (JOD)

Assets	Notes	As at	
		31/03/2018	31/12/2017
Current Assets			
Cash and cash equivalent	8	504,046	579,773
Trade account receivable	9	8,515,202	8,238,777
Inventory and warehouses	10	1,460,509	1,360,066
Accepted bank withdrawals		28,504	12,050
Goods in transit		27,269	24,623
Other debit balances	11	488,756	399,203
Total current assets		11,024,286	10,614,492
Non-current assets			
Property, plants and equipments (net)	12	2,603,535	2,510,228
Intangible assets	13	125,644	141,277
Total Non-current assets		2,729,179	2,651,505
Total assets		13,753,465	13,265,997
Liabilities			
Current Liabilities			
Credit banks	14	1,884,560	1,875,214
Trade payables		1,178,008	1,034,695
Notes payables		79,308	-
Income tax provision		41,020	34,060
Other credit balances	15	113,217	169,563
Total Current liabilities		3,296,113	3,113,532
Total liabilities		3,296,113	3,113,532
Equity	16		
Capital		7,500,000	7,500,000
Statutory reserve		1,037,093	1,037,093
Voluntary reserve		266,772	266,772
Retained earnings		1,653,487	1,348,600
Total Equity		10,457,352	10,152,465
Total equity and liabilities		13,753,465	13,265,997

The notes on pages 7 to 22 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Profit or Loss and Other Comprehensive Income (JOD)

		For the period ended	
	Note	31/03/2018	31/03/2017
Sales	17	2,070,353	1,449,427
Cost of sales	18	(1,111,028)	(596,352)
Gross profit		959,325	853,075
Research and development expenses		(43,159)	(40,952)
Selling and distribution expenses	19	(362,696)	(342,728)
Administrative expenses	20	(196,696)	(184,831)
Finance expense		(41,674)	(29,493)
(Loss) on sale of property and equipment		-	(3,488)
Other revenue		787	189
Profit of the period from continuing operations before tax		315,887	251,772
Income tax expense		(11,000)	(17,326)
Profit of the period from continuing operations after tax		304,887	234,446
Other comprehensive income			
Total comprehensive income		304,887	234,446
Weighted average of shares		7,500,000	7,500,000
Earnings per shares for the period		0.041	0.03

The notes from page 7 to 22 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company

**"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Changes in Equity (JOD)**

For the period ended 31, March 2018	Capital	Statutory reserve	Voluntary reserve	Retained earnings	Total equity
Balance at 1 January 2018	7,500,000	1,037,093	266,772	1,348,600	10,152,465
Comprehensive income					
Profit for the period	-	-	-	304,887	304,887
Period total comprehensive income					
Balance as at 31, March 2018	7,500,000	1,037,093	266,772	1,653,487	10,457,352
For the period ended 31, March 2017					
Balance at 1 January 2017					
Comprehensive income					
Profit for the period	-	-	-	234,446	234,446
Period total comprehensive income					
Balance as at 31, March 2017	7,500,000	946,911	266,772	582,286	9,295,969

The notes from page 7 to 22 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
Interim Statement of Cash Flows (JOD)

	For the period	
	31/03/2018	31/03/2017
Cash Flows from Operating Activities		
Profit after tax	304,887	234,446
Adjustments for:		
Depreciation & amortization	66,954	68,050
Loss on sale of property and equipment	-	3,488
Finance expense	41,674	29,493
Receivable impairment	10,000	
Changes in:		
Trade account receivables	(286,425)	(774,882)
Accepted bank withdrawals	(103,089)	(50,122)
Inventory and warehouses	(16,454)	86,213
Other debit balances	(89,553)	(93,705)
Note payables	79,308	(7,752)
Trade account payables	143,313	44,103
Other credit balances	(56,346)	28,918
Income tax paid	(4,040)	(15,870)
Cash generated from operating activities		
Income tax expenses	11,000	17,326
Net cash from operating activities	101,229	(430,294)
Cash flows from investment activities		
Purchase of property and equipment	(158,033)	(37,464)
Intangible assets	13,405	(4,500)
Proceeds from sale of property and equipment	-	28,629
Net cash flows from investment activities	(144,628)	(13,335)
Cash flows from financing activities		
Finance expense	(41,674)	(29,493)
Credit banks	9,346	471,074
Net cash flows from financing activities	(32,328)	441,581
Net (decrease) in cash	(75,727)	(2,048)
Cash and cash equivalents at beginning of the year	579,773	21,557
Cash and cash equivalent at ending of the year	504,046	19,509

The notes on pages 7 to 22 are an integral part of these financial statements

Philadelphia Pharmaceuticals Company
"Public Shareholding Company"
Amman -The Hashemite Kingdom of Jordan
InterimNotes to the Financial Statements

1- Reporting Entity

Philadelphia Pharmaceuticals Company was established on 5 July 1993; it was registered in Ministry of Industry and Trade as a public shareholding company at 17 January 2006 (no. 394) with (7,500,000) JOD capital. The head office of the company is located at King Abdullah Industrial Estate in Sahab - Jordan. The company is primarily involved in the production of human medicines and medical supplies and solvents, sterilization devices, dialysis, disinfectants, purchase and import of raw materials for production and machinery and equipment in addition to other objectives mentioned in registration record.

2- Standards issued but not yet effective

A. Revenue from Contracts with Customers (IFRS 15)

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS (18) Revenue and, IAS (11) construction contracts. IFRS (15) is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted.

B- Financial Instruments IFRS (9)

IFRS 9 contains a new classification and measurement approach for financial assets that reflects the business model in which assets and their cash flow are managed. IFRS 9 contains three principal classification categories for financial assets which are measured at amortized cost, fair value through other comprehensive income and fair value through profit or loss. The standard eliminates the existing IAS 39 categories of held to maturity, loans and receivables and available for sale. IFRS 9 will require extensive new disclosures, in particular about hedge accounting, credit risk and expected credit losses. IFRS (9) is effective for the annual periods beginning on or after 1 January 2018 with earlier adoption permitted.

C- Leases IFRS (16)

IFRS 16 introduces a single, one-balance lease sheet accounting model for lessees. A lessee recognizes a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items. Lessor accounting remains similar to the current standard – i.e. lessor continue to classify leases as finance or operating leases.

3- Basis of accounting

- a. These financial statements have been prepared in accordance with International Financial Reporting Standards. They were authorized for issue by the company's Board of director on 17/04/2018.
- b. These financial statements have been prepared based on going concern assumption and under the historical cost basis (except those financial assets and other items that measured by fair value as at the date of financial statement in compliance with International Standards).
- c. These financial statements have been prepared under the accrual basis of accounting, under this basis the effects of transactions and other events are recognized when they occur and not as cash is received or paid and they are recorded in accounting records and reported in the financial statements of the period to which they related.

4- Functional and presentation currency

These financial statements are presented in JOD which is the company's functional currency all amounts have been rounded to nearest (JOD), unless otherwise indicated.

5- Use of judgments and estimates

- ✓ In preparing these consolidated financial statements, management has made judgments, estimates and assumptions that affect the application of the company accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.
- ✓ Estimates and underlying assumptions are reviewed on an ongoing basis Revisions to estimates are recognized prospectively.

6- Accounting policies

The company has consistently applied the following accounting policies to all periods presented in these consolidated financial statements.

A- Foreign currency transactions

- ✓ Transactions in foreign currencies are translated into the respective functional currencies of company at the exchange rates at the dates of the transactions.
- ✓ Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Foreign currency differences are generally recognized in profit or loss. However, foreign currency differences arising from the translation of available-for-sale equity investments, a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective, and qualifying cash flow hedges to the extent that the hedges are effective are recognized in other comprehensive income.

B- Revenue

▪ Sale of goods

Revenue is recognized when the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods and the amount of revenue can be measured reliably. Revenue is measured net of returns, trade discounts and volume rebates.

▪ Rendering of services

If the services under a single arrangement are rendered in different reporting periods, then the consideration is allocated on a relative fair value basis between the different services.

The company recognizes revenue from rendering of services in proportion to the stage of completion of the transaction at the reporting date. The stage of completion is assessed based on surveys of work performed.

▪ **Commissions**

If the company acts in the capacity of an agent rather than as the principal in a transaction, then the revenue recognized is the net amount of commission made by the company.

C- Employee benefits

Employee benefits are expensed as the related services are provided. A liability is recognized for the amount expected to be paid if the company has a present legal or constructive obligation to pay this amount as a result of past services provided by the employee and the obligation can be estimated.

D- Income tax

- ✓ Income tax for the period is based on the taxable income for the year. Taxable income differs from profit as reported in the statement of comprehensive income for the period as there are some items which may never be taxable or deductible for tax and other items which may be deductible or taxable in other periods.
- ✓ Philadelphia Pharmaceuticals Company is classified as industrial company, and subjected to 14% income tax in compliance with Jordanian Taxation Law for the year 2015 with income tax number is (4038649) and VAT no.(61558).

E- Inventories

- ✓ Inventories are measured at the lower of cost and net realizable value.
- ✓ The cost of inventory includes the purchase prices and other cost incurred to bring it in use.

F- Property, plant and equipment

- ✓ Items of property, plant and equipment are measured at cost, which includes cost incurred to bring the asset to operation, in addition to capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.
- ✓ If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.
- ✓ Any gain or loss on disposal of an item of property plant and equipment is recognized in profit or loss.

Philadelphia Pharmaceuticals Company

Notes to the financial statements

- ✓ Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the company.
- ✓ Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the company will obtain ownership by the end of the lease term. Land is not depreciated.
- ✓ The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:
 - Buildings 3 %
 - Machines , equipments 8 %
 - Vehicles 15%
 - Furniture and decoration 12 %
- ✓ Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.
- ✓ When the use of a property changes from owner-occupied to investment property, the property is recognized at cost as using fair value is prohibited by local legislation.

G- Intangible assets

- ✓ Expenditure on research activities is recognized in profit or loss as incurred.
- ✓ Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the company's intends to and has sufficient resources to complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred.
- ✓ Subsequent to initial recognition, development expenditure is measured at cost less accumulated amortization and any accumulated impairment losses.
- ✓ Amortization is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognized in profit or loss. Goodwill is not amortized.

H- Financial Instruments

- ✓ Financial assets are classified into financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.
- ✓ Financial liabilities are classified into financial liabilities at fair value through profit or loss and other financial liabilities.
- ✓ The company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date when the entity becomes a party to the contractual provisions of the instrument.
- ✓ The company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.
- ✓ The company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire.
- ✓ Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the company currently has a legally enforceable right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.
- ✓ A financial asset is classified as at fair value through profit or loss if it is classified as held-for-trading or is designated as such on initial recognition. Directly attributable transaction costs are recognized in profit or loss as incurred. Financial assets at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.
- ✓ Held-to-maturity financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost using the effective interest method.
- ✓ Available-for-sale financial assets are initially measured at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on debt instruments, are recognized in other comprehensive income and accumulated in the fair value reserve.

When these assets are derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

I-Impairment

- Financial assets

- ✓ Financial assets not classified as at fair value through profit or loss, including an interest in an equity-accounted investee, are assessed at each reporting date to determine whether there is an objective evidence of impairment such as indications that a debtor or issuer will enter bankruptcy, the disappearance of an active market for a security because of financial difficulties.

- Non-financial assets

- ✓ At each reporting date, the company reviews the carrying amounts of its non-financial assets (other than biological assets, investment property, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.
- ✓ The recoverable amount of an asset is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.
- ✓ An impairment loss is recognized if the carrying amount of an asset exceeds its recoverable amount.
- ✓ An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

J- Fair value measurement

- ✓ Fair value' is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the company has access at that date. The fair value of a liability reflects its non-performance risk.

- ✓ A number of the company accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.
- ✓ When one is available, the company measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.
- ✓ If there is no quoted price in an active market, then the company uses valuation techniques that maximize the use of relevant observable inputs and minimize the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.
- ✓ If an asset or a liability measured at fair value has a bid price and an ask price, then the company measures assets and long positions at a bid price and liabilities and short positions at an ask price

K- Related parties

- ✓ A related party is a person or entity that is related to the entity that is preparing its financial statements.
- ✓ A person is a related party if that person has control or significant influence over the reporting entity; or is a member of the key management personnel. an entity is a related party if this entity and the reporting entity are members of the same group or one entity is an associate or joint venture of the other entity or the entity is controlled by a related person.
- ✓ A related party transaction is a transfer of resources, services or obligations between a reporting entity and a related party, regardless of whether a price is charged.
- ✓ Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of that entity.

L- Events after the reporting period

Events after the reporting period are those events, favorable and unfavorable, that occur between the end of the reporting period and the date when the financial statements are authorized for issue and there are two kinds of events after the reporting period:.

- 1- Those that provide evidence of conditions that existed at the end of the reporting period and an entity shall adjust the amounts recognized in its financial statements
- 2- Those that are indicative of conditions that arose after the reporting period, an entity shall not adjust the amounts recognized in its financial statements.

M- Contingent Liabilities

Contingent liabilities are obligations that could result from a past event and will confirm their presence only by the occurrence or non-occurrence of a future uncertain and not within the control of the company and are not recognized in the records because it is not likely to flow release of economic benefits for the payment of the obligation cannot be measured amount of the obligation reliably.

Bank guarantees(net)	138,538 JOD
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N- Capital management

- ✓ The company policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business.
- ✓ Management monitors the return on capital, as well as the level of dividends to ordinary shareholder
- ✓ The board of directors seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowing and the advantages and security afforded by a sound capital position.
- ✓ The company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities, comprising interest-bearing loans and borrowings and obligations under finance leases, less cash and cash equivalents. Adjusted equity comprises all components of equity other than amounts accumulated in the hedging reserve.

O- Financial risk management

The company has exposure to the following risks arising from financial instruments:

1-credit risk

2-liquidity risk

3-market risk

Risk management framework

- ✓ The company's board of directors has overall responsibility for the establishment and oversight of the company risk management framework. The company risk management policies are established to identify and analyze the risks faced by the company, to set appropriate risk limits and controls and to monitor risks and
- ✓ adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the company activities.
- ✓ The company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

Credit risk

- ✓ Credit risk is the risk of financial loss to the company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the company receivables from customers and investments in debt securities.
- ✓ The carrying amount of financial assets represents the maximum credit exposure.
- ✓ The company exposure to credit from Trade and other receivables risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate.
- ✓ The company limits its exposure to credit risk from trade receivables by establishing a maximum payment period of 30 and 180 day .
- ✓ The company monitors risk cash and cash equivalents by dealing with banks with good reputation.

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the company income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

Currency risk

The company is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of company companies. Management monitors fluctuation in foreign currencies exchange rates and believes that the company is exposed to currency risk due to transactions in foreign currencies rather than USD since the functional currency of the company JOD has fixed exchange rate with USD.

Interest rate risk

Interest rate risk arises from the effects of fluctuations in the levels of markets interest rates on the fair value of financial assets and liabilities and future cash flows.

8- Cash and cash equivalents

	31/03/2018	31/12/2017
	JOD	JOD
Cash at hand	3,913	1,421
Arab Bank – USD	333	1,310
Arab Bank – USD –Algeria	14,180	14,180
Islamic International Arab Bank-JOD	790	792
Capital bank – JOD	4,412	97
Investment bank – JOD	-	1
Investment bank – USD	4,483	2,731
Al Rajhi Bank – USD	35	35
Checks in hand	475,900	559,206
Total	504,046	579,773

Philadelphia Pharmaceuticals Company
Notes to the financial statements

9- Trade account receivable

	31/03/2018	31/12/2017
	JOD	JOD
Local receivables	4,431,622	4,302,162
External receivables	4,145,434	3,988,468
Impairment provision	(61,853)	(51,853)
Total	8,515,202	8,238,777

10- Inventory and warehouses

	31/03/2018	31/12/2017
	JOD	JOD
Raw materials and packing	1,101,277	1,057,606
Finished good	169,475	163,683
Spare parts and disposals	134,597	73,777
Goods in process	55,160	65,000
Total	1,460,509	1,360,066

11- Other debit balances

	31/03/2018	31/12/2017
	JOD	JOD
Prepaid expenses	405,251	243,405
Refundable deposits	5,628	5,628
Margin on guarantees	15,435	17,345
Income tax	2,817	1,867
Due from employees	37,865	39,338
Payments in advanced for raw materials	14,494	72,903
Sale tax	7,266	18,717
Total	488,756	399,203

Philadelphia Pharmaceuticals Company
Notes to the financial statements

12- Property, plants and equipments

31/03/2018	Lands	Buildings	Machines , equipments & vehicles	Furniture and decorations	Total
Cost	JOT	JOD	JOD	JOD	JOD
Opening balance	124,865	1,520,193	2,546,654	236,485	4,428,197
Additions	-	-	158,100	203	158,303
Ending balance	124,865	1,520,193	2,704,754	236,688	4,586,500
Accumulated depreciation					
Opening balance	-	410,728	1,383,662	123,579	1,917,969
Additions	-	11,332	50,125	3,539	64,996
Ending balance	-	422,060	1,433,787	127,118	1,982,965
Net book value	124,865	1,098,133	1,270,967	109,570	2,603,535

31/12/2017	Lands	Buildings	Machines , equipments & vehicles	Furniture and decorations	Total
cost	JOT	JOD	JOD	JOT	JOD
Opening balance	124,865	1,517,898	2,518,281	232,953	4,393,997
Additions	-	2,295	52,163	4,693	59,151
Disposals	-	-	(23,790)	(1,161)	(24,951)
Ending balance	124,865	1,520,193	2,546,654	236,485	4,428,197
Accumulated depreciation					
Opening balance	-	365,052	1,186,651	108,079	1,659,782
Additions	-	45,676	200,731	15,656	262,063
Disposals	-	-	(3,720)	(156)	(3,876)
Ending balance	-	410,728	1,383,662	123,579	1,917,969
Net book value	124,865	1,109,465	1,162,992	112,906	2,510,228

Philadelphia Pharmaceuticals Company
Notes to the financial statements

13 - Intangible assets

	31/03/2018	31/12/2017
	JOD	JOD
Research , development and software	245,084	198,467
Additions	-	46,617
Total	245,084	245,084
Accumulated amortization		
Opening balance	103,807	46,639
Additions	1,958	57,168
Ending balance	105,765	103,807
Net book value	125,644	141,277

14- Credit banks

	31/03/2018	31/12/2017
	JOD	JOD
Capital Bank – USD	465,080	333,367
Arab Bank –JOT	83,439	128,678
Arab Bank – USD	784,547	532,629
Union Bank – USD	551,199	880,243
Union Bank – JOT	-	2
Al Rajhi Bank – USD	295	295
Total	1,884,560	1,875,214

15- Other credit balances

	31/03/2018	31/12/2017
	JOD	JOD
Accrued expenses	51,410	93,360
Due to taxation department	4,229	2,883
Due to social security	21,185	19,628
Due to employees	6,997	8,022
Board of directors incentives	20,000	40,000
Employees' benefits	9,396	5,670
Total	113,217	169,563

16- Equity

▪ **Capital**

The company was established in 05/07/1993 as limited liability company, it was transferred to public shareholding company at 17/Jan/2006 with authorized, subscribed and paid up capital of (1,200,000) JOD then the capital was increased up to (5,000,000) JOD as at 31/12/2015.

At 26/4/2016 the General Assembly decided in an extraordinary meeting to increase the capital by (2,500,000) JOD through capitalization of retained earnings, with covering the rest of increase from voluntary reserve and to distribute this increase as free shares to the shareholders in proportion of their shares in capital.

▪ **Statutory reserve**

This balance represents 10% of this year and previous years' profit carried forward in compliance with Jordanian Company's Law article (186) and this balance is not attributable to shareholders.

▪ **Voluntary reserve**

This balance represents 10% of this year and previous years' profit carried forward in compliance with Jordanian Company's Law article (187).

▪ **Retained earnings**

This balance represents the profit carried forward from this period and previous years after provisions.

17 - Sales

	31/03/2018	31/03/2017
	JOD	JOD
Local sales	494,027	569,207
Export sales	1,576,326	880,220
Total	2,070,353	1,449,427

Philadelphia Pharmaceuticals Company
Notes to the financial statements

18- Cost of sales

	Note	31/03/2018	31/03/2017
		JOD	JOD
Raw materials		818,054	384,710
Operational expenses	18-1	245,448	202,981
Depreciation & amortization		43,891	45,601
Cost of production		1,107,393	633,292
Good in process - opening balance		65,000	55,374
Good in process - ending balance		(55,160)	(50,529)
Cost of goods available for sale		1,117,233	638,137
Finished goods – opening balance		163,270	164,361
Finished goods – ending balance		(169,475)	(206,146)
Total		1,111,028	596,352

18-1- Operational Expenses

	31/03/2018	31/03/2017
	JOD	JOD
Wages and salaries	129,620	112,210
Social security	17,948	16,207
Water and electricity	17,690	14,072
Maintenance	14,274	10,184
Medical Analysis expense	12,018	10,905
Health insurance	6,445	6,254
Medical Analysis fees	4,640	4,775
Consumable	13,296	8,955
Fuel	3,400	3,888
Training and development	500	680
Water treatment expenses	1,170	1,382
Transportation	779	212
Write off expenses	550	500
Factory insurance	586	586
Calibration and air tests	6,402	3,615
Meals	3,530	2,811
Stationery	1,262	1,067
Cleaning	1,366	1,584
Workers' wages	2,436	-
Miscellaneous	7,536	3,094
Total	245,448	202,981

Philadelphia Pharmaceuticals Company
Notes to the financial Statements

19-Selling and distribution expenses

	31/03/2018	31/03/2017
	JOD	JOD
Wages and salaries	55,100	60,102
Social security	7,175	8,976
Rents	2,075	4,366
Selling offices expense	4,157	3,405
Tenders	2,017	2,048
Health insurance	2,052	2,178
Advertising	21,649	13,076
Foreign markets expenses	260,551	245,340
Miscellaneous	7,920	3,237
Total	362,696	342,728

20- Administrative and general expenses

	31/03/2018	31/03/2017
	JOD	JOD
Wages and salaries	103,426	108,050
Social security	13,348	14,329
Rents	6,213	4,768
Telephone	2,219	2,133
Stationery	605	1,137
Vehicle expenses	8,987	6,546
Security	4,800	4,650
Professional fees	2,500	1,500
Hospitality & cleaning	1,044	642
Health insurance	4,985	5,034
Fees and licenses	3,566	4,744
Head office expenses	5,758	4,709
Software expenses	2,574	690
Depreciation & amortization	23,063	22,449
Miscellaneous	3,609	3,450
Impairment provision	10,000	-
Total	196,696	184,831