

شركة المجموعة الاستشارية
الاستثمارية المساهمة العامة المحدودة

الرقم : 2019/100/13/5
التاريخ : 2019/8/1

للمرسل
م. بورهه عات
السادة هيئة الاوراق المالية المحترمين
السيد فخر
السيد خالد

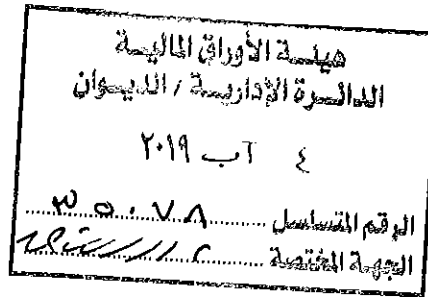
تحية طيبة وبعد

مرفق طيه البيانات المالية باللغة الانجليزية النصف سنوية حتى تاريخ 2019/6/30 لشركة
المجموعة الاستشارية الاستثمارية المساهمة العامة المحدودة.

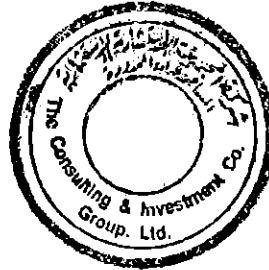
وتفضلوا بقبول فائق الاحترام

المدير العام

الدكتور موسى صالح



مرفق قرص مرن بالبيانات المالية



THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM FINANCIAL
STATEMENTS FOR THE SIX
MONTHS ENDED JUNE 30, 2019

TOGETHER WITH REVIEW REPORT

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
FOR THE SIX MONTHS
ENDED JUNE 30, 2019

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Review Report

AM/ 007568

To the Chairman and Members of the Board of Directors
The Consultant and Investment Group Company
(A Public Limited Shareholding Company)
Amman - Jordan

Introduction

We have reviewed the accompanying condensed Consolidated interim statement of financial position of The Consultant and Investment Group Company (A Public Limited Shareholding Company) as of June 30, 2019, and the related condensed Consolidated interim statements of income and comprehensive income, changes in Shareholders' equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, 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 indicating that the accompanying condensed Consolidated interim financial statements for the Consultant and Investment Group Company are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matter

The accompanying consolidated financial statements are a translation of the statutory financial statements in the Arabic language to which reference should be made.

Amman - Jordan
July 30, 2019


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010105

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF FINANCIAL POSITION

		June 30, 2019 (Reviewed not Audited)	December 31, 2018
	Note		
NON-CURRENT ASSETS:		JD	JD
Property and equipment - net	4	19,433,607	19,772,924
Projects under construction	5	1,319,795	832,837
Advance payments to purchase medical equipments		60,101	1
Deferred tax assets	10/c	186,643	89,250
Right of use assets	2/b	866,522	-
Total Non-Current Assets		21,866,668	20,695,012
CURRENT ASSETS:			
Medicine and medical supplies		1,320,683	1,228,451
Receivables - net	6	3,699,615	2,657,911
Other debit balances	7	779,781	1,012,657
Checks under collection - short term		24,161	46,918
Cash on hand and at banks		209,016	1,355,641
Total Current Assets		6,033,256	6,301,578
Total Assets		27,899,924	26,996,590
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Paid-up capital		14,445,000	14,445,000
Statutory reserve		445,750	445,750
Retained earnings		875,520	683,380
Profit for the period		388,634	-
Total Shareholders' Equity		16,154,904	15,574,130
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Long-term liabilities against finance lease contract	8	5,191,171	5,380,229
Total Non-Current Liabilities		5,191,171	5,380,229
CURRENT LIABILITIES:			
Accounts payable		1,213,274	2,321,453
Short-term liabilities against finance lease contracts	8	910,568	910,568
Other Provisions		401,785	401,785
Income Tax Provision	10	43,118	-
Other credit balances	9	3,161,181	2,408,425
Lease Liability	2/b	823,923	-
Total Current Liabilities		6,553,849	6,042,231
Total Liabilities		11,745,020	11,422,460
TOTAL Shareholder's Equity And Liabilities		27,899,924	26,996,590

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

Chairman of the Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF INCOME
AND OTHER COMPREHENSIVE INCOME
(REVIEWED NOT AUDITED)

	Note	For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
		2019	2018	2019	2018
		JD	JD	JD	JD
Operating revenue	11	4,103,370	3,625,173	8,089,084	7,560,042
Cost of revenue	12	(3,180,728)	(2,743,651)	(6,226,999)	(5,651,414)
Gross profit		922,642	881,522	(1,862,085)	1,908,628
General and administrative expenses	13	(584,771)	(676,699)	(1,335,346)	(1,335,799)
Finance costs		(94,042)	(94,997)	(187,447)	(195,636)
(Provision) surplus in provision for doubtful debts - net		-	(50,000)	-	(50,000)
Other revenue - net	14	73,553	164,439	187,207	207,826
Profit for the Period before Tax		317,382	224,265	526,499	535,019
Income tax expense	10/a	(94,441)	(52,107)	(137,865)	(121,500)
Profit for the Period / Total Comprehensive Income for the Period		<u>222,941</u>	<u>172,158</u>	<u>388,634</u>	<u>413,519</u>
Earnings per share from the profit for the period - Basic and diluted (JD/Share)	15			<u>0.027</u>	<u>0.028</u>

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Chairman of Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED CONSOLIDATED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(REVIEWED NOT AUDITED)

	Paid-up Capital	Statutory Reserve	Retained Earnings *	Profit for the Period	Total
	JD	JD	JD	JD	JD
<u>For the Six Months Ended June 30, 2019</u>					
Balance at the beginning of the period	14,445,000	445,750	683,380	-	15,574,130
Gross comprehensive profit for the period	-	-	-	388,634	388,634
Effect of prior years adjustments	-	-	192,140	-	192,140
Balance at the End of the Period	<u>14,445,000</u>	<u>445,750</u>	<u>875,520</u>	<u>388,634</u>	<u>16,154,904</u>
<u>For the Six Months Ended June 30, 2019</u>					
Balance at the beginning of the period	13,500,000	362,012	1,107,360	-	14,969,372
Capital increase	945,000	-	(945,000)	-	-
Gross comprehensive profit for the period	-	-	-	413,519	413,519
Balance at the End of the Period	<u>14,445,000</u>	<u>362,012</u>	<u>162,360</u>	<u>413,519</u>	<u>15,382,891</u>

* An amount of JD 186,643 is included in the Retained Earnings and profit at the period as of June 30, 2019 which is restricted to use against deferred tax assets.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING REVIEW REPORT.

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONDENSED CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS
(REVIEWED NOT AUDITED)

		For the Six Months	
		Ended June 30,	
	Note	2019	2018
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period		526,499	535,019
Adjustments:			
Provision for expected credit loss		-	50,000
End-of-service indemnity provision	9	11,095	16,792
Finance costs		187,447	195,636
Provision for employees' vacations	9	13,464	5,080
Loss of disposal of Property and Equipment		-	2,288
Amortization of right of use assets	2	225,050	-
Depreciation of property and equipment		630,950	341,764
Net Cash Flows from Operating Activities before Changes in Working Capital Items		1,594,505	1,146,579
(Increase) in medicine and medical supplies		(92,232)	(378,017)
(Increase) in receivables		(1,041,704)	(108,457)
Decrease (increase) in checks under collection		22,757	(9,376)
Decrease in other debit balances		(658,205)	72,422
(Decrease) in accounts payable		(1,100,311)	(464,776)
Increase in other credit balances		1,351,629	490,080
Net Cash Flows from Operating Activities before Provision Paid for Employees'			
Vacations and End-of-Service Indemnity		76,439	748,455
Paid from provision for employees' vacations	9	(12,343)	(13,300)
Paid from End-of-service indemnity provision	9	-	(8,396)
Net Cash Flows from Operating Activities		64,096	726,759
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in property and equipment	4	(291,633)	(736,104)
Payments for purchase of property and equipment		(60,100)	26,615
(Increase) in projects under construction	5	(486,958)	(242,268)
Net Cash Flows (used in) Investing Activities		(838,691)	(951,757)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) in liabilities against finance lease contracts		(189,058)	(170,019)
Finance costs paid		(187,447)	(195,636)
Net Cash Flows (used in) Financing Activities		(376,505)	(365,655)
(Decrease) in Cash and Cash Equivalents		(1,151,100)	(590,653)
Cash and cash equivalent - beginning of the year		1,355,641	3,085,648
Cash on and cash equivalent - End of the Period		204,541	2,494,995

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONDENSED CONSOLIDATED
 INTERIM FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
 AND WITH THE ACCOMPANYING REVIEW REPORT.

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
NOTES TO THE CONDENSED CONSOLIDATED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. General

- a. The Consultant and Investment Group Company (Al-Istishari Hospital) was established and registered on 7 November 1995 as a public limited shareholding company under No. (299) with a paid-up capital of JD (8) million.

The Company's capital was increased, in several stages in the past years, to JD 22 million, divided into 22 million shares at a par value of JD 1 each. During the year 2016, the Company decreased its capital to amortize accumulated losses, thus rendering capital at JD 9,825,362, divided into 9,825,362 shares at a par value of JD 1 each. In this regard, the Company completed the capital decrease procedures during the year 2016.

In its extraordinary meeting held on July 17, 2016, the Company's General Assembly of shareholder approved the issuance of 3,674,638 shares of the authorized shares of JD1 each, so that capital would become JD 13.5 million. Moreover, the Company completed the legal procedures for capital increase and obtained the required approvals during the second half of the year 2017.

The Company's address is Wadi Saqra, P.O. Box 840431, Amman 11184-the Hashemite Kingdom of Jordan.

- b. The Company's objectives are the following:
- Carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects;
 - Setting up and managing health, real estate, housing, building, and industrial projects as well as constructing commercial markets of all types along with their related services.
- c. The Company is exempted from income tax at a rate of 25% for ten years ending on September 22, 2016 according to Article (27) of the Investment Promotion Law No. (68) for the year 2003. The exemption has been extended to January 28, 2019.
- d. The condensed consolidated interim financial statements were approved by the Board of Directors on July 29, 2019.

2. Basis of Preparation of the Condensed Consolidated Interim Financial Statements

- The accompanying condensed consolidated interim financial statements have been prepared in accordance with International Accounting Standard (IAS) 34 "Interim Financial Reporting".
- The condensed consolidated interim financial statements are prepared in accordance with the historical cost principle, except for certain financial assets and financial liabilities stated at fair value as of the date of the condensed consolidated interim financial statements.
- The condensed consolidated interim financial statements are stated in Jordanian Dinar, which is the financial currency of the Company.

- The accompanying condensed consolidated interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and should be read with the annual report of the Company as of December 31, 2018. In addition, the results of the Company's operations for the three months ended June 30, 2019 do not necessarily indicate the expected results for the year ending December 31, 2019, and do not contain the appropriation of the profit for the three months period ended June 30, 2019, which is usually performed at year end.

Basis of Preparation the interim condensed consolidated financial statements

The interim condensed consolidated financial statements include the financial statements of the Company and the companies under its control (its subsidiaries) and control is achieved when:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect the investee's returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Subsidiaries companies are consolidated when the Company controls the subsidiary and ceases when the Company loses control of the subsidiary. In particular, the results of operations of subsidiaries acquired or disposed of during the year are included in the consolidated income statement from the date control is achieved until the date that control of the subsidiary ceases.

Income and each item of comprehensive income is allocated to the shareholders of the Company and the non-controlling interest. The comprehensive income of the subsidiaries is distributed to the shareholders of the Company and the non-controlling interest even if the distribution will results in a deficit in the share of the non-controlling interest.

Adjustments to the financial statements of subsidiaries are made, where necessary, to comply with the accounting policies adopted by the Company.

All assets, liabilities, equity, income and expenses relating to transactions and balances between the Company and its subsidiaries are eliminated on consolidation.

Non-controlling interest in subsidiaries is determined separately from the Company's equity in these companies. The share of non-controlling interests currently held in equity attributable to owners of a proportionate share of net assets at liquidation may initially be measured at fair value or proportionate share of non-controlling interests in the fair value of net identifiable assets. The measurement is chosen based on the acquisition. Other non-controlling interests are initially measured at fair value. After acquisition, the carrying amount of non-controlling interests is the value of these shares at initial recognition plus the share of non-controlling interests from subsequent changes in equity. Gross income is attributable to non-controlling interests even if there is a deficit in the balance of non-controlling interests.

Changes in the Company's shares in subsidiaries that do not result in loss of control are accounted for as equity transactions. The present value of the Company's shares and non-controlling interests is adjusted to reflect the changes in their relative shares in the subsidiaries. Any difference between the amount at which non-controlling interests are measured and the fair value of the consideration given or received is recognized directly in equity and it is attributed to the owners of the company.

When the Company loses control of a subsidiary, the gain or loss on disposal is recognized in the income statement as the difference between (i) the aggregate fair value of the consideration received and the fair value of any remaining shares; and (ii) the present value of the asset (including goodwill), less the liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in respect of that subsidiary are accounted for as if the Company had directly disposed of the assets or liabilities of the subsidiary. The fair value of the investment that is retained in the former subsidiary at the date of de-recognition is considered as fair value at the initial recognition of subsequent accounting under IFRS 9 Financial Instruments when the provisions of the Standard apply or the initial recognition of an investment in an associate or project Mutual

The Company owns Al Motamaizah Company for Hospital Management (subsidiary) as of June 30, 2019:

Paid-up Capital	Ownership percentage	The nature of the company's business	Location	Date of acquisition
JD 15,000	% 100	Commercial	Jordan	September 15, 2011

The following table shows the financial position and financial performance of the Al Motamaizah Company for Hospital Management (subsidiary) as at June 30, 2019:

June 30, 2019		For the period ended June 30, 2019	
Assets	Liabilities	Revenue	Expenses
JD 84,310	JD 52,682	JD 35,628	JD 16,628

- The accounting policies adopted in the preparation of the condensed consolidated interim financial statements are consistent with those used in the preparation of the consolidated financial statements for the year ended December 31, 2018 except for the effect of the new and revised IFRSs that became effective for financial periods beginning on or After January 1st, 2019 as follows:

a. Amendments that did not have a material impact on the Company's condensed consolidated interim financial statements:

Annual improvements to IFRSs issued between 2015 and 2017.

Improvements include amendments to IFRS (3) "Business Combinations", (11) "Joint Arrangements", International Accounting Standards (12), "Income Taxes" and (23) "Borrowing Costs".

The interpretations issued by the International Financial Reporting Interpretation Committee of the IASB, number (23) uncertainty on the treatment of income tax.

The interpretation clarifies the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax benefits and tax rates when there is uncertainty about the treatment of income tax under IAS (12) and specifically addresses:

- whether the tax treatment should be considered in aggregate;
- assumptions regarding the procedures for the examination of tax authorities;
- determination of taxable profit (tax loss), tax basis, unused tax losses, unused tax breaks, and tax rates;
- The impact of changes in facts and circumstances.

Amendments to IFRS 9 Financial Instruments.

These amendments relate to the advantages of prepayment with negative compensation, where the current requirements of IFRS (9) regarding termination rights have been amended to allow for the measurement at amortized cost (or on the business model at fair value through other comprehensive income) status of negative compensation payments.

Amendments to IAS (28) "Investment in Associates and Joint Ventures".

These amendments relate to long-term shares in allied enterprises and joint ventures. These amendments clarify that an entity applies IFRS (9) "*Financial Instruments*" to long-term interests in an associate or joint venture that forms part of the net investment in an associate or joint venture if the equity method has not been applied to it.

Amendments to IAS 19 Employee Benefits.

These amendments relate to adjustments to plans, reductions, or settlements.

b. Amendments to the condensed consolidated interim financial statements of the Company:

Effect of Application of IFRS (16) "Leases"

The Company has adopted IFRS (16), "Leases", which replace the existing guidelines on leases, including IAS (17) "Leases", IFRIC (4) "Determining whether an arrangement contains a lease" and the interpretation of the previous Interpretations Committee (15) "Operational leases - incentives" and SIC (27) "Evaluating the Substance of Transactions in the Legal Form of a Lease".

IFRS (16) was issued in January 2016 and is effective for annual periods commencing on or after 1 January 2019. IFRS (16) stipulates that all leases and the associated contractual rights and obligations should generally be recognize in the Company's financial Position, unless the term is 12 months or less or the lease for low value asset. Thus, the classification required under IAS (17) "Leases" into operating or finance leases is eliminated for Lessees. For each lease, the lessee recognizes a liability for the lease obligations incurred in the future. Correspondingly, a right to use the leased asset is capitalized, which is generally equivalent to the present value of the future lease payments plus directly attributable costs and which is amortized over the useful life.

The Company has opted for the modified retrospective application permitted by IFRS (16) upon adoption of the new standard. During the first time application of IFRS (16) to operating leases, the right to use the leased assets was generally measured at the amount of lease liability, using the interest rate at the time of first time application.

The right of use assets have been measured in an amount equal to the lease obligations, and adjusted by any pre-paid or lease payment that is recognized in the financial position list as of December 31, 2018. No adjustments to the retained earnings, as at January 1st, 2019, were produced under this method. There were no low leases that required an adjustment to the right of use assets at the date of the initial application.

The recognized right of use assets of leased properties are as at June 30, 2019 and the January 1st, 2019.

The movement on the right of use the assets and liabilities of the lease during the period is as follows:

	Right of Use	
	Assets	Liabilities
	JD	JD
Balance as January 1 st , 2019	1,091,572	879,649
Interest during the period	-	3,085
Paid during the period	-	(58,811)
Depreciation for the period	(225,050)	-
Balance as June 30, 2019	866,522	823,923

The Company's leasing activities and its accounting treatment mechanism:

The Company's rents real estates for use in its activities and usually leases for fixed periods ranging from one to Five years, some of which may include extension options and the lease terms are negotiated on an individual basis and contain a set of different terms and conditions, not including contracts Leases do not contain any obligations and may not be used as collateral for the purposes of borrowing.

Up to the end of the financial year 2018, real estate leases were classified as either an operating lease or a financial lease, and the amounts paid for operating lease contracts are credited to the income statement according to the straight-line method during the lease period.

Starting from the first of January 2019, leases were recognized as assets for use and related obligations on the date when the asset is ready for use by the Company, the value of each rental payment is distributed between the leasing obligations and the financing costs, and the financing costs are credited to the income statement during the lease period to achieve a fixed periodic interest rate on the remaining balance of the obligation for each period and the right of use assets are amortized during the productive life of the asset or the lease term, whichever is shorter according to the straight-line method.

The assets and liabilities arising from the leases are initially measured on the basis of the present value, and the lease obligations include the net present value of the following rental payments:

- Fixed payments (including built-in fixed payments) minus rental incentives receivable;
- Variable lease payments based on index or rate;
- Amounts expected to be paid by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option, and
- Payments of penalties for terminating the lease, if the lease term reflects the lessee exercising that option.

Rental payments are deducted using the implied lease interest rate or the tenant's additional borrowing price, if they are not available, which is the rate at which the lessee must pay to borrow the funds needed to obtain an asset of comparable value in a similar economic environment with similar terms and conditions.

Right of use assets are measured at cost comprising the following:

- The amount of the initial measurement of lease liability;
- Any lease payments made at or before the commencement date less any lease incentives received;
- Any initial direct costs, and
- Return costs (renovation and restoration).

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise IT-equipment and small items of office furniture.

In applying IFRS (16) for the first time, the Company has used the following practical expedients permitted by the standard:

- The use of a single discount rate to a portfolio of leases with reasonably similar characteristics
- Reliance on previous assessments on whether leases are onerous
- The accounting for operating leases with a remaining lease term of less than 12 months as at January 1, 2019 as short-term leases
- The exclusion of initial direct costs for the measurement of the right-of-use asset at the date of initial application, and
- The use of hindsight in determining the lease term where the contract contains options to extend or terminate the lease.

The Company has also chose not to reassess whether a contract is, or contains a lease at the date of initial application. Instead, for contracts entered into before the transition date the Company relied on its assessment made applying IAS (17) and IFRIC (4) determining whether an Arrangement contains a Lease.

3. Significant accounting estimates and key sources of uncertainty estimates

Preparation of the accompanying condensed consolidated interim financial statements and the application of accounting policies require from the company's management to estimate and assess some items affecting financial assets and liabilities and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, provisions, and the financial assets valuation reserve, and in a specific way, it requires the company's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

We believes that the estimates used in the condensed consolidated interim financial statements are reasonable and consistent with the estimates used in preparing the consolidated financial statements for the year 2018 except for the following:

Extension and termination lease options

Extension and termination options are included in a number of leases. These terms are used to increase operational flexibility in terms of contract management, most of the retained extension and termination options are practice at by both the Company and the lessor.

When determining the duration of the lease, the management takes into account all the facts and circumstances that create an economic incentive to exercise the option of extension, or not to exercise the option of termination. Extension options (or periods following termination options) are only included in the term of the lease if the lease contract is reasonably asserted to be extended (or not terminated). The evaluation is reviewed in the event of an important event or a significant change in the circumstances that affect this assessment which is within the tenant's control.

Deduction of rental payments

Rental payments are deducted using the Company's additional borrowing rate ("IBR"). The management has applied the judgements and estimates to determine the additional borrowing rate at the start of the lease.

4. Property and Equipment - Net

- Additions to property and equipment totaled JD 291,633 as of June 30, 2019 (JD 736,104 as of June 30, 2017).
- During the six months period ended June 30, 2019, the Company disposed property and equipment with a net book value of JD Zero (JD 2,288 as of June 30, 2018).
- The depreciation expense of property and equipment for the six months ended June 30, 2019 amounted to 584,926 (JD 341,764 the six months ended June 30, 2018).

5. Projects under Construction

Expansion of the main building of the hospital project: The project completion percentage was 23% and 1% as of June 30, 2019 and December 31, 2018 respectively, and the Company incurred a total cost of JD 1,319,795. The project is expected to be completed during 2020 for a total costs of around JD 5.7 million.

6. Accounts Receivable - Net

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Accounts Receivable	5,714,315	4,507,758
<u>Less:</u> Provision for allowable discounts *	(1,117,721)	(952,868)
Provision for expected credit loss	(896,979)	(896,979)
	<u>3,699,615</u>	<u>2,657,911</u>

- * The movement on the provision for allowable discounts during the period / year is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance - beginning of the period/year	952,868	310,084
Additions during the period/year	299,649	642,784
Recovered during the period/year	(134,796)	-
Balance - End of the Year	<u>(1,117,721)</u>	<u>952,868</u>

- The movement on the provision for expected credit losses during the year is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Beginning balance	896,979	473,325
Effect of applying IFRS (9)	-	275,000
Adjusted balance	<u>896,979</u>	<u>748,325</u>
Additions during the year	-	150,000
Debts settled during the year/no longer needed	-	(1,346)
Balance at the End of the Year	<u>896,979</u>	<u>896,979</u>

7. Other Debit Balances

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Earned revenue-unissued patients invoices	270,338	364,139
Claim on patients' deposits*	127,676	127,676
Advance payments for computer purchase	284,150	284,150
Advance payments for purchase of electric generator	99,229	99,229
Prepaid expenses	399,786	288,826
Refundable deposits	32,000	40,350
Other	77,657	319,342
	<u>1,290,836</u>	<u>1,523,712</u>
<u>Less:</u> Provision for Payments on account for purchasing computer programs	(284,150)	(284,150)
Provision for payments on account for purchasing an electric generator	(99,229)	(99,229)
Provision for patients' deposits difference *	<u>(127,676)</u>	<u>(127,676)</u>
	<u>779,781</u>	<u>1,012,657</u>

* This item represents the balance of a claim for patents' deposits and related provision to settle the difference in the patents' deposits account.

8. Liabilities against Finance Lease Contract

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Liabilities against short-term finance lease contracts - International Islamic Arab Bank, solar power	274,212	274,212
Liabilities against short-term finance lease contracts - International Islamic Arab Bank	683,795	683,795
Short-term land ownership transfer fees	<u>(47,439)</u>	<u>(47,439)</u>
	<u>910,568</u>	<u>910,568</u>
Liabilities against short-term finance lease contracts - International Islamic Arab Bank, solar power	2,170,843	2,170,843
Liabilities against long-term finance lease contracts - International Islamic Arab Bank	3,398,585	3,474,254
Long-term land ownership transfer fees	<u>(241,151)</u>	<u>(264,868)</u>
	<u>5,191,171</u>	<u>5,380,229</u>
	<u>6,101,739</u>	<u>6,290,797</u>

Finance lease contract signed on July 28, 2016 relates to the purchase of Land No. (1284) from the Islamic International Arab Bank through selling the land to the Islamic International Arab Bank and leasing it as lease-to-own. Consequently, the Company incurred ownership transfer fees of JD 426,951, paid to Amman Land Registry. This amount has been recorded as a contra liability account and will be amortized over the loan term.

The lease contract is for 108 months, divided into 9 lease years. Moreover, the lease amount will be paid starting from August 31, 2017 in monthly installments of JD 55,931 each.

The lease return for the first year stood at 6.5% of the lease principal. Moreover, the varied margin for the first year is 1%.

According to the finance lease contracts, the Company's liabilities are guaranteed by the lessor's ownership of the leased properties and comprehensive insurance thereon. The fair value of the finance lease contracts approximates their carrying amount.

9. Other Credit Balances

This item consists of the following:

	June 30, 2019	December 31, 2018
	JD	JD
Shareholders' deposits-fractional shares	138,795	143,610
Employees' vacation provision *	197,632	196,511
Accrued salaries and expenses	186,729	189,600
Provision for potential claims	21,069	21,069
Electromechanical contractors' retentions	86,550	86,550
Patients' deposits	434,272	276,292
Stamp fees deposits	69,495	69,495
Social security deposits	83,050	80,371
End-of-service indemnity provision **	82,828	71,729
Postponed check ***	1,615,713	1,049,545
Income tax deposits	22,917	19,207
Other	222,131	204,446
	<u>3,161,181</u>	<u>2,408,425</u>

* The movement on the provision for employees' vacation during the period / year is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	196,511	206,653
<u>Add:</u> Additions during the period / year	13,464	16,089
<u>Less:</u> Paid during the period / year	(12,343)	(26,231)
Balance at the end of the period / year	<u>197,632</u>	<u>196,511</u>

** The movement on the provision for end-of-service during the period / year is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	71,729	53,594
<u>Add:</u> Additions during the period / year	11,095	21,793
<u>Less:</u> Paid during the period / year	-	(3,658)
Balance at the End of the Period / Year	<u>82,824</u>	<u>71,729</u>

*** This item represent a deferred checks paid to purchase a medical equipment and its maturities extended until July 1, 2020.

10. Income Tax

a. Income Tax Provision

Movement on the income tax provision as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period/year	43,118	-
Income tax for the period/year	-	-
Balance at the End of the Period / Year	43,118	-

- b. Income tax in the statement of income and other comprehensive income is as follows:

	For the six Months Ended June 30,	
	2019	2018
	JD	JD
Deferred tax assets	94,747	118,725
Income tax for the period	43,118	2,752
	137,865	121,500

A final settlement has been reached with the Income and Sales Tax Department up to the end of the year 2015. Moreover, the tax returns for the years 2016 and 2017 have been submitted and the taxes due were paid, however, these returns have not been reviewed by the Income and Sales Tax Department yet. In the opinion of the Company management and its tax consultant, the tax provisions are adequate, and no additional provisions are needed.

- c. Deferred tax assets in the statement of financial position is as follows:

	June 30, 2019	December 31, 2018
	JD	JD
Balance at the beginning of the period / year	89,250	2,775
Effect IFRS (9) implementation	-	89,250
Prior years adjustments *	192,140	-
Released during the period / year	(94,747)	(2,775)
Income tax / income tax benefit	186,643	89,250

* This item represent returned tax losses not used previously.

11. Operating Revenue

This item consists of the following:

	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
Residency fees	904,948	848,949
Medical supplies	1,992,723	1,917,916
Medical procedures	1,725,885	1,777,202
Pharmacy	1,808,894	1,537,039
Laboratory	998,105	871,260
Radiation	519,375	478,862
Bone marrow transplant	65,806	40,716
Other departments	73,348	88,098
	8,089,084	7,560,042

12. Cost of Revenue

This item consists of the following:

	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
Salaries and fringe benefits	1,996,165	1,930,065
Social security	243,770	247,020
Medicine and medical supplies	2,040,972	1,524,100
Electricity and water	55,514	531,428
Cleaning expense	148,458	146,178
Maintenance	138,170	100,696
Food	167,613	140,298
Consumables	383,668	371,371
Cafeteria expense	26,941	2,756
Fuel	127,895	88,921
Rent	-	164,454
Depreciation of right of use assets	216,306	-
Government Stamps	11,211	13,502
Depreciation of property and equipment	528,504	279,565
Real estate tax	11,775	10,329
Government fees	49,985	66,966
Other	80,025	33,765
	<u>6,226,999</u>	<u>5,651,414</u>

13. General and Administrative Expenses

This item consists of the following:

	For the six Months Ended June 30,	
	2019	2018
	JD	JD
Salaries, and fringe benefits	650,917	690,996
Social security	73,245	77,531
End-of-service indemnity	11,095	25,449
Computer and software expenses	2,668	3,290
Stationary and printing	9,544	15,627
Recruitment expenses	16,485	12,432
Depreciations	65,166	61,992
Security and safety	42,404	29,719
Maintenance	82,260	50,629
Professional fees	24,572	22,861
Insurance expense	105,569	53,401
Advertisements and subscriptions	61,075	40,446
Postage and telephone	17,261	13,134
Legal claims expenses	49,355	26,080
Board of directors transportation fees	27,000	23,096
Employees' vacation expenses	13,464	5,080
Rent expenses	-	15,180
Other	83,266	168,856
	<u>1,335,346</u>	<u>1,335,799</u>

14. Other Revenue - Net

This item consists of the following:

	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
Rent	126,825	114,825
Car park income	37,634	26,614
Other	23,211	66,387
	<u>187,207</u>	<u>207,826</u>

15. Earnings Per Share

This item consists of the following:

	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
Profit for the period	<u>388,634</u>	<u>413,519</u>
	Share	Share
Weighted average number of shares	<u>14,445,000</u>	<u>14,445,000</u>
	JD/Share	JD/Share
Earning per share for the period relating to the Company's shareholders-Basic and diluted	<u>0.027</u>	<u>0.028</u>

16. Related Party Transactions and Balances

The following are the details of balances and transactions with related parties:

<u>Condensed Consolidated interim statement of income items:</u>	For the Six Months Ended June 30,	
	2019	2018
	JD	JD
Executive management's salaries	153,000	153,000
Board of Directors' transportation	21,000	23,000

17. Operating Sectors

a. Information about the Company's Activities

The Company conducts one type of activity, representing the provision of medical care.

b. Geographical Distribution

The Company's activities are mainly in the Hashemite Kingdom of Jordan with no activities abroad.

18. Lawsuits against the Company

Lawsuits against the Company amounted to JD 112,486 as of June 30, 2019 (JD 124,527 as of December 31, 2018). In the opinion of the Company's management and its legal advisor, most of these lawsuits are going to be ruled in favor of the Company.

- There are lawsuits filed by the Company against others of 8,579,623 as of June 30, 2019 (JD 8,155,017 December 31, 2018). The lawsuits are still pending at the courts.

19. Contingent Liabilities

The Company had contingent liabilities at the date of the condensed interim statement of financial position as follows:

- Performance guarantees of JD 34,000 with cash margins of JD 30,400.
- Main hospital building expansion with a total cost of JD 5,700,000.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd of JD 30,000.

20. Fair Value Hierarchy

The Company's management believes that the carrying value of financial assets and financial liabilities approximates their fair value.

21. Contra Accounts

Accounts receivable are stated net after deducting an amount of JD 1.5 million representing doctors' fees as of June 30, 2019 and December 31, 2018, whereby the hospital collects these fees on behalf of doctors with no legal obligation. Consequently, this amount is shown as a contra account in the condensed consolidated interim financial statements.

22. Subsequent Events

In its extraordinary meeting held on January 10, 2019, the Company's General Assembly of shareholders approved to increase the authorized capital to JD 18,945,000 per share to cover the increase in the capital which amounted to JD 4,500,000 with a par value 1 JD through underwriting directed to the Company's shareholders.

It has been approved on restructuring the Company's capital by the Minister of Industry, Trade and Supply on February 3, 2019 and completing the procedures within Companies Control Department on February 10, 2018.

The shareholders paid JD 3,811,001 through direct cash deposits from the starting date of the underwriting July 9, 2019 until July 15, 2019 and the appropriate accounting entry has been booked on July 22, 2019 and according to that the number of shares that are not underwritten and that belongs to the underwritten rights that has not been practiced is 688,999 share.