شركة المجموعة الاستشارية

الاستثمارية المساهمة العامة المحدودة

للافصاح

بورصة عمان

السيد صالح

الرقم : 2019/118 /13/5

التاريخ : 2019/11/3

السادة هيئة الاوراق المالية المحترمين

السيد عبدالله

تحية طيبة وبعد

مرفق طيه البيانات المالية للربع الثالث باللغة الإنجليزية للعام 2019 حتى تاريخ 2019/9/30

لشركة المجموعة الاستشارية الاستثمارية المساهمة العامة المحدودة.

وتفضلوا بقبول فائق الاحترام

المدير العام

الدكتور موسى صالح

The Consulting & Investment Co. Group. Ltd.

هيئة الأوراق المالية

الدائرة الإدارية / الديوان

٣ تشرين الثاني ٢٠١٩

الرقم المتسلسل ٣٦٧٠٦

الجهة المختصة د. الافصاح

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

CONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION FOR THE PERIOD
ENDED SEPTEMBER 30, 2019

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION TOGETHER WITH INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE NINE-MONTH ENDED SEPTEMBER 30, 2019

TABLE OF CONTENTS

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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 consolidated condensed interim statement of financial position of The Consultant and Investment Group Company (A Public Limited Shareholding Company) as of September 30, 2019, and the related consolidated condensed interim statements of profit or loss and comprehensive income for the three-month and nine-month period ended September 30, 2019, and the consolidated condensed interim statements of changes in shareholders' equity and cash flows for the nine-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 these consolidated condensed interim financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these interim condensed financial information 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 consolidated 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 consolidated condensed interim financial information for the Consultant and Investment Group Company are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Emphasis of Matter
We draw attention to the note (25) to the consolidated condensed interim financial information, which states that the corresponding figures included in the consolidated condensed interim statement of changes in shareholders' equity has been restated to comply with new International Financial Reporting Standards. Our conclusion is not modified in respect of this matter.

Other Matter
The accompanying consolidated condensed interim financial information are a translation of the statutory financial information in the Arabic language to which reference should be made.

Amman - Jordan
October 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

CONSOLIDATED CONDENSED INTREM STATEMENT OF FINANCIAL POSITION

	Note	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
			JD
NON-CURRENT ASSETS:			
Property and equipment - net	5	19,485,980	19,772,924
Projects under construction	6	2,043,840	832,837
Advance payments to purchase medical equipments		48,851	1
Deferred tax assets	12/c	188,366	89,250
Right of use assets	3/b	771,121	-
Total Non-Current Assets		22,538,158	20,695,012
CURRENT ASSETS:			
Medicine and medical supplies		1,268,019	1,228,451
Receivables - net	7	3,521,943	2,657,911
Other debit balances	8	4,072,114	1,012,657
Checks under collection - short term		14,920	46,918
Cash on hand and at banks	9	1,000,869	1,355,641
Total Current Assets		9,877,865	6,301,578
Total Assets		32,416,023	26,996,590
SHAREHOLDERS' EQUITY AND LIABILITIES			
SHAREHOLDERS' EQUITY:			
Paid-up capital	1	18,945,000	14,445,000
Statutory reserve		445,750	445,750
Retained earnings		877,243	683,380
Profit for the period		690,554	-
Total Shareholders' Equity		20,958,547	15,574,130
LIABILITIES:			
NON-CURRENT LIABILITIES:			
Long-term liabilities against finance lease contract	10	5,010,243	5,380,229
Total Non-Current Liabilities		5,010,243	5,380,229
CURRENT LIABILITIES:			
Accounts payable		1,159,252	2,321,453
Short-term liabilities against finance lease contracts	10	1,003,325	910,568
Other provisions		401,785	401,785
Income tax provision	12	110,879	-
Other credit balances	11	3,104,072	2,408,425
Lease Liability	3/b	667,920	-
Total Current Liabilities		6,447,233	6,042,231
Total liabilities		11,457,476	11,422,460
Total Shareholder's Equity and Liabilities		32,416,023	26,996,590

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED FINANCIAL INFORMATIONS 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

CONSOLIDATED CONDENSED INTREM STATEMENT OF PROFIT AND LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTHS AND NINE-MONTHS ENDED SEPTEMBER 30, 2019

		For the Three Months Ended September 30,		For the Nine Months Ended September 30,	
	Note	2019 (Reviewed)	2018 (Reviewed)	2019 (Reviewed)	2018 (Reviewed)
		JD	JD	JD	JD
Operating revenue	13	4,485,834	4,308,082	12,574,918	11,868,124
Cost of revenue	14	(3,402,545)	(3,374,981)	(9,629,544)	(9,026,395)
Gross profit		1,083,289	933,101	2,945,374	2,841,729
General and administrative expenses	15	(692,603)	(616,847)	(2,027,949)	(1,952,646)
Finance costs		(86,724)	(94,846)	(274,171)	(290,482)
(Provision) for expected credit loss		-	51,345	-	1,345
Other revenue - net	16	65,718	35,424	252,926	243,250
Profit for the Period before Tax		369,681	308,177	896,180	843,196
Income tax expense	12/b	(67,761)	-	(205,626)	(121,500)
Profit for the Period / Total Comprehensive Income for the Period		301,920	308,177	690,554	721,696
Earnings per share from the profit for the period - Basic and diluted (JD/Share)	17			0.042	0.050

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

Chairman of Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTREM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid-up Capital	Statutory Reserve	Retained Earnings	Profit for the Period	Total
For the Nine Months Ended September 30, 2019		JD	JD		JD	JD
Balance at the beginning of the period (Audited)		14,445,000	445,750	683,380	-	15,574,130
Capital Increase	1	4,500,000	-	-	-	4,500,000
Gross comprehensive profit for the period		-	-	-	690,554	690,554
Effect of prior years adjustments	12/C	-	-	193,863	-	193,863
Balance at the End of the Period		18,945,000	445,750	877,243	690,554	20,958,547
For the Nine Months Ended September 30, 2018 (Restated)						
Balance at the beginning of the period (Reviewed)		13,500,000	362,012	1,107,360	-	14,969,372
Adjusted effect of IFRS (9) implementation	25	-	-	(246,126)	-	(246,126)
Balance at the beginning of the period-Restated		13,500,000	362,012	861,234	-	14,723,246
Capital Increase	1	945,000	-		-	945,000
Gross comprehensive profit for the period		-	-	-	721,696	721,696
Balance at the End of the Period		14,445,000	362,012	861,234	721,696	16,389,942

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED

FINANCIAL INFORMATIONS AND SHOULD BE READ WITH THEM

AND WITH THE ACCOMPANYING REVIEW REPORT.

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTREM STATEMENT OF CASH FLOWS

	Note	For the Nine Months Ended September 30, 2019 (Reviewed)	2018 (Reviewed)
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period		896,180	843,196
Adjustments:			
(Surplus) from expected credit loss provision		-	(1,345)
Finance costs		274,171	290,482
Provision for employees' vacations	11	31,110	21,562
Provision for end-of-service indemnity	11	17,142	30,431
Provision for clinic's rent discount		21,000	61,185
Amortization of right of use assets	3/a	320,451	
Depreciation of property and equipment	5	896,147	517,076
Loss on sale Property and Equipment		-	2,288
Net Cash Flows from Operating Activities before Changes in Working Capital Items		2,456,200	1,764,875
(Increase) in medicine and medical supplies		(39,568)	(120,183)
(Increase) in receivables		(864,032)	(924,378)
Decrease (increase) in checks under collection		31,998	(31,363)
(Increase) in other debit balances		(3,483,109)	(125,002)
(Decrease) in accounts payable		(1,162,201)	(238,102)
Increase (decrease) in other credit balances		643,419	(12,689)
Net Cash Flows (used in) from Operating Activities before Provision Paid for Employees' Vacations and End-of-Service Indemnity		(2,417,293)	313,158
Paid from provision for employees' vacations	11	(17,024)	(17,948)
Paid from End-of-service indemnity provision	11	-	(17,052)
Net Cash Flows (used in) from Operating Activities		(2,434,317)	278,158
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in property and equipment	5	(609,203)	(775,115)
(Increase) decrease payments for medical equipment		(48,850)	525,406
(Increase) in projects under construction	6	(1,211,003)	(582,106)
Net Cash Flows (used in) Investing Activities		(1,869,056)	(831,815)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Payments for capital increase	1	4,500,000	-
(Decrease) in liabilities against finance lease contracts		(277,229)	(255,460)
Finance costs paid		(274,171)	(290,482)
Net Cash Flows from (used in) Financing Activities		3,948,600	(545,942)
(Decrease) in Cash and Cash Equivalents		(354,772)	(1,099,599)
Cash on hand and at banks - beginning of the year		1,355,641	3,085,648
Cash on hand and at banks - End of the Period	9	1,000,869	1,986,049
Non - Cash Transactions :			
Increase in capital through capitalizing retained eanings		-	945,000
Transferred from projects under construction to property and equipment		-	30,950

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED CONDENSED FINANCIAL INFORMATIONS 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 CONSOLIDATED CONDENSED INTERIM
FINANCIAL STATEMENTS
(REVIEWED NOT AUDITED)

1. ESTABLISHMENT AND ACTIVITIES

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.

In previous years, the Company's paid up capital was increased and decreased, to reach JD 14,445,000 last year.

In its extraordinary meeting held on January 10, 2019, the Company's General Assembly of shareholder approved to increase the authorized capital to 18,945,000 JD1 each, and cover the increase in the capital amounted to JD 4,500,000 with par value of JD 1 each through a public offering addressed to the Company's shareholders. During August 2019, legal procedures were completed to raise the company's capital and issue the necessary approvals to become the authorized and paid-up capital after the last increase of JD 18,945,000 million.

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.

2. Basis of Preparation

a. Basis of Preparation the consolidated condensed interim financial information

- The accompanying interim condensed financial information for the nine-month period ended September 30, 2019 have been prepared in accordance with International Accounting Standard (IAS) No. (34) relating to Interim Financial Reporting.

- The consolidated condensed interim financial information are prepared in Jordanian dinar, which is the Company's functional and presentation currency.

- The consolidated condensed interim financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual report for the year ended December 31, 2018. Moreover, the results of operations for the nine-month period ended September 30, 2019 do not necessarily provide an indication of the results of operations for the year ending December 31, 2019, and do not contain appropriation of the profit for the nine months period ended September 30, 2019, which is usually performed at year-end.

Judgments, Estimates and Risk Management

The preparation of the consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2018, except as mentioned in note No. (3).

b. <u>Basis of Preparation the consolidated condensed interim financial information</u>

The consolidated condensed interim financial information include the financial information of the Company and its subsidiaries under its control, Meanwhile, control exists when the Company has control over the investee company, or it is exposed to variable returns or holds rights for its participation in the investee company, and the Company is able to use its control over the investee company to affect those 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.

  - 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.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- 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.

When it loses control of a subsidiary, the Company performs the following:

- Derecognizes the assets (including goodwill) and liabilities of the subsidiary.
- Derecognizes the book value of any non-controlling interests.
- Derecognizes transfer differences accumulated in Owners' Equity.
- Derecognizes the fair value to the next controlling party.
- Derecognizes the fair value of any investment retained.
- Derecognizes any gain or loss in the income statement.
- Reclassifies owners' equity already booked in other comprehensive income to the profit or loss statement as appropriate.

The subsidiaries' financial information are prepared under the same accounting policies adopted by the Company, If the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.

The non-controlling interests represent the portion not owned by the Company relating to ownership of the subsidiaries.

- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated,

- The subsidiaries financial information are prepared under the same accounting policies adopted by the Company, If the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.

- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company, Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.

- The non-controlling interests represent the portion not owned by the Company in the subsidiaries; Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Company's statement of shareholders' equity.

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

September 30, 2019		For the Nine Months Ended September 30, 2019	
Assets	Liabilities	Revenue	Expenses
JD	JD	JD	JD
83,659	35,024	64,579	30,030

3. Significant Accounting Policies

The accounting policies adopted in preparing the consolidated condensed interim financial information are consistent with those applied in the year ended December 31, 2018 except for the effect of the adoption of the new and revised standards which are applied on the current period as follow below:

a. New and amended standards adopted by the Company:

Annual improvements to IFRSs issued between 2015 and 2017

Improvements include amendments to IFRS No. (3) Business Combinations, (11) Joint Arrangements, International Accounting Standards NO. (12), Income Taxes and (23) Borrowing Costs.

IFRIC (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 No. (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 No. (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.

Effect of Application of IFRS (16) "Leases"

The Company has adopted IFRS No. (16), "Leases", which replace the existing guidelines on leases, including IAS No. (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 No. (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 adopted the simplified and permitted method under the IFRS (16) upon adoption of IFRS (16). During the first time application of IFRS (16) to operating leases individually (for each contract lease separately), 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 recognized right of use assets of leased properties are as at September 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 1st, 2019	1,091,572	879,649
Interest during the period	-	4,627
Paid during the period	-	(216,356)
Depreciation for the period	(320,451)	-
Balance as September 30, 2019	771,121	667,920

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.

The Company has used the following estimates when applying Standard 16:

<u>Extension and termination options of lease contracts</u>
Extension and termination options are included in a number of leases, These terms are used to increase the operational flexibility in terms of contract management, most of the retained extension and termination options are exercisable by both the bank and the lessor.

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option, Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated), The evaluation is reviewed when there is an important event or a significant change in the circumstances that has an effect on this assessment, and in which it is within the control of the lessee.

<u>Discounting of lease payments</u>
Lease payments are discounted using the bank's additional borrowing rate ("IBR"), The management has applied the judgements and estimates to determine the additional borrowing rate on the starting date of the lease contract.

b. New and Revised Standards and Interpretations but not Yet Effective

Effective for annual periods beginning on or after January 1, 2020:

- Amendments regarding the definition of material.
- Amendments to clarify the definition of a business within IFRS No. (3).
- IFRS No. (17): Insurance Contracts
- Amendments to IFRS No. (10) Consolidated Financial Statements and IAS No. (28) Investments in Associates and Joint Ventures (2011) relating to the treatment of the sale or contribution of assets from and investor to its associate or joint venture.
- Amendments to IFRS No. (2), IFRS No. (3), IFRS No. (6), IFRS No. (14), IAS No. (1), IAS No. (8), IAS No. (34), IAS No. (37), IAS No. (38), IFRIC No. (12), IFRIC No. (19), IFRIC No. (20), IFRIC No. (22), and SIC- No. (32) to update those pronouncements with regard to references to and quotes from the framework or to indicate where they refer to a different version of the Conceptual Framework.

5. Property and Equipment - Net

- Additions to property and equipment totaled JD 609,203 during the nine months ended September 30, 2019 (JD 775,115 during the nine months ended September 30, 2018).

- During the Nine months period ended September 30, 2019, the Company disposed property and equipment with a net book value of JD Zero (JD 2,288 as of September 30, 2018).

- The depreciation expense of property and equipment for the nine months ended September 30, 2019 amounted to 896,147 (JD 517,076 the nine months ended September 30, 2018).

6. Projects under Construction

Expansion of the main building of the hospital project: The project completion percentage was 34% and 1% as of September 30, 2019 and December 31, 2018 respectively, and the Company incurred a total cost of JD 2,043,840. The project is expected to be completed during 2020 for a total costs of around JD 6 million.

7. Accounts Receivable – Net

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Accounts Receivable	5,451,449	4,507,758
Less: Provision for allowable discounts *	(1,032,527)	(952,868)
Provision for expected credit loss	(896,979)	(896,979)
	3,521,943	2,657,911

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

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Balance - beginning of the period/year	952,868	310,084
Additions during the period/year	534,728	642,784
Recovered during the period/year	(455,069)	-
Balance - End of the Year	1,032,527	952,868

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

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

According to the Board of Directors' decision in their meeting held on December 21, 2017, receivables of JD 3,500,481 were transferred to off-statement of financial position items. Noting that those receivables are fully covered with provision.

8. Other Debit Balances

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Earned revenue-unissued patients invoices	126,704	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	86,729	288,826
Refundable deposits	32,000	40,350
Other	67,512	319,342
Cash collaterals **	3,759,169	-
	4,583,169	1,523,712
Less: 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 *	(127,676)	(127,676)
	4,072,114	1,012,657

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

** This item represents amounts held by the Bank as collateral to settle the Company's dues of Bank's facilities.

9. Cash on Hand and at Banks

This item represents:

	September 30, 2019	December 31, 2018
	JD	JD
Cash on hand	30,241	10,034
Current accounts at Banks	991,552	159,676
Deposit	-	1,206,855
Total	1,021,793	1,376,565
Less: Provision for expected credit loss	(20,924)	(20,924)
	1,000,869	1,355,641

10. Liabilities against Finance Lease Contract

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	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
Liabilities against short-term Istisna'a contracts- International Islamic Arab Bank (Hospital Expansion)	92,757	-
Short-term land ownership transfer fees	(47,439)	(47,439)
	1,003,325	910,568
Liabilities against long-term finance lease contracts - International Islamic Arab Bank, solar power	1,965,184	2,170,843
Liabilities against long-term finance lease contracts - International Islamic Arab Bank	2,996,075	3,474,254
Liabilities against long-term Istisna'a contracts- International Islamic Arab Bank (Hospital expansion)	278,272	-
Long-term land ownership transfer fees	(229,288)	(264,868)
	5,010,243	5,380,229
	6,013,568	6,290,797

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.

The Company signed an Istisna'a agreement on September 5, 2019 for the purpose of expanding the fourth and fifth floors of the hospital's building with a total value of JD 1,694,812.The margin of Istisna'a was 2.64% per annual. These amounts are guaranteed against a first-rate mortgage on a plot of land in the amount of JD 2,189 thousand.

The Company signed a leasing agreement to finance the solar energy project on November 18, 2018 with a total value of JD 2,490,750 with Ijara return rate of 2.5% annually to be repaid on 109 monthly installments divided over 9 years where the monthly installment amounted to JD 22,851.

11. Other Credit Balances

This item consists of the following:

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Shareholders' deposits-fractional shares	244,150	143,610
Employees' vacation provision *	210,597	196,511
Accrued salaries and expenses	181,466	189,600
Provision for potential claims	21,069	21,069
Electromechanical contractors' retentions	86,550	86,550
Patients' deposits	271,613	276,292
Stamp fees deposits	69,495	69,495
Social security deposits	87,535	80,371
End-of-service indemnity provision **	88,871	71,729
Postponed check ***	1,557,779	1,049,545
Income tax deposits	27,266	19,207
Other	257,681	204,446
	3,104,072	2,408,425

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

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period /year	196,511	206,653
Add: Additions during the period / year	31,110	16,089
Less: Paid during the period / year	(17,024)	(26,231)
Balance at the end of the period /year	210,597	196,511

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

	September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period / year	71,729	53,594
Add: Additions during the period / year	17,142	21,793
Less: Paid during the period / year	-	(3,658)
Balance at the End of the Period / Year	88,872	71,729

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

12. Income Tax

a. Income Tax Provision

Movement on the income tax provision as follows:

	For the Nine Months Ended September 30, 2019 (Reviewed)	December 31, 2018 (Audited)
	JD	JD
Balance at the beginning of the period/year	-	-
Income tax for the period/year	110,879	-
Balance at the End of the Period / Year	110,879	-

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

	For the Nine Months Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Deferred tax assets	94,747	118,725
Income tax for the period	110,879	2,775
	205,626	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 and 2018 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:

	September 30, 2019 (Reviewed)	December 31, 2018 (Reviewed)
	JD	JD
Balance at the beginning of the period / year	89,250	2,775
Effect IFRS (9) implementation	-	89,250
Prior years adjustments *	193,863	-
Released during the period / year	(94,747)	(2,775)
Income tax / income tax benefit	188,366	89,250

* During the nine months ended September 30, 2019 deferred tax assets was calculated on the full balance of expected credit loss provision.

13. Operating Revenue

This item consists of the following:

	For the Nine Months Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Room fees revenue	1,367,600	1,259,162
Medical supplies revenue	3,108,650	2,876,150
Medical procedures revenue	2,390,565	2,493,676
Pharmacy revenue	2,778,326	2,418,391
Laboratory revenue	1,668,531	1,443,231
Radiation revenue	902,846	834,865
Bone marrow transplant center revenue	123,214	97,998
Other departments revenue	235,186	444,651
	12,574,918	11,868,124

14. Cost of Revenue

This item consists of the following:

	For the Nine Months Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Salaries, fringe and other benefits	3,139,959	2,919,552
Social security	377,044	371,408
Medicine and medical supplies	3,118,285	2,656,791
Electricity and water	102,860	838,493
Cleaning expense	223,271	219,198
Maintenance	210,496	145,519
Food	250,768	235,906
Consumables	568,413	632,114
Cafeteria expense	38,474	45,473
Fuel	173,095	116,746
Rent	-	252,757
Amortization of right of use assets	322,677	-
Government Stamps	10,663	19,779
Depreciation of property and equipment	811,936	425,355
Real estate tax	17,662	15,478
Government fees	76,324	80,836
Other	187,617	50,990
	9,629,544	9,026,395

15. General and Administrative Expenses

This item consists of the following:

	For the Nine Months Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Salaries, fringe and other benefits	983,864	1,019,468
Social security	111,244	113,131
End-of-service indemnity	17,142	30,341
Computer and software expenses	4,499	8,366
Stationary and printing	12,232	39,682
Recruitment expenses	27,417	21,406
Security and safety	55,392	43,919
Maintenance	120,264	100,634
Professional fees	34,371	39,797
Insurance expense	148,997	81,466
Advertisements and subscriptions	125,260	61,330
Postage and telephone	23,746	20,427
Legal claims expenses	62,092	17,121
Board of Directors transportation	40,500	36,500
Rent expense	-	22,922
Employees' vacation expenses	31,110	21,562
Hospitality and cleanliness	17,991	26,300
International reliability	10,513	10,513
Consumables	27,850	19,452
Depreciation of property and equipment	84,211	91,721
Amortization of right of use assets	16,354	-
Lawsuits fees	9,297	70,277
Others	63,603	56,311
	2,027,949	1,952,646

16. Other Revenue - Net

This item consists of the following:

	For the Nine Months Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Rent	161,758	127,225
Car parking income	56,244	39,841
(Loss) on sale of property and equipment	-	(2,288)
Other	34,924	78,472
	252,926	243,250

17. Earnings Per Share

This item consists of the following:

	For the Nine Months Ended September 30,	
	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Profit for the period	690,554	721,696
	Share	Share
Weighted average number of shares	16,503,904	14,445,000
	JD/Share	JD/Share
Earning per share for the period relating to the Company's shareholders-Basic and diluted	0.042	0.050

18. Related Party Transactions and Balances

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

	For the Nine Months Ended September 30,	
Consolidated Condensed interim statement of income items:	2019 (Reviewed)	2018 (Reviewed)
	JD	JD
Executive management's salaries	229,500	229,500
Board of Directors'' transportation	40,500	36,500

19. 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.

20. Lawsuits against the Company

Lawsuits against the Company amounted to JD 112,703 as of September 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 8,498,378 as of September 30, 2019 (JD 8,301,511 December 31, 2018). The lawsuits are still pending at the courts.

21. Contingent Liabilities

The Company had contingent liabilities at the date of the consolidated 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 6,057,184.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd of JD 30,000.

22. Fair Value Hierarchy

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

23. Contra Accounts

Accounts receivable are stated net after deducting an amount of JD 1.3 million representing doctors' fees as of September 30, 2019 (JD 1.1 Million as of December 31, 2018), whereby the hospital collects these fees on behalf of doctors with no legal obligation. Accordingly, this amount is shown as a contra account in the consolidated condensed interim financial statements.

24. Approval of the Consolidated Condensed Interim Financial Information

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on October 30, 2019.

25. Comparative figures

During the nine months ended September 30, 2019, the Company's management adjusted the comparative figures for the nine months ended September 30, 2018 as per the requirements of IAS (8). The impact of the restatement on the statement of Changes in Equity for the nine months ended September 30, 2018 is as a result of error relation to the calculation and initial application of the Expected Credit Loss to determine the amount of expected credit loss provision on account receivables, financial assets which subject to IFRS (9) and deferred tax.

	September 30, 2018		
	Balance before adjustments	Adjustments effect	Adjusted balance
	JD	JD	JD
Statement of Shareholders' Equity			
Retained Earnings	1,107,360	(246,126)	861,234