I.C.M.I

الشـركـة الـدوليـة للإسـتـثـمـارات الطـبـيـة
International Company for Medical Investments P.L.C

الرقـم : ش س /2019/17
التاريخ : 2019/03/10

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الاوراق المالية
السادة بورصة عمان

Subject: Audited Financial Statements for the fiscal year ended 31/12/2018

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في 2018/12/31

Attached the Audited Financial Statements in English of **(INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT PLC.)** for the fiscal year ended 31/12/2018

مرفق طيه نسخة من البيانات المالية المدققة باللغة الإنجليزية **(للشركة الدولية للاستثمارات الطبية)** عن السنة المالية المنتهية في 2018/12/31

Kindly accept our high appreciation and respect

وتفضلوا بقبول فائق الاحترام،،،

Dr. Haitham Abdullah Abu Khadijeh
Chairman of the Board

الدكتور هيثم عبد الله أبوخديجة
رئيس مجلس الإدارة

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
١٠ آذار ٢٠١٩
الرقم المتسلسل
الجهة المختصة

الشركة الدولية للاستثمارات الطبية م.ع
INT'L. CO. FOR MEDICAL INVESTMENTS

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INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT Co (P.S.C)

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Financial Statements

as of December 31, 2018

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT Co (P.S.C)

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

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INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT Co (P.S.C)

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Statement of Financial Position as of December 31 , 2018

	Note	2018	2017
		JD	JD
Assets			
current Assets			
Cash and Cash equivalent	3	34,859	15,006
cheques under collection - Short term	4	-	280,399
Note Receivables - Short term		47,024	67,177
Accounts receivable - net	5	1,369,808	1,030,776
Due from related parties	6A	842	37,288
Financial assets at fair value through income Statement	7	16,901	19,718
Inventory - net	8	1,593	57,473
Other debit balances	9	247,424	457,544
Total Current Assets		**1,718,451**	**1,965,381**
Non-current Assets			
Financial assets at fair value through comprehensive income	10	1,580,737	1,534,571
cheques under collection - Short term	4	-	420,053
Property , plant & equipments - net	11	24,722	30,579
Total Non-current assets		**1,605,459**	**1,985,203**
Total Assets		**3,323,910**	**3,950,584**

Independent Auditor's Report

02 19 441

To the Shareholders of

International Company for Medical Investment

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Report on the Audit of the Financial Statements

Opinion

We have audited the Accompanying financial statements of **International Company for Medical Investment (Public Shareholding Company)**, which comprise the statement of financial position as at December 31,2018 , and the statements of comprehensive income, changes in owner's equity and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matters

Without qualifying our opinion, we draw attention to note (25) on the accompanying financial statements which is related to the contingent liability of Iraq projects expenses.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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عمان 11190 الأردن

• **Accounts Receivable**	**The audit procedures included the:**
The impairment loss of account receivables is considered one of the matters that have an impact over the Company's results and requires significant judgment and estimates from management to determine the default and accordingly the existence of impairment. Following the requirements of IFRS, management exercises judgment and estimates over the inputs used to determine the impairment including the date of default, the financial position of the customers and the position of legal cases held against these customers. Accordingly, the accounts receivables are considered a key audit matter. The company has accounts receivables with total balance of 2,009,652 as of December 31, 2018, and the company recorded a provision for doubtful debts in the amount of 639,844 JD as of December 31, 2018. The accounting policies and significant accounting estimates relating to receivables and are disclosed in notes 5, 2 to the financial statements.	Our audit procedures included the assessment of the Company's internal controls over collection processes for receivables; testing the sufficiency of the Company's provisions against receivables and testing the position of the legal cases held by the Company by assessing management's assumptions, taking account of externally available data on trade credit exposures and our own knowledge of recent bad debt experience. We have also considered the adequacy of the Company's disclosures about the degree of estimation involved in arriving at the provision and the disclosures over the movement of doubtful debts provision.
• **Adoption of International Financial Reporting Standard (IFRS) 9 Financial Instruments**	**The audit procedures included the:**
This item has been highlighted in light of the importance of IFRS 9, which was adopted on 1 January 2018 as follows: - The standard requires accounting treatment and the use of significant estimates and judgments based on the determination of the adjustments made during the Adoption of International Financial Reporting Standard (IFRS) 9 ,Financial Instruments -The amendment to the Company's retained earnings on Adoption of International Financial Reporting Standard (IFRS) 9 Financial Instruments to IFRS 9 in the amount of JD 100,000 had an impact on the statement of financial position.	• Studying the appropriateness of the Adoption of International Financial Reporting Standard (IFRS) 9, Financial Instruments, approach and practical methods applied • Evaluate the management's approach to selecting the expected credit loss methodology. • Studying the management's approach and the controls applied to ensure the completeness and accuracy of the Adoption of International Financial Reporting Standard (IFRS) 9 Financial Instruments, modifications and accuracy. • Evaluate the appropriateness of judgments and key estimates made by management in preparing transition adjustments, particularly those related to the amendment to the future factor. •Evaluate the completeness, accuracy and appropriateness of the financial statements used in the preparation of interim amendments and the adequacy of the Company's disclosures.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditors' report thereon. We expected that we will give the annual report after our report. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information when its available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors` report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company has proper accounting records which are, in all material respects, consistent with the accompanying financial statements, accordingly, we recommend approving these financial statements by the general assembly.

Al- Abbasi & Partners Co.

AL-ABBASI & PARTNERS CO.
PUBLIC ACCOUNTANTS
Member of Moore Stephens International Limited

Ahmed M. Abbasi
License 877

Amman in
January 29, 2019

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT Co (P.S.C)

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Statement of Financial Position as of December 31 , 2018

	Note	2018	2017
		JD	JD
liabilities and Owner's Equity			
Current Liabilities			
Credit banks	12	274,814	536,756
Note Payable - Short term	13	-	73,239
accounts payable		27,537	45,334
Due to related parties	6B	173,712	106,951
Other credit balances	14	539,214	262,448
Total current liabilities		**1,015,277**	**1,024,728**
Owner's Equity			
Capital	16	4,500,000	4,500,000
Statutory reserve	17	276,889	276,889
Voluntary reserve	17	82,164	82,164
Fair value reserve for the financial assets	18	(390,420)	(436,586)
Retained Earning at the end of the year	19	(2,160,000)	(1,496,611)
Total Owner's Equity		**2,308,633**	**2,925,856**
Total Owner's Equity and liabilities		**3,323,910**	**3,950,584**

The accompanying notes form an integral part of this statement .

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT Co (P.S.C)

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Statement of comprehensive Income For The Year Ended December 31,2018

	Note	2018	2017
		JD	JD
Net Sales	20	155,774	400,003
Cost of Sales	21	(160,639)	(197,294)
Gross Profit Margin		**(4,865)**	**202,709**
Selling and distribution Expenses	22	0	(27,398)
General & administrative expenses	23	(215,814)	(220,756)
Unrealized (loss) for financial statements throug income statement		(2,817)	(2,492)
Financial expenses		(62,546)	(84,892)
Depreciation		(5,857)	(25,243)
Provision for slow moving goods		(40,000)	-
Custom Guarantees		(211,320)	-
Training courses revenue		-	59,454
Other revenues		2,875	41,293
Gains (loss) from sale property and equipments		-	8,657
Share Dividens		80348	93350
Profit (Loss) before tax		**(459,996)**	**44,682**
Income tax	15	-	-
(Loss) Profit for the year		**(459,996)**	**44,682**
Other comprehensive income items			
Change in fair value reserve		46,166	(212,747)
Total Comprehensive income		**(413,830)**	**(168,065)**
		JD	JD
Basic and diluted per share from (Loss) profit		**(0.102)**	**0.010**

Statement of Changes in Owners Equity For The Year Ended December 31,2018

	Capital	Statutory reserve	Voluntary reserve	Fair value reserve	Accumulated Loss	Total
	JD	JD	JD	JD	JD	JD
Balance as of Jan 1, 2018	4,500,000	276,889	82,164	(436,586)	(1,496,611)	2,925,856
The impact of application of the International Financial Reporting Standard No. 9					(100,000)	(100,000)
prior years taxes	-	-	-	-	(100,000)	(100,000)
Previous years expenses					(3,393)	(3,393)
Adjusted opening balance	4,500,000	276,889	82,164	(436,586)	(1,700,004)	2,722,463
Loss of the year	-	-	-	-	(459,996)	(459,996)
change in fair value reserve	-	-	-	46,166	-	46,166
Total Comprehensive income	-	-	-	46,166	(459,996)	(413,830)
Balance as of Dec 31, 2018	4,500,000	276,889	82,164	(390,420)	(2,160,000)	2,308,633
Balance as of Jan 1, 2017	4,500,000	272,539	82,164	(223,839)	(1,502,563)	3,128,301
prior years taxes					(34,380)	(34,380)
Adjusted opening balance	4,500,000	272,539	82,164	(223,839)	(1,536,943)	3,093,921
Profit of the year	-	-	-	-	44,682	44,682
change in fair value reserve	-	-	-	(212,747)	-	(212,747)
Total Comprehensive income	-	-	-	(212,747)	44,682	(168,065)
Transfer to statutory reserve		4,350			(4,350)	
Balance as of Dec 31, 2017	4,500,000	276,889	82,164	(436,586)	(1,496,611)	2,925,856

The fair vlaue reserve is a result of changes in the fair value of the owners equity instruments that valued at the fair value through the comprehensive income statement items, In accordance with the instructions of the Securities Commission It is prohibited to dispose of the credit balance of such change by dividends or capitalization or amortization the accumulated loss or any way of acting

The accompanying notes form an integral part of this statement .

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT Co (P.S.C)

Public Shareholding Company

Amman - The Hashemite Kingdom of Jordan

Statement of Cash Flows For The Year Ended December 31, 2018

	Note	2017	2017
Cash flows from operating activities		JD	JD
(Loss) Profit of the year		(459,996)	44,682
Depreciation		5,857	25,243
Unrealized (loss) for financial statements throug income statement		2,817	2,492
Share Dividens		(80,348)	(93,350)
Gains (loss) from sale property and equipments		-	(8,657)
prior years taxes		(100,000)	(34,380)
Previous years expenses		(3,393)	
Net operating profit before changes in working capital		**(635,063)**	**(63,970)**
(Increase) decrease in current assets			
Accounts receivable		(439,032)	(107,507)
cheques under collection		700,452	413,811
Note Receivables		20,153	51,823
Other debit balances		210,120	166,724
Inventory		55,880	56,608
Increase (decrease) in current liabilities			
due to related Parties		103,207	19,874
accounts payable		(17,797)	21,539
Other credit balances		276,766	(125,588)
Deferred Revenues		-	(121,522)
Net cash Resulting from operating activities		**274,686**	**311,792**
Cash flows from investing activities			
Changes of property, plant and equipment		-	23,230
Share Dividens		80,348	93,350
Net cash flows (used in) investing activities		**80,348**	**116,580**
Cash Flows from Financing Activities			
Credit Banks		(261,942)	(149,083)
Note Payable		(73,239)	(333,741)
Net cash flows Resulting from investing activities		**(335,181)**	**(482,824)**
Net (decrease) increase in cash balances		**19,853**	**(54,452)**
Cash balances at beginning of year		15,006	69,458
Cash balances at end of year		**34,859**	**15,006**

The accompanying notes form an integral part of this statement .

1- **Incorporation**

International Company For Medical Investments was istablished under the companies law nomber (31) of 1964 as a public shareholding company and recorded in the companies regestration department under nomber (282) dated June 5, 1995, and the company's paid capital is JD 6,000,000

The main company's objectives are to do investment in medical fields and provde engineering consultaion and held courses and sessions.

On **October 24, 2016** the Carl Zeiss Agency and Medica Agency withdrew their agencies from the company with regarding to that activities related to these agensies were stopped in the second half of the year **2016** . The transfer of agencies happened through signing agency transfer agreement in accordance with the agreed specific terms related to them. This agreement includes transfer follow-up of sales , marketing and maintenance of these equipment , equipment and there supplies to be yhrough the new agent, this resulted in signing new agreement between the company and the new agent stated to sell the goods related to this agency to the new agent and in the meanwhile , the new agent should be responsible for all maintenance contracts still not finish ahainst specific amount agreed between the parties .

The general assembly decided in its extaordinary meeting held on **September 8, 2004** to reduce capital from JD/Share **6,000,000** to become JD/Share **4,500,000** through amortizing some of accumulated loss.

The financial statements were approved by the board of directors at its meeting held on 29 January 2019 these financial statements subject to the approval of the general assembly of shareholders .

2- **Basis of preparation**

* **General**

The accompanying financial statements have been prepared in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Standards Board (IFRIC)

The financial statements have been prepared accordingly Of the historical cost convention, except for financial assets and liabilities that are stated at fair value

The Jordanian Dinar is the currency of the presentation of the financial statements, which represents the Company's principal currency

3- **Use of estimates**

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities . These estimates and assumptions also affect the revenues and expenses and the resultant provisions and particular , considerable judgement by management is required in the estimation of the amount and timing of future cash flows . Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ, resulting in future change in such provisions .

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

- Management reviews periodically the tangible and intangible assets in order to assess the amortization and depreciation for the year based on the useful life and future economic benefits . Any impairment is taken to the statement of comprehensive income.

- Management evaluates its investments for impairment on a regular basis where there is a prolonged decline , Management estimates the value of impairment and the same is charged in the statement of comprehensive income - An estimate of the collectible amount of trade accounts receivables is made when collection of the full amount is no longer probable . For individually significant amounts , this estimation is performed on an individual basis . Amounts which are not individually significant , but which are past due , are assessed collectively and a provision applied according to the length of time past due , based on historical recovery rates .

Offsetting

Offsetting of fianacial assets and financial liabilities is occurred and the net amount reported in the financial statements when the rights and legaly enforceable right to offset the recognized amounts and the bank intends to either settle them on a net basis , or to realize the assets and settle the liability simultaneously

4- **Significant accounting policies**

The accounting polices used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2017 except for the followings:

Change in accounting policies

During the current year , the Company adopted the below new and amended International Financial Reporting Standards ("IFRS") and improvements to IFRS that are effective for periods beginning on 1 January 2018:
IFRS 15 "Revenue from Contracts with Customers"
IFRS 9 "Financial Instruments"
Amendments to IFRS 2 "Classification and Measurement of Share-based Payment Transactions".
Amendments to IFRS 4 "Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts".
Amendments to IAS 40 " Investment Property"
Annual improvements to IFRS 2014-2016 Cycle "Amendments to IFRS 1 and IAS 28".
IFRIC 22 Foreign Currency Transactions and Advances consideration.
The adoption of the above new and amended IFRS and improvements to IFRS had no significant impact on the financial statements, except for IFRS 9, which led an increase in the Provision for impairment of receivables amounting to 100,000 JD and the IFRS 15 "Revenue from Contracts with Customers" The effect of which was disclosed on the Company's financial statements below .

IFRS 9 "Financial Instruments"

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments: Recongnition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments : classification and measurement; impairment; and hedge accounting.

The Group had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011. The standard has been applied retrospectively and , in line with IFRS 9, comparative amounts have not been restated

The impact of the adoption of IFRS 9 as at 1st Janauary 2018 has been recognised in retained earnings. The standard eliminated the use of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

The adoptiion of IFRS 9 has fundamentally changed the Company accounting for impairment losses for financial assets by replacing IAS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Company to record an allowance fro ECLs for all debt instruments measured at amorization cost.

For all debt instruments, the Company has applied the standard's simplified approach and has calculated ECLs bases on lefetime expected credit losses. The Company's policy to calculate ECls of debt instruments is for a period of 12 months

The following table summarizes the impact of transition to IFRS 9 on the opening balance of retained earnings (for a description of the transition method .

Line item impacted in the financial statements	As reported at 1 December 2018	adjustments due to adoption of IFRS 9	adjusted opening balances as at 1 January 2018
Provision for impairment of trade receivables (note5)	539,844	100,000	639,844
Retained earnings	(1,496,611)	(100,000)	(1,596,611)

IFRS 15 "Revenue from Contracts with Customers"

IFRS 15 "Revenue from Contracts with Customers" (hereafter "IFRS 15) introduced a 5-step approach to revenue recognition, which establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaced IAS 18 "Revenue" , IAS 11 "Construction Contracts" and related interpretations.
Management reviewed and assessed the Group's existing contracts with customers at 1 January 2018 and concluded that, apart from more extensive disclosures for the Group's revenue transactions (Note 17), the initial application of IFRS 15 had no significant impact on the Group's consolidated statement of financial position as at 31 December 2018 and its consolidated statement of profit or loss and other comprehensive income for the year then ended. Consequently, there were no adjustments as at 1 January 2018.

New and amended standards and an interpretation to a standard not yet effective, but available for early adoption

The below new and amended International Financial Reporting Standards ("IFRS" or "standards") and an interpretation to a standard that are available for early adoption for financial years beginning after 1 January 2018 are not effective until a later period, and they have not been applied in preparing these consolidated financial statements.

Effective for year beginning 1 January 2019

- IFRS 16 "Leases"
- Interpretation made by the International Financial Reporting Interpretation Council (IFRIC) 23 "Uncertainty over Tax Treatments"
- Amendments to IFRS 9 "Financial Instruments" on prepayment features with negative compensation.
- Amendments to IAS 28 "Investments in Associates and Joint Ventures" on long-term interests in associates and joint ventures.
- Amendments to IAS 19 "Employee Benefits" on plan amendment curtailment or settlement.
- Amendments to varicus standards based on the Annual Improvements to IFRSs 2015-

Effective for year beginning 1 January 2020

Amendments to references to conceptual framework in IFRS standards

Effective for year beginning 1 January 2021

IFRS 17 "Insurance Contracts"

Effective date deferred indefinitely / available for optional adoption

Amendments to IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" on sale or contribution of assets between an investor and its associate or joint venture.

Management does not expect that the adoption of the above new and amended standards and the interpretation to a standard will have a significant impact on the financial statements, except for the IFRS 16 "Leases" whose effects on the financial statements are explained below.

Financial Assets

Investments in financial assetsat fair value through income statement

Financial assets at fair value through statement of income are investments in equity instruments and debt instruments held for trading and the purpose of holding them is to hedge profits from fluctuations in short-term market prices or trading margin

Financial assets at fair value through statement of income are recorded at fair value at acquisition and are charged to the statement of income on acquisition and are re-measured at fair value Subsequent changes in fair value are recognized in the statement of income in the same period of the change including the fair value resulting from the translation differences on non-monetary items in foreign currencies

Dividends or dividends are recognized in the statement of income when earned

- **Investments in financial assetsat fair value through comprehensive income statement**

Upon initial recognition of investments in equity instruments that are not held for trading purposes, an irrevocable option is permitted to present all changes in the fair value of these investments or on a unilateral basis within other comprehensive income The amounts of these changes recognized in net investment income can not be reclassified at any subsequent date, unless such distributions are clearly a partial recovery of all investments

In the event of the sale of these assets or any part thereof, the gain or loss on sale is transferred from the net cumulative change in fair value through other comprehensive income to retained earnings or losses and not through the income statement

- **Impairment of financial assets**

The Company reviews the amount recorded in the financial records at the balance sheet date to determine whether there are indications of impairment individually or in group form If such indicators exist, the recoverable amount is estimated to determine the impairment loss

- **Fair value measurement**

Closing prices (purchase of assets / sale of liabilities) at the reporting date in active markets represent the fair values of financial instruments Which have market prices

In the absence of quoted prices or the absence of active trading of some financial instruments or non-market activity, their fair value is estimated in several ways including:

- Compared to the current market value of a very similar financial instrument
- Analysis of future cash flows and discounting of expected cash flows using a similar financial instrument
- Options pricing models

The valuation methods aim to obtain a fair value that reflects market expectations and takes into account market factors and any anticipated risks or rewards when valuing the financial instruments In the case of financial instruments whose fair value can not be reliably measured, it is stated at cost less any impairment in value

- **Accounts Receivables**

Accounts receivable are stated at their net realizable value net of a provision for doubtful accounts , bad debts were written off when identified and deducted from its stated provision and the collected amounts from debts are identified to revenues .

- **Provesions**

Provisions are recognized when the Company has an obligation (legal or constructive) arising from a past event, and that the payment of the obligations is potential and its value can be measured reliably

- **Inventory**

Inventories are stated at the lower of cost or recoverable amount. Cost is determined using the weighted average method and includes the costs incurred until the goods arrive in the warehouse The recoverable amount is the expected selling price in the ordinary course of business less the expected selling costs

- **Property, plant and equipment**

Property & equipments are recorded at cost and depreciated (except lands) over its estimated useful lives under the **straight line** method by using annual depreciation rates from 10-35 % .

An assets carrying amounts is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount , the impairement record in statement of comprehensive income .

The expected production life for assets is reviewed at end of the year , whenever ther are changes between the expected life and the estimated , the depreciation method is changed to depreciate on net book value based on the remaining production life after re-estimation from the year re-estimated on .

When there are no expected economic benifits from usage , that item will be written down immediately .

- **Accounts payable**

The accounts Payable and accrued amounts are recognized upon receipt of the goods by the company, whether billed by the supplier or not.

- **Revenue recognition**

Revenue is measured when the Company transfers substantially the benefits and risks associated with the ownership of the goods to the buyer and it is probable that the cash proceeds will be recovered When it is possible to calculate the costs incurred or to be incurred in the sale process reliably When the company is not in a position to exercise effective judgment on such goods, it can determine the revenue from the sale reliably

- **Income tax**

Taxes owed expenses are calculated on the basis of taxable profits Provision is made for the calculation of income tax under the tax rates established in accordance with the temporary income tax law No. 34 of 2014 and its subsequent amendments

- **Foreign currency conversions**

Foreign currency transactions are translated into Jordanian Dinars at the exchange rates prevailing at the date of transaction . Assets and liabilities expressed in foreign currencies are translated into Jordanian Dinars at the exchange rates prevailing as at the balance sheet date . Exchange differences arising from these translations are included in the statement of income .

- **Earnings per share**

The company presents basic and diluted earning per share data for its ordinary shares. Basic is calculated by dividing the profit or loss attributable to ordinary shareholders of the company by the weighted average number of ordinary shares outstanding during the year. Diluted is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding , for the effect of all dilutive potential ordinry shares

3- **Cash and Cash equivelents**

This item consists of the following:

	2018	2017
	JD	JD
General Cash	57	53
Cash at the banks	34,802	14,953
Total	**34,859**	**15,006**

4- **Cheuqes under collection**

This item consists of the following:

	2018	2017
	JD	JD
Less than one yesr	-	280,399
More than one year	-	420,053
Total	**-**	**700,452**

5- **Account Receivables**

This item consists of the following:

	2018	2017
	JD	JD
Trade Receivables	1,756,114	1,320,210
Other Receivables	253,538	250,410
Total	**2,009,652**	**1,570,620**
Provision for Doubetful Receivables*	(639,844)	(539,844)
Net	**1,369,808**	**1,030,776**

* Transactions occurred on the provision for Doubetful Receivables during the year were as follows :

	2018	2017
	JD	JD
Beginning balance	539,844	539,844
Provision for impairment of trade receivables (note2)	100,000	-
Ending Balance	**639,844**	**539,844**

6- Transactions with related parties

Related parties represent key shareholders, associates, directors and companies with principal owners. The prices and terms of these transactions are approved by the Company's management.

a- The following is the transaction that Due on related Parties

	Nature of relationship	2018	2017
		JD	JD
Ibn-Alhaytham Hospital - sister company	Sales	842	37,288

b- The following is the transaction that Due to related Parties

	Nature of relationship	2018	2017
		JD	JD
Arab international for education and investment - sister company	financing	173,712	106,951

c- The following is the transaction that appear at income statement

	Nature of relationship	2018	2017
		JD	JD
Arab international for education and investment - sister company	expenses	1,600	241
Arab international for education and investment - sister company	revenue	41,000	60,704
Ibn-Alhaytham Hospital - sister company	medical	314	4,382
Ibn-Alhaytham Hospital - sister company	sales	10,698	61,037
Al Ittihad Schools	-	37,933	-

d- The following is a summary of the benefits of management of the company

	2018	2017
	JD	JD
Salaries and bonus	6,800	43,800

7- **Investments in financial assets at fair value through income statement**

This item consists of the following:

	2018	2017
	JD	JD
Listed financial assets	16,901	19,718
Total	**16,901**	**19,718**

8- **Inventory - Net**

This item consists of the following:

	2018	2017
	JD	JD
stock in wearhous	236,615	252,495
provision for slow moving inventory	(235,022)	(195,022)
Net	**1,593**	**57,473**

9- **Other debit balances - Net**

This item consists of the following:	2018	2017
	JD	JD
Gurantee Debosit	147,501	207,366
Prepaid expenses	-	146,982
Sales tax withholding	75,127	77,420
income tax withholding - customs	14,920	12,737
Others withholding	1,700	1,700
Shareholders receivables	3,135	3,135
Employees receivables	5,041	8,204
Total	**247,424**	**457,544**

10- Investments in financial assets at fair value through comprehensive income statement

a- This item consists of the following:

	2018	2017
	JD	JD
Inside of Jordan		
Listed Sahreholding company		
cost of portfolio of financial assets through	1,971,157	1,971,157
Provision for fair value	(390,420)	(436,586)
fair value	**1,580,737**	**1,534,571**

b- For purposes of the company membership at the bord at the company the it invested in and the purposes for Securities Depository Center , Reserved and mortgaged shares to the bank against banks facilites as following :

	Number of Shares	2018 Market value	2017 Market value
		JD	JD
Jordanian real estate co. for development - Reserved	5,000	1,950	2,500
Ibn-Alhaytham Hospital - Reserved	10,000	10,000	10,600
Amana for agricultural and industrial investment - Reserved	5,000	100	50
Arab international for education and investment - Mortgaged	100,000	252,000	555,550
Etihad School - Mortgaged	252,000	395,640	315,000
Total		**659,690**	**883,700**

11- **Property, plant and equipment - Net**

a. This item consists of :

	Machines and equipments	Furniture	Hardware and software	Vehicles	Total
	JD	JD	JD		JD
Cost as of t januarey 1, 2018	**31,800**	**67,455**	**21,610**	**12,500**	**133,365**
Cost at December 31, 2018	**31,800**	**67,455**	**21,610**	**12,500**	**133,365**
Acumulated Depreciation					
balance as of januarey 1, 2018	23,787	45,524	20,976	12,499	**102,786**
Additions during the year	1,740	3,766	351	-	**5,857**
balance as of December 31, 2018	**25,527**	**49,290**	**21,327**	**12,499**	**108,643**
Net book value as of December 31, 2018	**6,273**	**18,165**	**283**	**1**	**24,722**
Net book value as of December 31, 2017	**8,013**	**21,931**	**634**	**1**	**30,579**

b. The cost of fully depreciated property and equipment is 85,079 dinars as at 31 December 2018.

12- **Credit banks**

This item consists	2018	2017
	JD	JD
Aran Bnak	274,814	536,756
Total	**274,814**	**536,756**

On February 28,2012 , the company obtained bank facilities on bank overdraft from with a limit of JD 500,000 and interest rate of 8.25% and under the arab international education company Gurantee and al-Etihad School

13- **Note Payable - Short term**

This item consists	2018	2017
	JD	JD
Note payable within one year	-	73,239
Total	**-**	**73,239**

14- **Other credit balances**

This item consists of the following:	2018	2017
	JD	JD
Doctors deposites	29,691	29,691
Shareholders Deposites	33,266	33,266
Finance Lease liability - Short term	–	20,731
Other credit balances	8,310	12,723
Other Deposits	12,503	13,561
Accrued expenses	893	8,643
Educational and scientific research deposits	6,068	6,068
Guarntee Provision	341,749	130,429
Leaves Provision	6,734	6,734
Provision for income tax for previous years	100,000	–
Other	–	602
Total	**539,214**	**262,448**

15- Income Tax Provision

a. This item consists of the following:

	2018	2017
	JD	JD
Balance beginning of the year	-	-
Income tax for previous years *	100,000	-
Balance at the ending of the year	**100,000**	**-**

* The above amount represents the amount allocated the expected tax liabilities for 2014 and 2016 as they are still under consideration and Ther is no decision has been made yet

b. The annual estimate of 2015 and 2017 was presented within the legal period of the Income and Sales Tax Department and has not yet been reviewed

16- Capital

The paid-up capital and unauthorized amounted to 4,500,000 Jordanian dinars, divided into 4,500,000 shares, the par value per share is JD one shares) value per share of nominal dinars).

17- Reserves

Statutory reserve

The accumulated amounts in this account represent what has been diverted from the annual profit before tax increased by 10% during the year and prior years in accordance with the Companies Act and is not available for distribution to shareholders

The General Authority may, after exhausting the other reserves, decide at an extraordinary meeting ammortize its losses from the amounts accumulated in the Statutory Reserve Account and be reconstituted in accordance to low

Voluntary reserves

This item represents the accumulated amount appropriated at a rate of 20% of annual income before taxs , and it used in purpose detrmined by the Border of Directors

18- Fair value reserve

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	(436,586)	(223,839)
Change Duruing the year	46,166	(212,747)
Balance at end of year	**(390,420)**	**(436,586)**

19- Accumulated Loss

This item consists of the following:

	2018	2017
	JD	JD
Balance at the beginning of the year	(1,496,611)	(1,502,563)
The impact of application of the International Financial Reporting Standard No. 9	(100,000)	–
Previous years expenses	(3,393)	–
prior year's taxes	(100,000)	(34,380)
Adjusted opening balance	**(1,700,004)**	**(1,536,943)**
(Loss) Profit for the year	(459,996)	44,682
Transfer to statutory reserve	-	(4,350)
Balance at end of year	**(2,160,000)**	**(1,496,611)**

20- Sales

This item consists of the following:

	2018	2017
	JD	JD
Sales	155,774	413,666
Sales returns	–	(1,296)
Discounts	–	(12,367)
Total	**155,774**	**400,003**

21- Cost of Sales

This item consists of the following:

	2018	2017
	JD	JD
Inventory at the Beginning of the year	252,495	309,103
Purchases	144,759	140,686
Inventory at the end of the year	(236,615)	(252,495)
Cost of Sales	**160,639**	**197,294**

22- **Selling and distribution Expenses**

This item consists of the following:

	2018	2017
	JD	JD
Marketing Commissions	-	105
Training	-	3,780
Hospitality	-	1,200
Travel and transportations	-	17,693
Rewards	-	3,600
Advertising	-	1,020
Total	-	**27,398**

23- **General and Adminstrative expenses**

This item consists of the following:

	2018	2017
	JD	JD
Salaries and wages	34,851	62,227
Rents	1,600	10,576
Board Of directors transportations	15,000	15,000
Professional fees	3,934	6,600
Governmental fees and registerations	1,961	9,497
Finance lease interest	-	7,608
Telephone and mail	1,127	1,823
Stationary and Publication	1,186	800
Health insurance	531	3,708
Electricity, wate and cleaning	570	2,282
Maintenance	147,248	86,497
Transportations	84	1,449
Others	7,722	12,689
Total	**215,814**	**220,756**

24- **Earnings Per Share**

This item consists of the following:

	2018	2017
	JD	JD
(Loss) Profit of the year after tax	(459,996)	44,682
The weighted average number of shares	4,500,000	4,500,000
Basic and diluted, earnings per share	**(0.102)**	**0.010**

The reduced per share from the year profit is equal to the basic share from the year profit.

25- Contingent Liabilities

A- At the date of financial statements there was contingent liabilities represented as following

	2018	2017
	JD	JD
Bank Gurantee	590,712	590,712
Total	**590,712**	**590,712**

B- This item includes the amounts incurred by the company for its projects in Iraq, where in previous years the company dealt with FDS Brett in Iraq The company has also set up bank guarantees for payment and good execution at Jordanian banks in order to guarantee FDS Brett with its customers in Iraq

During 2016, one of the guarantees is liquidated on behalf of the Iraqi Ministry of Health because FDS Brett violated one of the terms of the agreement. The company incurred losses due to liquidating this guarantee in the amount of JD532,500 The Company maintains other guarantees of JD 590,712 and has calculated a provision to meet the risks that may result in a value of JD 341,749 in addition to the expenses related to this project The Company calculated an allowance for doubtful debts against the balance of receivables from this customer amounting to JD 250,788 during 2016 as explained in note 5, In the management's opinion, the Company is able to comply with the terms of the guarantees for which a provision has been made

26- Court Cases

There is a case filed by the company against third parties with a value of JD 1082154 which was awarded to the company as it is subject to execution by the Execution Department.

27- **Segment Information**

This item consists of the following:

2018

	The main activity	shares	others	Total
	JD	JD	JD	JD
Assets And Liability				
Assets	1,701,550	1,597,638	24,722	3,323,910
Liabilities	(1,015,277)	-	-	(1,015,277)
Net Assets	**686,273**	**1,597,638**	**24,722**	**2,308,633**
Fof the Year ended at December 31,2017				
Sales	155,774	80,348	2,875	238,997
finance expenses	(62,546)	-	-	(62,546)
depreciations	(5,857)	-	-	(5,857)
expenses	(627,773)	(2,817)	-	(630,590)
Segment profit	**(540,402)**	**77,531**	**2,875**	**(459,996)**

2017

	The main activity	shares	others	Total
	JD	JD	JD	JD
Assets And Liability				
Assets	2,365,716	1,554,289	30,579	3,950,584
Liabilities	(1,024,728)	-	-	(1,024,728)
Net Assets	**1,340,988**	**1,554,289**	**30,579**	**2,925,856**
Fof the Year ended at December 31,2016				
Sales	400,003	93,350	109,404	602,757
finance expenses	(84,892)	-	-	(84,892)
depreciations	(25,243)	-	-	(25,243)
expenses	(445,448)	(2,492)	-	(447,940)
Segment (Loss)	**(155,580)**	**90,858**	**109,404**	**44,682**

28- **Entitlement analysis of assets and liabilities**

the following table shows the analysis of assets and liabilities accordaing to the expected period of recovery and settelment :

2018	for year	more than one year	Total
	JD	JD	JD
Assets			
current Assets			
Cash and Cash equivalent	34,859	-	34,859
Note Receivables - Short term	47,024	-	47,024
Accounts receivable - net	1,369,808	-	1,369,808
Due from related parties	842	-	842
Financial assets at fair value through income Statement	16,901	-	16,901
Inventory - net	1,593	-	1,593
Other debit balances	247,424	-	247,424
Total current Assets	**1,718,451**	**-**	**1,718,451**
Non-current Assets			
Financial assets at fair value through comprehensive income	-	1,580,737	1,580,737
Property , plant & equipments - net	-	24,722	24,722
Total-Non current Assets	**-**	**1,605,459**	**1,605,459**
Total Assets	**1,718,451**	**1,605,459**	**3,323,910**
Current Liability			
Credit banks	274,814	-	274,814
accounts payable	27,537	-	27,537
Due to related parties	173,712	-	173,712
Other credit balances	539,214	-	539,214
Total current liabilites	**1,015,277**	**-**	**1,015,277**
Net	**703,174**	**1,605,459**	**2,308,633**

The analysis of maturity of assets and liabilities

2017

	for year	more than one year	Total
Assets	JD	JD	JD
Non-current Assets			
Cash and Cash equivalent	15,006	-	15,006
cheques under collection - Short term	280,399	-	280,399
Note Receivables - Short term	67,177	-	67,177
Accounts receivable - net	1,030,776	-	1,030,776
Due from related parties	37,288	-	37,288
Financial assets at fair value through income Statement	19,718	-	19,718
Inventory - net	57,473	-	57,473
Other debit balances	457,544	-	457,544
Total Non-current Assets	**1,965,381**	**-**	**1,965,381**
current Assets			
Financial assets at fair value through comprehensive income	-	1,534,571	1,534,571
cheques under collection - long term	-	420,053	420,053
Property , plant & equipments - net	-	30,579	30,579
Total current Assets	**-**	**1,985,203**	**1,985,203**
Total Assets	**1,965,381**	**1,985,203**	**3,950,584**
Current Liability			
Credit banks	536,756	-	536,756
Note Payable - Short term	73,239	-	73,239
accounts payable	45,334	-	45,334
Due to related parties	106,951	-	106,951
Other credit balances	262,448	-	262,448
Total current liabilites	**1,024,728**	**-**	**1,024,728**
Net	**940,653**	**1,985,203**	**2,925,856**

29- **Financial Instruments**

Financial instruments consist of financial assets and financial liabilities Financial assets include bank balances, cash in hand, receivables and securities , Financial liabilities include facilities granted by banks and payables

- **Fair value of financial instruments**

Financial instruments comprise financial assets and financial liabilities. Financial assets consist of cash in hand and at banks, receivables and other receivables. Financial liabilities consist of accounts payable, bank loans, loans and other credit balances. The fair values of financial instruments are not materially different from the value The books for these tools.

- **Credit risks**

Credit risk is the risk that may arise from the default or inability of debtors and other parties to meet their obligations to the Company.

The company believes that it is not exposed to the risk of collection because its transactions are in cash, and the company maintains balances and deposits with leading banking institutions.

Interest price risk

Interest price risks resulted from prospect the affect of changes in inerest prices on comapany's profit or fair value, whereas most finacial instruments have fixed interst price and appear in amortized cost, the profit and owners' equity sensitivity for these changes is not material.

- **Foreign currency risk**

Most of the company's transactions are in Jordanian Dinars and US Dollars. The dinar is pegged to a fixed rate with the US Dollar, and therefore the impact of currency risk is not significant to the financial statements.

- **Liquidity risks**

Liquidity risk is the risk that the Company will not be able to provide the necessary funding to meet its obligations on due dates. In order to prevent these risks, the management diversifies sources of finance, manages assets and liabilities, adjusts their terms and maintains sufficient cash and cash equivalents and negotiable securities

The Company monitors its liquidity requirements on a monthly basis and ensures that sufficient funds are available to meet any liabilities as they arise. The Company also manages liquidity risk by ensuring that banks have cash available to cover undiscounted financial liabilities, which are mostly credit balances to customers.

The table below shows the distribution of financial liabilities (not discounted) based on the remaining contractual maturity and current market interest rates

	2018			
	Less than three months.	From three months to 12 months	Mor than One year	Total
	JD	JD	JD	JD
Credit banks	-	274,814	-	274,814
accounts payable	-	27,537	-	27,537
Due to related parties	-	173,712	-	173,712
Other credit balances	-	539,214	-	539,214
Total	-	**1,015,277**	-	**1,015,277**

	2017			
	Less than three months.	From three months to 12 months	Mor than One year	Total
		JD	JD	JD
Credit banks		536,756	-	536,756
Note Payable		73,239	90,087	163,326
accounts payable		45,334	-	45,334
Due to related parties		106,951	-	106,951
Other credit balances		262,448	-	262,448
Total		**1,024,728**	**90,087**	**1,114,815**

30- **Capital management**

The main objective of the Company's capital management is to ensure that appropriate capital ratios are maintained in a manner that supports the Company's activity and maximizes equity.

The Company manages the capital structure and makes necessary adjustments in light of changes in working conditions. The Company did not make any changes to the objectives, policies and procedures related to capital structure during the current and previous financial year.

The items included in the capital structure consist of paid up capital, issue premium, voluntary reserve, voluntary reserve and retained earnings totaling JD 2,699,053 as of December 31, 2018 against JD 3,362,442 as of December 31, 2017

31- **Events after the reporting period :**

There have been no material events occurring after the reporting date that require adjustments to or disclosure in the financial statements

32- **Comparative**

Some of comparative figures have reclassified – when needed – to confirm with current year's figures.