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

Ref : F.D/ 37 /2017

الرقم : د.م/ ٣٧ /٢٠١٧

To: Jordan Securities Commission
Amman Stock Exchange

السادة هيئة الاوراق المالية
السادة بورصة عمان

Date:-26/03/2017

التاريخ:- ٢٠١٧/٠٣/٢٦

Subject: Audited Financial Statements for the fiscal year ended 31/12/2016

Attached the Audited Financial Statements of (International Company for Medical Investments) for the fiscal year ended 31/12/2016

Kindly accept our high appreciation and respect

Chairman of the Board
Dr. Haitham Abdallah Abu-Khadijeh

الموضوع : البيانات المالية السنوية المدققة للسنة المنتهية في ٢٠١٦/١٢/٣١

مرفق طيه نسخة من البيانات المالية المدققة لشركة (الشركة الدولية للاستثمارات الطبية) عن السنة المالية المنتهية في ٢٠١٦/١٢/٣١

وتفضلوا بقبول فائق الاحترام،،،

رئيس مجلس الادارة
د. هيثم عبدالله ابوخديجة

بورصة عمان
الدائـرة الإدارية والمالية
الديـــوان
٣٠ آذار ٢٠١٧
الرقم التسلسل: ١٧٧٦
رقم الملف: ٤٠٢٤
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INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2016
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN – JORDAN

FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2016

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A TRANSLATION OF THE INDEPENDENT AUDITORS' REPORT ON THE FINANCIAL STATEMENTS ORIGINALLY ISSUED IN ARABIC

To the General Assembly of
International Company for Medical Investment
(Public Shareholding Company)
Amman – Jordan

Opinion

We have audited the financial statements of International Company for Medical Investment - Public Shareholding Company - ("the Company"), which comprise the statement of financial position as at December 31, 2016 and the related statements of profit or loss and other comprehensive income, changes in shareholders' 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, 2016, 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 in accordance with International Ethics Standards Board for Accountants Code of Ethics, 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 a matter

Without qualifying our opinion, we draw attention to note (27) 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 year. 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.

The key audit matters descriptions are as follow:

1- Sales

Description of Key Audit matter	How the Matter was Addressed in Our Audit
On October 24, 2016, the Carl Zeiss and Medica Companies withdrew their agencies rights from the Company knowing that the activities related to these agencies were stopped in the second half of year 2016. The Company's sales from these two agencies usually form 75% of the sales. This has led to a decline in the company's revenues, which could raise significant doubts about the Company's ability to continue as a going concern.	We have reviewed the future plan approved by the Board of Directors, which requires to set marketing plans through bringing local experts and doctors to get benefit from the agencies currently owned by the Company and extend it's marketing strategy. Also, the Company will focus on the beauty care equipment and general surgery consumables in accordance with the budget prepared by the management for the next three years which has been approved by the Board of Directors. The assumptions on which the budget is based is appropriate and reasonable based on the current situation of the Company. We also reviewed the agreement signed with the new agents of Carl Zeiss and Medica, which includes the transfer of warranty maintenance of the sold equipment to the new agent against transfer of the remaining stock related to these agencies to the new agent.

2- Accounts Receivables and Cheques Under Collection Impairment

Description of Key Audit matter	How the Matter was Addressed in Our Audit
The impairment loss for accounts receivables and cheques under collection 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 the legal cases held against these customers. Accordingly, the accounts receivables and cheques under collection consider a key audit matter.	Our audit procedures included the assessment of the Company's internal controls over the collection processes for receivables and cheques under collection, testing the receipt of cash after the year end, testing the sufficiency of the Company's provisions against receivables and cheques under collection and testing the position of the legal cases held by the Company by assessing the 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.

The Company has accounts receivables and cheques under collection with total balance of JD 2,596,518 as of December 31, 2016, and the Company recorded a provision for doubtful debts in the amount of JD 508,440 as of December 31, 2016. The accounting policies and critical judgments relative to accounts receivables and cheques under collection are summarized respectively in Notes 2, 3, 6 and 7 to the financial statements.	

Other Information

Management is responsible for the other information. The other information does not include the financial statements and our auditors' report on the financial statements.

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 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 were not provided with the annual report of the Company or any other information as it relates to this paragraph until the date of this report.

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 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.

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 maintains proper accounting records. The accompanying financial statements are, in all material aspects, in agreement with the Company's accounting records, and we recommend that the Company's General Assembly approves these financial statements.

KPMG Kawasmy and Partners

KPMG
Kawasmy & Partners Co.

Hatem Kawasmy
License no. (656)

Amman - Jordan
Mar 2, 2017

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

STAEMENT OF FINANCIAL POSITION

		As of December 31,	
Jordanian Dinar	**Note**	**2016**	**2015**
Assets			
Cash and cash equivalents	5	69,458	35,624
Cheques under collection due within a year	6	418,696	442,813
Note receivable due within a year		105,565	239,739
Trade and other receivables	7	942,411	1,949,391
Due from related parties	8	2,422	154,016
Financial assets at fair value through profit or loss	9	22,210	23,293
Inventory	10	114,081	411,072
Other debit balances	11	605,126	512,826
Total Current Assets		**2,279,969**	**3,768,774**
Cheques under collection due more than one year	6	695,567	820,053
Notes receivable due more than one year		13,435	94,047
Financial assets at fair value through other comprehensive income	12	1,747,318	3,185,323
Payments on investments account	13	-	150,000
Investment in associate	14	-	50,570
Property and equipment	15	70,395	238,396
Total Non-Current Assets		**2,526,715**	**4,538,389**
Total Assets		**4,806,684**	**8,307,163**
Equity and Liabilities			
Liabilities			
Due to banks	16	685,839	1,273,977
Bank loan	17	-	29,880
Notes payable due within a year	18	316,893	442,236
Deferred cheques		-	45,956
Accounts payable	19	23,795	318,372
Due to related parties	8	52,211	57,336
Deferred revenues		121,522	262,210
Income tax provision	20	-	77,788
Other credit balances	21	388,036	355,009
Total Current Liabilities		**1,588,296**	**2,862,764**
Notes payable due more than one year	18	90,087	423,828
Finance lease obligations - long term		-	57,524
Total Non-Current Liabilities		**90,087**	**481,352**
Total Liabilities		**1,678,383**	**3,344,116**
Equity			
Share capital	1	4,500,000	4,500,000
Statutory reserve		272,539	272,539
Voluntary reserve		82,164	82,164
Fair value reserve	22	(223,839)	(84,889)
(Accumulated Losses) Retained earnings		(1,502,563)	193,233
Total Equity		**3,128,301**	**4,963,047**
Total Equity and Liabilities		**4,806,684**	**8,307,163**

The accompanying notes on pages from (9) to (32) are an integral part of these financial statements.
The financial statements on pages (5) to (8) were approved by the board of directors to 5 February 2017 and authorized by:

Chairman of Board **Financial Manager**

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Jordanian Dinar	Note	For the year ended December 31, 2016	2015 (Reclassified)
Net Sales	23	1,106,738	3,779,401
Cost of Sales	24	(819,702)	(2,614,664)
Gross profit		**287,036**	**1,164,737**
Selling and distribution expenses	25	(104,181)	(342,319)
Administrative expenses	26	(276,263)	(342,164)
Iraq projects expenses	27	(817,092)	(192,182)
Board of directors remunerations		-	(17,910)
Provision for slow moving inventory	10	-	(26,188)
Provision for doubtful debts	7	(96,874)	(205,940)
Investment Impairment losses		(242,417)	-
Litigation expenses		(74,359)	-
Depreciation expenses	15	(56,482)	(15,396)
Financial assets at fair value through profit or loss evaluation (loss) profit		(1,083)	108
Other income		29,107	245,283
Loss from sale of property and equipment		(124,900)	-
Dividends income		118,721	153,125
Finance expense		(152,497)	(195,847)
(Loss) Profit before tax		**(1,511,284)**	**225,307**
Income tax for the year	20	-	(134,761)
(Loss) Profit for the year		**(1,511,284)**	**90,546**
Other comprehensive income item:			
Items that will never be reclassified to profit or loss			
Change in fair value reserve	22	(320,050)	(233,626)
Realized (Loss) profit from financial assets at fair value through other comprehensive income		(3,412)	92,469
Total comprehensive income for the year		**(1,834,746)**	**(50,611)**
Basic and diluted earnings per share from (loss) profit (JOD/Share)	28	**(0.34)**	**0,02**

The accompanying notes on pages from (9) to (32) are an integral part of these financial statements.
The financial statements on pages (5) to (8) were approved by the board of directors on 5 February 2017 and authorized by:
* Some of the comparative figures for the year 2015 were reclassified as shown in note no. 31 to the financial statements

Chairman of Board **Financial Manager**

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

STATEMENT OF CHANGES IN SHARHOLDERS EQUITY

Jordanian Dinar	Share capital	Statutory reserve	Voluntary reserve	Fair value reserve *	(Accumulated losses) Retained earnings	Total
For the year ended December 31, 2016						
Balance as of January 1, 2016	4,500,000	272,539	82,164	(84,889)	193,233	4,963,047
Loss for the year	-	-	-	-	(1,511,284)	(1,511,284)
Change in fair value reserve	-	-	-	(320,050)	-	(320,050)
Realized losses from sale of financial assets at fair value through other comprehensive income	-	-	-	-	(3,412)	(3,412)
Released from fair value reserve	-	-	-	181,100	(181,100)	-
Balance as of December 31, 2016	**4,500,000**	**272,539**	**82,164**	**(223,839)**	**(1,502,563)**	**3,128,301**
For the year ended December 31, 2015						
Balance as of January 1, 2015	4,500,000	250,008	82,164	184,154	(2,668)	5,013,658
Profit for the year	-	-	-	-	90,546	90,546
Transfer to statutory reserve	-	22,531	-	-	(22,531)	-
Change in fair value reserve	-	-	-	(233,626)	-	(233,626)
Realized profit from sale of financial assets at fair value through other comprehensive income	-	-	-	-	92,469	92,469
Released from fair value reserve	-	-	-	(35,417)	35,417	-
Balance as of December 31, 2015	**4,500,000**	**272,539**	**82,164**	**(84,889)**	**193,233**	**4,963,047**

* The fair value reserve is resulting from changes in fair value and impairment of equity instruments at fair value through other comprehensive income. According to Jordan securities commission it is forbidden to dispose of fair value reserve credit balance whether by distribution, capitalization, losses redemption or any other means.

The accompanying notes on pages from (9) to (32) are an integral part of these financial statements.

INTERNATIONAL COMPANY FOR MEDICAL INVESTMENT
(PUBLIC SHAREHOLDING COMPANY)
AMMAN - JORDAN

STATEMENT OF CASH FLOWS

		For the year ended December 31,	
Jordanian Dinar	**Note**	**2016**	**2015**
Cash flows from operating activities:			
(Loss) profit for the year before income tax		(1,511,284)	225,307
Adjustments:			
Depreciation	15	56,482	15,396
Finance expense		152,497	195,847
Financial assets at fair value through profit or loss evaluation loss (profit)		1,083	(108)
Dividends income		(118,721)	(153,125)
Provision for doubtful debts	7	347,662	398,122
Provision for slow moving inventory	10	-	26,188
Investment Impairment losses		242,417	-
Litigation expenses		74,359	-
Board of directors remunerations		-	17,910
Loss from sale of property and equipment		124,900	-
		(630,605)	**725,537**
Change in:			
Due from related parties		151,594	293,506
Trade and other receivable		659,318	(118,307)
Cheques under collection		148,603	(323,904)
Notes receivable		214,786	(33,397)
Other debit balances		(92,300)	(410,753)
Inventory		296,990	(184,100)
Accounts payable		(294,577)	(101,917)
Due to related parties		(5,125)	57,130
Other credit balances		(41,332)	136,840
Deferred revenues		(140,688)	(597,993)
Cash flows from (used in) operating activities:		**266,664**	**(557,358)**
Finance expense		(152,497)	(195,847)
Income tax paid	20	(77,788)	(73,453)
Net cash flows from (Used in) operating activities		**36,379**	**(826,658)**
Cash flows from investing activities:			
Acquisition of property and equipment	15	(13,382)	(194,096)
Financial assets at fair value through other comprehensive income		1,114,545	892,675
Dividends income		118,721	153,125
Payments on investments account		(41,847)	(150,000)
Net cash flows from investing activities		**1,178,037**	**701,704**
Cash flows from financing activities:			
Due to bank		(588,138)	551,520
Deferred cheques		(45,956)	(659,591)
Bank loans		(29,880)	(400,185)
Notes payable		(459,084)	603,414
Finance lease obligations - long term		(57,524)	57,524
Net cash flows (used in) from financing activities		**(1,180,582)**	**152,682**
Net change in cash and cash equivalents		33,834	27,728
Cash and cash equivalents, beginning of the year		35,624	7,896
Cash and cash equivalents, end of the year	5	**69,458**	**35,624**

The accompanying notes on pages from (9) to (32) are an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

1) GENERAL

International Company for Medical Investment was established under the Companies law no. (13) of 1964 as a public shareholding Company and recorded in the Companies Registration department under number (282) dated June 5, 1995, and the company's paid-up capital is JD 6,000,000. The General Assembly decided in its extraordinary meeting held on September 8, 2004 to reduce the company's capital by JD 1,500,000 million to become JD 4,500,000 million.

The main objective of the Company:

- Investment in medical fields
- Provide engineering consultation
- Held courses and sessions
- Borrow money from the banks

The Company's shares are listed on the Amman Stock Exchange.

On October 24, 2016, the Carl Zeiss Agency and Medica Agency withdrew their agencies from the Company with regarding to that the activities related to these agencies were stopped in the second half of 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 their supplies to be through 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 against specific amount as agreed between the parties.

The financial statements were approved by the Board of Directors in its meeting held on February 5, 2017 and it’s subject to the general assembly’s approval.

2) BASIS OF PREPARATION

(a) Statement of compliance

The financial statements have been prepared in accordance with international financial reporting standards (IFRS).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis, except for the financial assets and financial liabilities.

(c) Functional and presentation currency

The financial statements are presented in Jordanian Dinar, which is the Company’s functional currency.

(d) Use of Judgments and estimates

The preparation of financial statements in conformity with IFRSs requires the management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

In particular, information about significant areas of estimation uncertainties and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is summarized as follows:

- Management frequently reviews the lawsuits raised against the Company based on a legal study prepared by the Company legal advisors. This study highlights potential risks that the Company may incur in the future.
- A provision for impairment on account receivables is taken on the basis and estimates approved by management in conformity with International Financial Reporting Standards (IFRS).
- Management estimates the provision to decrease inventory to net realizable value if the cost of inventory may not be recoverable, damaged, wholly or partially obsolete, and it selling price to fall below cost or any other factors that causes the recoverable amount to be lower than its carrying amount.
- Management periodically reassesses the economic useful lives of tangible assets based on the general condition of these assets and the expectation for their useful economic lives in the future.
- Management estimates the recoverable amount of the other financial assets to determine whether there was any impairment in its value.
- Management estimates the provision for income tax in accordance with the prevailing laws and regulations and Financial Reporting Standards (IFRS).

- **Fair value measurement :**

  Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

1- In the principal market for the asset or liability, or
2- In the absence of a principal market, in the most advantageous market for the asset or liability

The asset or liability measured at fair value might be either of the following:

A- A stand-alone asset or liability; or

B- A company of assets, a company of liabilities or a company of assets and liabilities (eg a cash generating unit or a business). A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Company has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the financial manager. The valuation team regularly reviews significant unobservable inputs and valuation adjustments.

If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified. Significant valuation issues are reported to the Company Audit Committee.

(e) Going Concern

On October 24, 2016, the Carl Zeiss Agency and Medica Agency withdrew their agencies from the Company with regarding to that the activities related to these agencies were stopped in the second half of year 2016. The Company's sales from these two agencies usually form 75% of the sales which has led to a decline in the company's revenues, which could raise substantial doubts about the Company's ability to continue as a going concern.

The Company has prepared future plan which requires to set marketing plans through bringing local experts and doctors to get benefit from these agencies owned by the Company and extend it's marketing strategy. Also, the Company will focus on the beauty care equipment and general surgery consumables and reduce it is expenses which will contribute in generating operating and net profits as shown in the budget prepared by the management for the next three years which has been approved by the Board of Directors.

3) SIGNIFICANT ACCOUNTING POLICIES

The Company has early adopted the international financial reporting standard No. 9 on the measurement and classification of financial assets in the preparation of financial statements for the year ended January 1, 2011 based on the instructions of the Jordan securities commission, note that the compulsory adoption is at January 1, 2018.

The accounting policies applied by the Company in these financial statements for the year ended December 31, 2016 are the same as those applied by the Company in its financial statements for the year ended December 31, 2015, except for the following International Financial Reporting Standards amendments and improvements that become effective after January 1, 2016:

New Currently Effective Requirements

Standards	Effective Date
Amendments to IFRS 10, IFRS 12, and IAS 28 Investment Entities: Applying the Consolidation Exception	January 1st, 2016
Amendments to IFRS 11, Accounting for Acquisition of Interests in Joint Operations	January 1st, 2016
Amendment to IAS 1 Disclosures Initiatives	January 1st, 2016
Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization	January 1st, 2016
Amendments to IAS 16 and IAS 41 Agriculture: Bearer Plants	January 1st, 2016
Amendments to IAS 27 Separate Financial Statements	January 1st, 2016
Annual Improvements to IFRSs 2012- 2014 Cycle	January 1st, 2016
IFRS 14 Regulatory Deferral Accounts	January 1st, 2016

The application of these amended standards did not have a significant effect on the Company's financial statements.

a) Financial instruments

The Company classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, loans and receivables and financial assets at fair value through other comprehensive income. The Company classifies non-derivative financial liabilities into the other financial liabilities category.

- **Non-derivative financial assets and financial liabilities – recognition and derecognition**

The Company initially recognizes loans and receivables and debt securities issued on the date when they are originated. All other financial assets and financial liabilities are initially recognized on the trade date.

The Company derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred.

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

- **Non-derivative financial assets – measurement**

Financial assets at fair value through other comprehensive income (IFRS 9)

These assets represent investments in equity instruments with the intention to keep them as a long term investments.

When purchasing these assets they are recognized at fair value including acquisition expenses then to be re-evaluated later at fair value, where changes in the fair value appears in the statement of profit or loss and other comprehensive income and owners' equity including the change in fair value resulting from the differences in conversion of non-monetary assets items in foreign currencies, in case of selling such assets or part thereof profits or losses to be recorded in the statement of profit or loss and other comprehensive income and owners' equity where the valuation reserve balance of the sold assets should be directly transferred to the retained earnings and losses and not through the statement of profit or loss and other comprehensive income.

These assets are not subject to impairment loss testing.
Dividends are recorded as a separate line item in the statement of profit or loss and other comprehensive income.

Financial assets at fair value through profit or losses (IFRS 9)
These assets represent investments in equity instruments with the intention to sell them and generate selling profits, and these assets are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss.

Non-derivative financial liabilities – measurement (IFRS 9)
Non-derivative financial liabilities are initially recognized at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortized cost using the effective interest method.

b) Property and equipment

- **Recognition and measurement:**

Items of property and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes all expenditures that are directly attributable to the acquisition of the asset.

When parts of an item of property and equipment have different useful lives, they are accounted for as separated items of property and equipment.

Gains and losses on disposal of an item of property and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognized on a net basis within "other income" in the statement of profit or loss and other comprehensive income.

- **Subsequent costs:**

The cost of replacing part of an item of property and equipment is recognized in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognized.

The costs of the day – to – day servicing of property and equipment are recognized in the statement of profit or loss and other comprehensive income as incurred

- **Depreciation:**

Depreciation is recognized in the statement of profit or loss and other comprehensive income on a straight line basis over the estimated useful lives of each part of an item of property and equipment.

- The estimated annual depreciation rates of property and equipment for the current and previous year are as follows:

Property and equipment	Depreciation Rate %
Equipment	10
Furniture and Fixtures	10
Hardware and software	20
Vehicles	15
Medical Equipment	35

c) Impairment

Financial Assets

- A financial asset is assessed at each reporting date to determine whether there is objective evidence that it is impaired.
- A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.
- An impairment loss in respect of a financial asset measured at amortized cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate.
- Individually significant financial assets are tested for impairment on an individual basis.
- An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognized. For financial assets measured at amortized cost, the reversal is recognized in the statement of profit or loss.

Non-Financial Assets

- The carrying amounts of the Company's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.
- An impairment loss is recognized if the carrying amount of an asset or cash generating unit exceeds its estimated recoverable amount.
- Recoverable amount is the higher of an asset's fair value less costs to sell and its value in use.
- All impairment losses are recognized in the statement of profit or loss and other comprehensive income.

d) Revenues recognition and expenses realization

Revenue recognition and expenses realization are recognized based on accrual basis

Revenue from the sale of goods is recognized when the company has transferred to the buyer the significant risks and rewards of ownership of the goods; the company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold; It is probable that the economic benefits associated with the transaction will flow to the entity; and The costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, excluding discounts. Revenue is recognized in profit or loss, commensurate with the stage of completion of the transaction at the reporting date.

- Interest income and expenses reflected in the statement of profit or loss and other comprehensive income include:
- Interest income / expense on financial assets and financial liabilities at amortized cost and calculated using an effective interest method.
- Interest expense on loans and bank facilities.

e) Investments in associate

Associated companies are those companies in which the Company exercises effective control over its financial and operating policies in which the Company has between 20% and 50% of the voting rights. Companies under joint control are those companies in which the Company has joint control over its activities and is established through contractual agreements and whose financial and operating decisions require unanimous approval.

Investments in associates and companies that are jointly controlled in the financial statements are accounted for using the equity method of accounting and are initially recognized at cost. The cost of investments includes acquisition costs

f) Inventory

Inventory is measured at the lower of cost or net realizable value. The cost of inventory is determined based on the weighted average method.
Net realizable value is the estimated selling price in the ordinary course of the business, less the estimated selling expenses.

g) Provisions

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

h) Foreign Currency Transactions

Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to Jordanian Dinar at the exchange rate at that date.

The foreign currency gain (loss) on monetary items is the difference between amortized cost in Jordanian Dinar at the beginning of the year, adjusted for effective interest rate and payments during the year, and the amortized cost in foreign currency translated at the exchange rate at the end of the year.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to Jordanian Dinar at the exchange rate at the date that the fair value was determined.

Foreign currency differences arising on retranslation of foreign currencies to Jordanian Dinar are recognized in the statement of profit or loss and other comprehensive income.

i) Offsetting

Financial liabilities are set off against financial assets, and the net amount is shown in the financial position only when the obliging legal rights are available or when settled on net basis or the realization of assets or settlement of liabilities is done at the same time.

j) Income tax

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognized in statement of profit or loss and other Comprehensive income except to the extent that it relates to a business combination, or items recognized directly in profit or loss and other Comprehensive income or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realized simultaneously.

A deferred tax asset is recognized for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilized.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Current income tax is calculated at 20% in accordance with the Income Tax Law prevailing in the Hashemite Kingdom of Jordan.

k) Earnings per share

The Company presents basic and diluted earnings per share (EPS) data for its ordinary shares. Basic EPS 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 EPS is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effects of all dilutive potential ordinary shares.

New standers and interpretations not yet adopted

The following new and revised IFRSs have been issued but are not effective yet, the Company has not applied the following new and revised IFRSs that are available for early application but are not effective yet:

New Standards

- International Financial Reporting Standards (9): Financial Instruments (effective on January 1st, 2018 except for Insurance Companies which will be effective on January 1st, 2021 with earlier application permitted).
- International Financial Reporting Standards (15): Revenue from Contracts with Customers (effective on January 1st, 2018 with earlier application permitted).
- International Financial Reporting Standards (16): Leases (effective on January 1st, 2019 with earlier application permitted).

Amendments to Standards:

- IFRS (2): Classification and Measurements of Share-Based Payments (effective on January 1st, 2018 with earlier application permitted).
- IFRS (10) and IAS (28): Sale or Contribution of Assets between and Investor and its Associate or Joint Venture. (date to be determined).
- IAS (7): Disclosure Initiative (effective on January 1st, 2017 with earlier application permitted).
- IAS (12): Recognition of Deferred Tax Assets for Unrealized Losses (effective on January 1st, 2017 with earlier application permitted).
- IAS (40): Clarify Transfers or Property to, or from, Investment Property (effective on January 1st, 2018)
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments to IFRS 12 disclosure of interest of other entities (effective on January 1st, 2017).
- Annual Improvements to IFRSs 2014 –2016 Cycle – Amendments to IFRS 1 First-Time Adoption of IFRSs and IAS 28 Investments in Associates and Joint Ventures (effective on January 1st, 2018)

The Company anticipates that each of the above standers and interpretations (amendments) will be adopted in the financial statements by its date mentioned above without having any material impact on the Company's financial statements.

4) SEGMENT REPORTING

The Company has three segments as described below and are strategic sectors in the Company. Strategic departments provide different products and services, and are managed separately because they require different technical and marketing strategies.

A. Operating Segment

The company has the following main business segments:

- Equipment sales
- Investments.
- Others.

B. Geographical Segment

The Company operates in the Hashemite Kingdom of Jordan.
The Company's operating segments include the following:

Jordanian Dinar	Equipment sales	Investment	Others	Total
As of December 31, 2016				
Net segment revenue	1,106,738	117,638	29,107	1,253,483
Finance expenses	(152,497)	-	-	(152,497)
Depreciation	(56,482)	-	-	(56,482)
Segment expenses	(2,555,788)	-	-	(2,555,788)
Segment Losses	**(1,658,029)**	**117,638**	**29,107**	**(1,511,284)**
As of December 31, 2016				
Total sector assets	1,990,303	1,769,528	1,046,853	4,806,684
Total sector liabilities	(1,678,383)	-	-	(1,678,383)
Net sector assets	**311,920**	**1,769,528**	**1,046,853**	**3,128,301**
Capital expenditure	13,382	-	-	13,382
As of December 31, 2015				
Net segment revenue	3,779,401	153,233	245,283	4,177,917
Finance expenses	(195,847)	-	-	(195,847)
Depreciation	(15,396)	-	-	(15,396)
Income tax expenses	(134,761)	-	-	(134,761)
Segment expenses	(3,741,367)	-	-	(3,741,367)
Segment profit (loss)	**(307,970)**	**153,233**	**245,283**	**90,546**
As of December 31, 2015				
Total sector assets	3,851,811	3,409,186	1,046,166	8,307,163
Total sector liabilities	(2,853,795)	-	(490,321)	(3,344,116)
Net sector assets	**998,016**	**3,409,186**	**555,845**	**4,963,047**
Capital expenditure	194,096	-	-	194,096

5) CASH AND CASH EQUIVALENT

Jordanian Dinar	As of December 31, 2016	As of December 31, 2015
Cash on hand	50	53
Cash at banks	69,408	35,571
	69,458	**35,624**

6) CHEQUES UNDER COLLECTION

Jordanian Dinar	As of December 31, 2016	2015
Less than one year	418,696	442,813
More than one year	695,567	820,053
	1,114,263	**1,262,866**

7) TRADE AND OTHER RECEIVABLES

Jordanian Dinar	As of December 31, 2016	2015
Trade receivables	1,212,827	1,878,479
Advance payment to suppliers	-	639
Other receivables	250,286	250,286
Employee receivables	16,007	9,034
Shareholders receivables	3,135	3,135
	1,482,255	**2,141,573**
Provision for doubtful debts *	(539,844)	(192,182)
	942,411	**1,949,391**

* The movement on the provision for doubtful debts is as follows:

Jordanian Dinar	2016	2015
Beginning balance	192,182	334,829
Addition during the year	96,874	205,940
Iraq projects receivables provision *	250,788	192,182
Written off	-	(540,769)
	539,844	**192,182**

* This item represent the provision taken against Iraq projects receivables as stated in note 27 to the financial statements to become the total provision taken the Iraq projects receivables 442,970 JOD as of 31 December 2016 (2015: 192,182 JOD).

The Company used to trade with well-established customers, to mitigate the financial risk of not collecting customer’s receivables. A provision for impairment of receivables is booked for the receivables due over 151 days, in which 100%, unless the account was active during that year, taking into account the issues and guarantees against receivables.

The following table represent trade receivables aging as at the financial statements date:

Jordanian Dinar	2016		2015	
	Total receivables	Impairment provision	Total receivables	Impairment provision
1 - 60 days	43,958	-	235,944	-
61 - 90 days	32,137	-	123,176	-
91 – 150 days	60,940	-	298,153	-
More than 151 days	1,075,792	(539,844)	1,221,206	(192,182)
	1,212,827	**(539,844)**	**1,878,479**	**(192,182)**

8) BALANCES AND TRANSACTIONS WITH RELATED PARTIES

8-1) DUE FORM RELATED PARTIES - STATEMENT OF FINANCIAL POSITION ITEMS

Jordanian Dinar	Nature of relationship	As of December 31, 2016	2015
Ibn Al Haytham Hospital Company	Sister Company	2,422	112,169
Kuwait Star Company for Pharmaceuticals and Medical Supplies	Associate	-	41,847
		2,422	**154,016**

8-2) DUE TO RELATED PARTIES - STATEMENT OF FINANCIAL POSITION ITEMS

Jordanian Dinar	Nature of relationship	As of December 31, 2016	2015
Arab International Company for Education and Investment	Sister Company	52,211	57,336
		52,211	**57,336**

8-3) RELATED PARTY TRANSACTIONS - STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME ITEMS

Jordanian Dinar	Nature of relationship	Nature of transactions	For the year ended December 31 2016	2015
Arab International Company for Education and Investment	Sister Company	Expenses	5,125	475,640
Ibn Al Haytham Hospital Company	Sister Company	Sales	78,594	542,616
Al Omana' for Investment and financial portfolio management	Sister Company	Buying and selling shares	1,114,543	892,672

8-4) KEY EXECUTIVE MANAGMEENT SALARIES AND BENEFITS

The salaries and benefits of the top executive management during the year ended 31 December 2016 amounted to JD 59,310 (31 December 2015: JD 123,857).

9) FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

Jordanian Dinar	As of December 31, 2016	2015
Financial Assets have market prices	22,210	23,293
	22,210	**23,293**

10) INVENTORY

Jordanian Dinar	As of December 31, 2016	2015
Goods in warehouses	309,103	606,094
Provision for slow moving inventory *	(195,022)	(195,022)
	114,081	**411,072**

* The movement on the slow moving inventory is as follows:

Jordanian Dinar	2016	2015
Beginning balance	195,022	168,834
Addition for the year	-	26,188
	195,022	**195,022**

11) OTHER DEBIT BALANCES

Jordanian Dinar	As of December 31, 2016	2015
Guarantees deposits	279,846	423,694
Prepaid expenses	230,971	-
Sales tax deposit	63,947	36,908
Withholding tax on custom lists	10,379	47,639
Refundable deposit	12,519	1,220
Advances	6,388	60
Other	1,076	3,305
	605,126	**512,826**

12) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Jordanian Dinar	As of December 31, 2016	2015
Financial Assets have market prices *	1,747,318	3,185,323
	1,747,318	**3,185,323**

* These shares include 20,000 shares with a fair value of JD 14,600 as at 31 December 2016 reserved against Company's membership in the investee's board of directors.

* These shares include 457,000 shares with a fair value of JD 925,640 as at 31 December 2016 mortgaged against bank facilities provided for the Company from the Jordan Ahli Bank.

-The details of this item are as follows:

Company	Number of shares as at 31 December 2016	Acquisition Cost	Fair value as of December 31,	
Jordanian Dinar			2016	2015
Arab International Company for Education and Investment	205,000	731,875	656,000	1,323,236
Al Ittihad Schools	379,934	496,156	406,529	482,516
Ibn Al Haytham Hospital	610,000	845,365	671,000	1,376,671
Amana for Agricultural and Industrial Investments	68,677	39,666	10,989	-
Jordanian Realestate Company for Development	5,000	3,778	2,800	2,900
			1,747,318	**3,185,323**

13) PAYMENTS ON INVESTMENT ACCOUNT

Jordanian Dinar	As of December 31, 2016	2015
Beginning balance *	150,000	-
Payments on investment account **	41,847	150,000
Investment impermanent losses	(191,847)	-
	-	**150,000**

* This item represents amounts paid on account to invest in Inspire International Company to open training institutes - Kuwait – with amount of JD 75,000 on 30 April 2015 (JD 75,000 on 31 December 2015) with regarding to that the procedures to recognize the investment in the Company were not completed until the date of this financial statements.

** This item represents amounts paid on account to invest in Kuwait Star Company for Pharmaceuticals and Medical Supplies with amount of JD 41,847 with regarding to that the procedures to recognize the investment in the Company were not completed until the date of this financial statements.

- The company took fill provision against this investments during the current year.

14) INVESTMENTS IN ASSOCIATE

Jordanian Dinar	Country of incorporation	Ownership percentage	As of December 31, 2016	2015
Kuwait Star Company for Pharmaceuticals and Medical Supplies	Kuwait	40	-	50,570
			-	**50,570**

The movement at the investments account in associate during the year is as follows:

Jordanian Dinar	2016	2015
Beginning balance	50,570	50,570
Impairment losses	(50,570)	-
	-	**50,570**

* The Associate did not start its operation until the date of this financial statements. Accordingly, it did not recognize of any profits or losses from this investment in associate and it took full provision against this investments balance during the period.

15) PROPERTY AND EQUIPMENT

Jordanian Dinar

As of December 31, 2016	**Equipment**	**Furniture and Fixtures**	**Hardware and software**	**Vehicles**	**Medical Equipment**	**Total**
Cost						
Balance as of January 1, 2016	70,429	60,734	23,521	12,500	170,736	337,920
Addition	9,443	3,650	289	-	-	13,382
Disposal	(45,001)	-	-	-	(119,002)	(164,003)
Balance as of December 31, 2016	**34,871**	**64,384**	**23,810**	**12,500**	**51,734**	**187,299**
Accumulated Depreciation						
Balance as of January 1, 2016	27,963	34,177	19,905	12,499	4,980	99,524
Addition	4,902	4,047	1,659	-	45,874	56,482
Disposal	(7,865)	-	-	-	(31,237)	(39,102)
Balance as of December 31, 2016	**25,000**	**38,224**	**21,564**	**12,499**	**19,617**	**116,904**
Net Book Value As of December 31, 2016	**9,871**	**26,160**	**2,246**	**1**	**32,117**	**70,395**
As of December 31, 2015						
Cost						
Balance as of January 1, 2015	57,823	51,746	21,755	12,500	-	143,824
Addition	12,606	8,988	1,766	-	170,736	194,096
Balance as of December 31, 2015	**70,429**	**60,734**	**23,521**	**12,500**	**170,736**	**337,920**
Accumulated Depreciation						
Balance as of January 1, 2015	23,135	31,022	18,253	11,718	-	84,128
Addition	4,828	3,155	1,652	781	4,980	15,396
Disposal						
Balance as of December 31, 2015	**27,963**	**34,177**	**19,905**	**12,499**	**4,980**	**99,524**
Net Book Value As of December 31, 2015	**42,466**	**26.557**	**3,616**	**1**	**165,756**	**238,396**

16) DUE TO BANKS

	As of December 31,	
Jordanian Dinar	**2016**	**2015**
Arab bank *	392,876	970,125
Ahli bank **	292,963	303,852
	685,839	**1,273,977**

* On February 28, 2012, the Company obtained bank facilities on bank overdraft form with a limit of JD 500,000 and at interest rate of 8.25% and under the Arab International Education Company Guarantee (sister company).

** On November 22, 2009, the Company obtained bank facilities on bank overdraft form with a limit of JD 300,000 and at interest rate of 8.75% and under the Arab International Education Company Guarantee (sister company) and with mortgaging part of Ittehad Schools and Ibn Al Haytham Hospital Companies (sister companies) as stated in note 12 to the financial statements.

17) BANK LOANS

	As of December 31,	
Jordanian Dinar	**2016**	**2015**
Arab bank	-	29,880
	-	**29,880**

18) NOTES PAYABLE

	As of December 31,	
Jordanian Dinar	**2016**	**2015**
Notes payable due within a year	316,893	442,236
Notes payable due more than one year	90,087	423,828
	406,980	**866,064**

19) ACCOUNTS PAYABLE

	As of December 31,	
Jordanian Dinar	**2016**	**2015**
Foreign suppliers	9,203	317,667
Other	14,592	705
	23,795	**318,372**

20) INCOME TAX

A- The movement on the income tax provision during the year is as follows:

Jordanian Dinar	**2016**	**2015**
Balance at the beginning of the year	77,788	16,480
Income tax expense for the year	-	134,761
Tax paid during the year	(77,788)	(73,453)
Income tax provision	**-**	**77,788**

B- The Company calculated the income tax provision from the results of its operations for the year ended 31 December 2016 in accordance with the Income Tax Law and its amendments.

C- The Company received a tax clearance in respect of income tax until the end of the year 2014. The Company submitted its tax returns for the year 2015 and it was not audited by the Income Tax Department until the date of the financial statements.

- The reconciliation between tax profit and accounting profit is as follows:

Jordanian Dinar	2016	2015
(Loss) profit for the year	(1,511,284)	225,307
Non-taxable profits	(89,041)	(245,485)
Unacceptable tax expenses - permanent differences	664,438	512,938
The effect of the tax related to the share profit and dividends	29,680	181,047
Tax (Loss) profit	**(906,207)**	**673,807**
Income tax expense for the year	-	134,761
Legal Income tax rate	**20%**	**20%**
Effective Income tax rate	**-**	**%60**

21) OTHER CEDIT BALANCES

	As of December 31,	
Jordanian Dinar	2016	2015
Doctors deposits	30,423	30,424
Shareholders deposit	28,619	28,619
Other payables	14,546	50,145
Finance lease liabilities – short term	60,869	40,138
Payments received on account of selling equipment	-	32,000
Board of directors remuneration	-	17,910
Other deposit	16,022	16,322
Accrued expenses	17,493	122,268
Educational and scientific research deposits	6,068	6,068
Guarantee provision	130,429	-
Legal provision	77,327	2,968
Social security deposits	-	1,908
Leaves provision	5,003	5,003
Other	1,237	1,236
	388,036	**355,009**

22) FAIR VALUE RESERVE

	As of December 31,	
Jordanian Dinar	2016	2015
Beginning balance	(84,889)	184,154
Net change in fair value reserve	(320,050)	(233,626)
Transferred from the fair value reserve	181,100	(35,417)
	(223,839)	**(84,889)**

23) SALES

Jordanian Dinar	For the year ended December 31 2016	2015
Local sales	1,145,051	4,027,687
Sales return	(26,010)	(246,164)
Sales discounts	(12,303)	(2,122)
	1,106,738	**3,779,401**

24) COST OF SALES

Jordanian Dinar	For the year ended December 31 2016	2015
Beginning inventory	606,094	421,994
Purchases	522,711	2,798,764
Ending inventory	(309,103)	(606,094)
	819,702	**2,614,664**

25) SELLING AND DISTRIBUTION EXPENSES

Jordanian Dinar	For the year ended December 31 2016	2015
Marketing commissions	18,563	67,594
Training	7,110	102,857
Hospitality	10	7,652
Travel and transportation	56,211	122,529
Rewards	10,603	12,532
Advertising	2,158	2,657
conferences	9,526	26,498
	104,181	**342,319**

26) ADMINISTRATIVE EXPENSES

Jordanian Dinar	For the year ended December 31 2016	2015
Salaries and employee benefits	113,442	128,975
Company's contribution to social security	15,109	14,673
Rent	24,692	33,442
Transportation of Board members	15,090	15,180
Donations	-	15,000
Professional fees	10,227	45,284
Licenses and fees	10,382	10,548
Finance lease interest	6,974	7,608
Telecommunications	3,377	6,202
Stationery and prints	3,841	4,661
Insurance	6,008	18,403
Electricity, water and cleaning	4,431	4,245
Maintenance	45,564	4,333
Transportations	1,941	1,514
Others	15,185	32,096
	276,263	**342,164**

27) IRAQ PROJECTS EXPENSES

This item represents the expenses incurred by the Company on its projects in the Republic of Iraq, where the Company dealt in prior years with FDS Britt Company in the Republic of Iraq. The Company also provided payment guarantees and performance guarantees at Jordanian Banks to guarantee FDS Britt Company with its customers in the Republic of Iraq .

During the year 2016, one of the guarantees granted under the name of the Iraqi Ministry of Health was liquidated due to the breach of FDS Britt by one of the terms of the agreement. The Company incurred losses from liquidating this guarantee which amounted to JD 532,500. The Company holds other guarantees with an amount of JD 710,000 and it calculated provision against this guarantees with an amount of JD 130,429 to meet any liabilities may result from these guarantees in addition to the expenses incurred and related to this project. The Company has also calculated provision for doubtful debts against the balance due from this customer with an amount of JD 250,788 during the year 2016 (2015: JD 192,182) as stated in note no. 7 to the financial statements. The management believe that its able to comply with the terms of the guarantees for which no provision has been made.

28) BASIC AND DILUTED EARNING PER SHARE (JD / SHARE)

Earnings per share is calculated by dividing the profit for the year by the number of outstanding shares which amounted to 4.5 million shares as of 31 December 2015 and 2016.

Jordanian Dinar	As of December 31, 2016	As of December 31, 2015
Loss / profit for the year	(1,511,284)	90,546
Weighted average for number of shares	4,500,000	4,500,000
	(0.34)	**0.02**

29) CONTINGENT LIABILITIES

Jordanian Dinar	As of December 31, 2016	As of December 31, 2015
Bank guarantees	1,258,973	1,600,212
Cash deposit	(285,987)	(423,694)
	972,986	**1,176,518**

As of the date of the financial statements, the Company appears defendant against labor claims and commission payments with amount of 148,717 (2015: JD 64,634). In the management and legal advisor opinion the probability of winning the above cases is 50% accordingly, the Company took provision with amount of JD 74,358 which is equivalent to 50% of the value of the cases.

30) FINANCIAL RISK MANAGEMENT

The Company has exposure to the following risks from its use of financial instruments.

- Credit risk
- Liquidity risk
- Market risk
- Capital management

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk, and the Company management of capital.

Risk management framework
The management has overall responsibility for the establishment and oversight of Company's risk management framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.
The Company's Board of directors oversees how management monitors compliance with the Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company.

- **Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company receivables, other receivables, due from related parties, cheques under collection and cash at banks.

The carrying amount of the financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was as follows:

	For the year ended December 31,	
Jordanian Dinar	**2016**	**2015**
Cash at banks	69,408	35,571
Cheques under collection	1,114,263	1,262,866
Notes receivable	119,000	333,786
Trade and other receivables	942,411	1,949,391
Due from related parties	2,422	154,016
Other debit balance	374,155	512,826
	2,621,659	**4,248,456**

- **Liquidity risk**

- Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.
- The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company reputation.
- The following are the contracted maturities of financial liabilities:

Jordanian Dinar **As of December 31, 2016**	**Book value**	**Contracted cash flows**	**Less than one year**	**More than one year**
Due to banks	685,839	(685,839)	(685,839)	-
Notes payable	406,980	(406,980)	(316,893)	(90,087)
Accounts payable	23,795	(23,795)	(23,795)	-
Due to related parties	52,211	(52,211)	(52,211)	-
Other credit balances	388,036	(388,036)	(388,036)	-
Total	**1,556,861**	**(1,556,861)**	**(1,466,774)**	**(90,087)**

As of December 31, 2015				
Due to banks	1,273,977	(1,273,977)	(1,273,977)	-
Bank loans	29,880	(29,880)	(29,880)	-
Notes payable	866,064	(866,064)	(442,236)	(423,828)
Deferred cheques	45,956	(45,956)	(45,956)	-
Accounts payable	318,372	(318,372)	(318,372)	-
Due to related parties	57,336	(57,336)	(57,336)	-
Other credit balances	355,009	(355,009)	(355,009)	-
Finance lease obligations – long term	57,524	(57,524)	-	(57,524)
Total	**3,004,118**	**(3,004,118)**	**(2,522,766)**	**(481,352)**

- **Market risk**

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rate and equity prices will affect the Company profit or the value of its holdings of financial instruments.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

- **Currency Risk**

Most of the Company's financial assets and liabilities are in US Dollar. Most of the Company transactions in general are in Sudanese pound and US Dollar.

The summary of quantitative data about the Company exposure to foreign currency risk provided to management of the Company based on its risk management policy was as follows:

The following is a summary of the quantitative data relating to the Company's exposure to currency risk exposure to the Company's management based on its risk management policy:

December 31, 2016	**JOD**	**EUO**	**USD**	**Total**
Jordanian Diner				
Cash and cash equivalents	69,121	-	337	69,458
Cheques under collection	1,114,263	-	-	1,114,263
Notes receivable	119,000	-	-	119,000
Trade and other receivable	942,411	-	-	942,411
Due from related parties	2,422	-	-	2,422
Financial assets at fair value through profit or loss	22,210	-	-	22,210
Other debit balance	605,126	-	-	605,126
Financial assets at fair value through other comprehensive income	1,747,318	-	-	1,747,318
Due to banks	(685,839)	-	-	(685,839)
Notes payable	-	(406,980)	-	(406,980)
Accounts payable	(23,025)	-	(770)	(23,795)
Due to related parties	(52,211)	-	-	(52,211)
Deferred revenues	(121,522)	-	-	(121,522)
Other credit balance	(388,036)	-	-	(388,036)
	3,351,371	**(406,980)**	**(433)**	**2,943,958**

December 31, 2015	JOD	EUO	USD	Total
Jordanian Diner				
Cash and cash equivalents	35,234	-	390	35,624
Cheques under collection	1,262,866	-	-	1,262,866
Notes receivable	333,786	-	-	333,786
Trade and other receivables	1,949,391	-	-	1,949,391
Due from related parties	154,016	-	-	154,016
Financial assets at fair value through profit or loss	23,293	-	-	23,293
Other debit balance	512,826	-	-	512,826
Financial assets at fair value through other comprehensive income	3,185,323	-	-	3,185,323
Payments on investment account	150,000	-	-	150,000
Investments in associate	50,570	-	-	50,570
Due to banks	(1,273,977)	-	-	(1,273,977)
Bank loans	(29,880)	-	-	(29,880)
Notes payable	-	(866,064)	-	(866,064)
Deferred cheques	(45,956)	-	-	(45,956)
Accounts payable	(5,674)	(310,215)	(2,483)	(318,372)
Due to related parties	(57,336)	-	-	(57,336)
Deferred revenues	(262,210)	-	-	(262,210)
Income tax provision	(77,788)	-	-	(77,788)
Other credit balance	(355,009)	-	-	(355,009)
Finance lease obligation - long term	(57,524)	-	-	(57,524)
	5,491,951	**(1,176,279)**	**(2,093)**	**4,313,579**

- **Sensitivity analysis**

  A strengthening (weakening) of the JD, as indicated below, against EUR and USD at 31 December would have increased (decreased) equity and profit or loss by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Company considered to be reasonably possible at the reporting date. The analysis assumes that all other variables, in particular interest rates, remain constant and ignores any impact of forecasted sales and purchases.

  The analysis is performed on the same basis for 2015, albeit that the reasonably possible foreign exchange rate variances were different, as indicated below:

December 31, 2016	**Increase**	**Decrease**
Jordanian Dinar	**Profit or loss**	**Profit or loss**
Euro (10% change)	(40,698)	40,698
USD (10% change)	(43)	43
	(40,741)	**40,741**

	Increase	**Decrease**
December 31, 2016	**Profit or loss**	**Profit or loss**
Euro (10% change)	(117,628)	117,628
USD (10% change)	(209)	209
	(117,837)	**117,837**

- **Interest rate risk**

Financial instruments Interest bearing / Murabaha at the date of the financial statements appear as follows:

	As of December 31,	
Jordanian Diner	**2016**	**2015**
Financial instruments at variable interest / Murabah rate		
Financial liabilities	1,092,819	2,169,921

The increase (decrease) in the interest rate / Murabaha by 1% will lead to an increase (decrease) in financing expenses by 10,928 JD (2015: 21,699 JD).

- **Fair value sensitivity analysis**

The Company does not treat any fixed rate financial assets and liabilities at fair value through profit or loss. The Company does not treat derivatives as hedging instruments using the fair value model. Therefore, the change in interest rates as of the date of the financial statements will not affect profit or loss.

- **Capital management**

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, accumulated losses of the Company.

The management monitors the return on capital, which the management defined as net operation income divided by total shareholders' equity.

The management seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position.

There have been no changes in the Company's approach to capital management during the year neither the Company is subject to externally imposed capital requirements.

Debt to Adjusted Capital Ratio

	As of December 31, 2016	
Jordanian Dinar	**2016**	**2015**
Total debt	1,678,383	3,344,116
(Deduct) Cash and cash equivalents	(69,458)	(35,624)
Net debt	**1,608,925**	**3,308,492**
Net shareholders' equity	3,128,301	4,963,047
Adjusted Capital	**3,128,301**	**4,963,047**
Debt to Adjusted Capital Ratio	**51%**	**67%**

FAIR VALUES

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices). Prices quoted in active markets for similar instruments or through the use of valuation model that includes inputs that can be traced to markets, these inputs good be defend directly or indirectly.
Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

a. Financial assets and liabilities that are measured at fair value on a recurring basis:

Jordanian Dinar	Carrying Amount	Fair value Level 1	Level 2	Level 3
As of December 31, 2016				
Cash and cash equivalents	69,458	69,458	-	-
Financial assets at fair value through other profit or loss	22,210	22,210	-	-
Financial assets at fair value through other comprehensive income	1,747,318	1,747,318	-	-
As of December 31, 2015				
Cash and cash equivalents	35,624	35,624	-	-
Financial assets at fair value through other profit or loss	23,293	23,293	-	-
Financial assets at fair value through other comprehensive income	3,185,323	3,185,323	-	-

Financial assets and liabilities that are not measured at fair value:
With the exception of the table below, the Company's management believes that the carrying value of financial assets and liabilities approximate their fair value below as result of the maturity of these assets and liabilities in the short term

Jordanian Dinar	Carrying Amount	Fair value Level 1	Level 2	Level 3
As of December 31, 2016				
Cheques under collection	1,114,263	-	1,114,263	-
Notes receivable	119,000	-	119,000	-
Trade and other receivables	942,411	-	942,411	-
Due from related parties	2,422	-	2,422	-
Other debit balance	605,126	-	605,126	-
Due to banks	(685,839)	(685,839)	-	-
Notes payable	(406,980)	(406,980)	-	-
Accounts payable	(23,795)	-	(23,795)	-
Due to related parties	(52,211)	-	(52,211)	-
Deferred revenues	(121,522)	-	(121,522)	-
Other credit balance	(388,036)	-	(388,036)	-

Jordanian Dinar	Carrying Amount	Fair value Level 1	Level 2	Level 3
As of December 31, 2015				
Cheques under collections	1,262,866	-	1,262,866	-
Notes receivables	333,786	-	333,786	-
Trade and other receivables	1,949,391	-	1,949,391	-
Due from related parties	154,016	-	154,016	-
Other debit balance	512,826	-	512,826	-
Payments on investments account	150,000	-	150,000	-
Investment in associate	50,570	-	50,570	-
Due to banks	(1,273,977)	(1,273,977)	-	-
Bank loans	(29,880)	(29,880)	-	-
Notes payable	(866,064)	(866,064)	-	-
Deferred cheques	(45,956)	-	(45,956)	-
Accounts payable	(318,372)	-	(318,372)	-
Due to related parties	(57,336)	-	(57,336)	-
Deferred revenues	(262,210)	-	(262,210)	-
Income tax provision	(77,788)	-	(77,788)	-
Other credit balances	(355,009)	-	(355,009)	-
Finance lease obligations - long term	(57,524)	-	(57,524)	-

For the items described above, the second level of the fair value of financial assets and liabilities is determined at the quoted price of similar assets in an inactive market.

31) BASIS OF RECLASSIFICATION OF THE FINANCIAL STATEMENTS

Some of comparative figures were reclassified to comply with current year classification. The effect of reclassification on the financial statements are as follows:

Jordanian Dinar	Before reclassification	Reclassification	After reclassification
Profit or loss and other comprehensive income items	As of December 31, 2015		
Provision for doubtful debts	398,122	(192,182)	205,940
Iraq Projects Expenses	-	192,182	192,182