

شركة المجموعة الاستشارية
الاستثمارية المساهمة العامة المحدودة

السادة هيئة الأوراق المالية المحترمين

تحية طيبة وبعد

مرفق طيه البيانات المالية النصف سنوية حتى تاريخ 2018/6/30 لشركة المجموعة
الاستشارية الاستثمارية المساهمة العامة المحدودة.

وتفضلوا بقبول فائق الاحترام

المدير العام

الدكتور موسى صالح



هيئة الأوراق المالية
البنك الادارية / الدفتر
٣١ شؤز ٢٠١٨
الرقم المتسلسل ١٩٥
الجهة المختصة ١٤١٣

مرلحي:

قرص مضغوط (CD) بالبيانات المالية

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

CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE SIX
MONTHS ENDED JUNE 30, 2018

TOGETHER WITH REVIEW REPORT

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
FOR THE SIX MONTHS
ENDED JUNE 30, 2018

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Review Report

AM/ 81586

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

Introduction

We have reviewed the accompanying condensed interim statement of financial position of The Consultant and Investment Group Company (A Public Limited Shareholding Company) as of June 30, 2018, and the related condensed interim statements of income and comprehensive income, changes in Shareholders' equity, and cash flows for the six-month period then ended, and a summary of significant accounting policies and other explanatory information. Management is responsible for the preparation and fair presentation of these condensed interim financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting". Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Company". A review of condensed interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention indicating that the accompanying condensed interim financial statements for the Consultant and Investment Group Company are not prepared in accordance with International Accounting Standard No. (34) related to Interim Financial Reporting.

Other Matter

The condensed interim financial statements for the period ended June 30, 2017 that are shown for comparison purposes in the condensed interim statement of income and comprehensive income, change in shareholders' equity, and cash flows were reviewed by us to which we issued our qualified opinion dated July 30, 2017.

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

Explanatory Paragraph

The Company's fiscal year ends on December 31 of each year. However, the condensed interim financial statements have been prepared for management purposes, and for the Jordan Securities Commission's requirements only.

Amman - Jordan
July 31, 2018

Deloitte & Touche (M.E.)
Deloitte & Touche (M.E.) - Jordan
010105

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		June 30, 2018 (Reviewed not Audited)	December 31, 2017
	Note	JD	JD
<u>NON-CURRENT ASSETS:</u>			
Property and equipment - net	4	15,932,873	15,540,821
Investment in unconsolidated subsidiary	5	15,000	15,000
Projects under construction	6	333,186	90,918
Advance payments to purchase medical equipments		1,391,136	1,417,751
Deferred tax assets	20/a	-	2,775
Total Non-Current Assets		17,672,195	17,067,265
<u>CURRENT ASSETS:</u>			
Medicine and medical supplies		1,615,111	1,237,094
Accounts receivable - net	7	2,094,207	2,035,750
Other debit balances	8	373,838	446,260
Checks under collection		34,341	24,965
Cash on hand and at banks	15	2,494,995	3,085,648
Total Current Assets		6,612,492	6,829,717
TOTAL ASSETS		24,284,687	23,896,982
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' EQUITY:</u>			
Paid-up capital	16	14,445,000	13,500,000
Statutory reserve		362,012	362,012
Retained earnings		162,360	1,107,360
Profit for the period		413,519	-
Total Shareholders' Equity		15,382,891	14,969,372
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES:</u>			
Long-term liabilities against finance lease contract	9	3,232,193	3,402,212
Total Non-Current Liabilities		3,232,193	3,402,212
<u>CURRENT LIABILITIES:</u>			
Accounts payable		680,410	1,145,186
Short-term liabilities against finance lease contracts	9	623,721	623,721
Provision for claims		401,785	401,785
Other credit balances	10	3,844,962	3,354,706
Income tax provision	20/b	118,725	-
Total Current Liabilities		5,669,603	5,525,398
TOTAL LIABILITIES		8,901,796	8,927,610
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		24,284,687	23,896,982

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

Chairman of the Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF INCOME

AND OTHER COMPREHENSIVE INCOME

(REVIEWED NOT AUDITED)

	Note	For the Three Months		For the Six Months	
		Ended June 30,		Ended June 30,	
		2018	2017	2018	2017
		JD	JD	JD	JD
Operating revenue	11	3,625,173	3,971,929	7,560,042	7,630,768
Cost of revenue	12	(2,743,651)	(3,010,263)	(5,651,414)	(5,741,823)
Gross profit		881,522	961,666	1,908,628	1,888,945
General and administrative expenses		(676,699)	(640,240)	(1,335,799)	(1,201,608)
Finance costs		(94,997)	(89,852)	(195,636)	(179,431)
(Provision) surplus in provision for doubtful debts - net	7	(50,000)	28,435	(50,000)	28,435
Other revenue - net	13	164,439	75,548	207,826	129,244
Profit for the Period before Tax		224,265	335,557	535,019	665,585
Income tax expense	20/c	(52,107)	(55,926)	(121,500)	(121,931)
Profit for the Period / Total Comprehensive Income for the Period		172,158	279,631	413,519	543,654
Earnings per share from the profit for the period - Basic and diluted (JD/Share)	14			-/029	-/053

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Chairman of Board of Directors

General Manager

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

AMMAN - JORDAN

CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY
(REVIEWED NOT AUDITED)

Note	Paid-up Capital	Capital Increase Payments	Statutory Reserve	Retained Earnings		Profit for the Period	Total
				Realized	Unrealized		
	JD	JD	JD	JD	JD	JD	JD
For the Six Months Ended June 30, 2018							
Balance at the beginning of the period	13,500,000	-	362,012	1,104,585	2,775	-	14,969,372
Capital increase	945,000	-	-	(945,000)	-	-	-
Gross comprehensive profit for the period	-	-	-	-	-	-	-
Balance at the End of the Period	14,445,000	-	362,012	159,585	2,775	413,519	15,382,891
For the Six Months Ended June 30, 2017							
Balance at the beginning of the period	9,825,362	-	275,503	326,009	190,792	-	10,617,666
Capital increase payments	2,966,331	-	-	-	-	-	2,966,331
Capital increase payments	-	708,307	-	-	-	-	708,307
Gross comprehensive profit for the period	-	-	-	-	-	-	-
Balance at the End of the Period	12,791,693	708,307	275,503	326,009	190,792	543,654	14,835,958

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

	Note	For the Six Months	
		Ended June 30,	
		2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period		535,019	665,585
Adjustments:			
Provision (surplus) in the provision for doubtful debts	7	50,000	(28,435)
End-of-service indemnity provision	10	16,792	23,407
Finance costs		195,636	179,431
Provision for employees' vacations	10	5,080	32,631
Loss of disposal of Property and Equipment	4	2,288	167
Depreciation of property and equipment	4	341,764	276,006
Net Cash Flows from Operating Activities before Changes in Working Capital Items		1,146,579	1,148,792
(Increase) in medicine and medical supplies		(378,017)	(248,214)
(Increase) in receivables		(108,457)	(558,842)
(Increase) in checks under collection		(9,376)	(25,487)
Decrease (increase) in other debit balances		72,422	(395,897)
(Decrease) increase in accounts payable		(464,776)	889,087
Increase (decrease) in other credit balances		490,080	(170,392)
Net Cash Flows from Operating Activities before Provision Paid for Employees'			
Vacations and End-of-Service Indemnity		748,455	639,047
Paid from provision for employees' vacations	10	(13,300)	(18,408)
Paid from End-of-service indemnity provision	10	(8,396)	(15,968)
Net Cash Flows from Operating Activities		726,759	604,671
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in property and equipment	4	(736,104)	(398,698)
Payments for purchase of property and equipment		26,615	-
(Increase) in projects under construction	6	(242,268)	(338,958)
Net Cash Flows (used in) Investing Activities		(951,757)	(737,656)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in liabilities against finance lease contracts		(170,019)	162,560
Capital increase payments	16	-	2,966,331
Capital increase payments	16	-	708,307
Finance costs paid		(195,636)	(179,431)
Net Cash Flows (used in) from Financing Activities		(365,655)	3,657,767
Net (Decrease) Increase in Cash		(590,653)	3,524,782
Cash and cash equivalent - beginning of the year	15	3,085,648	623,529
Cash on and cash equivalent - End of the Period		<u>2,494,995</u>	<u>4,148,311</u>
Non - Cash Transactions:			
Increase in capital through capitalization of retained earnings	16	945,000	-
Increase in property and equipment from projects under construction	4	(30,950)	-
Transferred from projects under construction to property and equipment	6	30,950	639,050

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AND WITH THE ACCOMPANYING REVIEW REPORT.

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

1. General

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

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

In its meeting held on July 17, 2016, the Company's Board of Directors approved the issuance of 3,674,638 shares from the authorized shares of JD 1 each, in which the capital became JD 13.5 million. Moreover, the Company completed the capital increase procedures during the second half of 2017.

The general assembly approved on April 26, 2018 to increase the company's capital to become 14,445,000 through caponizing an amount of JD 945,000 of retained earnings, and distributing it as shares to the shareholders based on their owning percentages. The Company completed the capital increase procedures on June 12, 2018.

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

- b. The Company's objectives are the following:
- Carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects;
 - Setting up and managing health, real estate, housing, building, and industrial projects, as well as constructing commercial markets of all types along with their related services.
- c. The Company is exempted from income tax at a rate of 25% for ten years ending on September 22, 2016 according to Article (27) of the Investment Promotion Law No. (68) for the year 2003. The exemption has been extended to January 28, 2019.
- d. The condensed interim financial statements were approved by the Board of Directors on July 26, 2018.

2. Basis of Preparation of the Condensed Interim Financial Statements

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

- The accompanying condensed interim financial statements do not include all the information and disclosures required for the annual financial statements, which are prepared in accordance with International Financial Reporting Standards and must be read with the financial statements of the Company as of December 31, 2017. In addition, the results of the Company's operations for the six months ended June 30, 2018 do not necessarily indicate the expected results for the year ending December 31, 2018, and do not contain the appropriation of the profit for the six months period ended June 30, 2018, which is usually performed at year end.
- The accounting policies adopted in preparing the condensed interim financial statements is consistent with those applied in the year ended December 31, 2017 except for the effect of the adoption of the new and revised standards which are applied on or after the first of January of 2018 as follow:

a. New and revised IFRS in issue but not yet effective on the condensed interim Financial statements of the Company:

Annual Improvements to IFRS Standards 2014 – 2016 The improvements include the amendments on IFRS 1 and IAS 28 and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 2 Share Based Payment

The amendments are related to classification and measurement of share based payment transactions and they are effective for annual periods beginning on or after January 1, 2018.

Amendments to IFRS 4 Insurance Contracts

The amendments relating to the different effective dates of IFRS 9 and the forthcoming new insurance contracts standard and they are effective for annual periods beginning on or after January 1, 2018.

IFRIC 22 Foreign Currency Transactions and Advanced Consideration

The interpretation addresses foreign currency transactions or parts of transactions where:

- there is consideration that is denominated or priced in a foreign currency;
- the entity recognises a prepayment asset or a deferred income liability in respect of that consideration, in advance of the recognition of the related asset, expense or income; and
- the prepayment asset or deferred income liability is non-monetary.

Amendments to IAS 40 Investment Property

These amendments show when the entity shall transfer (reclass) a property including investments under process or development to, or from, investment property.

IFRS 15 Revenue from Contracts with Customers

In May 2014, IFRS 15 was issued which established a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.
- Step 2: Identify the performance obligations in the contract.
- Step 3: Determine the transaction price.
- Step 4: Allocate the transaction price to the performance obligations in the contract.
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

Amendments to IFRS 15 Revenue from Contracts with Customers

The amendments are to clarify three aspects of the standard (identifying performance obligations, principal versus agent considerations, and licensing) and to provide some transition relief for modified contracts and completed contracts.

Amendments to IFRS 7 Financial Instruments: Disclosures

The amendments are related to disclosures about the initial application of IFRS 9.

IFRS 7 Financial Instruments: Disclosures

The amendments are related to disclosures about the initial application of IFRS 9. The amendments are effective when IFRS (9) is first applied.

b. Amendments effective on the condensed interim financial statements of the Company

IFRS 9 Financial Instruments

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets. IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a 'fair value through other comprehensive income' (FVTOCI) measurement category for certain simple debt instruments.

A finalised version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 *Financial Instruments: Recognition and Measurement*. And a new version of the new standard includes the requirements of recognition, measurement, impairment and hedge accounting.

The final version of IFRS 9 relating to financial instruments was replaced which relates to the credit loss model incurred in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*, replacing a model for expected credit losses. The Standard includes a business model for debt instruments, loans, financial liabilities, financial guarantee contracts, deposits and receivables, but does not apply to equity instruments.

In case there is a low credit risk to the financial asset at the date of initial application of IFRS (9), the credit risk relating to the financial asset is considered to have not been changed substantially since its initial recognition.

In accordance with IFRS 9 *Financial Instruments* the expected credit losses are recognized at an early date in accordance with IAS 39.

The revised version of IFRS 9 (2014) (Financial Instruments) includes a classification mechanism for financial assets and liabilities. IFRS 9 requires all financial assets to be classified based on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

The Company calculated the initial impact of the International financial reporting standard (IFRS 9), as it is not material, it has not been reversed in the attached condensed interim financial statements, noting that a detailed study will be conducted before the end of the year 2018 and the impact will be recalculated accurately.

3. Using Estimates

Preparation of the condensed interim financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of the financial assets and liabilities and disclosures on contingent liabilities. These estimates and judgments impact revenues, expenses, and provisions. In particular, this requires from the Company's management to issue significant judgments for estimating the amounts of future cash flows and their timing. These estimates are necessarily based on several assumptions and factors with varying degrees of consideration and uncertainty. Actual results may differ from estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the condensed interim financial statements are reasonable, and consistent with the estimates used at the end of 2017 except for the estimates used to calculate the impact of IFRS 9 – Financial Instruments, in which expected impairment was calculated according to the simplified approach.

4. Property and Equipment - Net

- Additions to property and equipment totaled JD 700,578 as of June 30, 2018 (JD 398,531 as of June 30, 2017).
- During the six month period ended June 30, 2018, the Company disposed property and equipment with a net book value of JD 2,288 (JD 167 as of June 30, 2017).
- The depreciation expense of property and equipment for the six months ended June 30, 2018 amounted to JD 341,764 (JD 276,006 for the six months ended June 30, 2017).
- During the six months ended June 30, 2018, the Company transferred JD 30,950 (JD 639,050 as of June 30, 2017) from projects under construction (Note 6), representing improvements on the hospital's outpatient clinics.

5. Investment in Un-Consolidated Subsidiary

This item represents the investment in the Mutamaiyzah Hospital Management Company established for managing hospitals in the region on September 15, 2011 with an authorized and paid capital of JD 15,000. Moreover, this investment has not been included in the Company's financial statements for the period ended June 30, 2018, as the subsidiary company has not conducted any commercial activities nor commenced the purposes for which it was founded until the date of the financial statements, and due to the immateriality of its assets and liabilities.

6. Projects under Construction

1. Solar project: The Company incurred an amount of around JD 41 thousand as of June 30, 2018 and December 31, 2017 representing project design expenses. The Project is expected to be completed during 2018 for a total cost of around JD 2.5 million.
2. Expansion of the main building of the hospital project: The project completion percentage was 2% and 1% as of June 30, 2018 and December 31, 2017 respectively, and the Company incurred a total cost of JD 82,872 (JD 20 thousand as of December 31, 2017). The project is expected to be completed during 2019 for a total costs of around JD 3 million.
3. Improvements on the hospital's buildings and outpatient clinics: The Company incurred a total amount of around JD 243 thousand as of June 30, 2018, and the project is expected to be completed during the second half of the year 2018. Noting that an amount of JD 30,950 was transferred from projects under construction representing improvements on the hospital's outpatient clinics during the first half of the year 2018.

7. Accounts Receivable – Net

	June 30, 2018	December 31, 2017
	JD	JD
Accounts Receivable	3,102,407	2,819,159
<u>Less: Provision for allowable discounts</u>	<u>(484,875)</u>	<u>(310,084)</u>
Provision for doubtful debts *	<u>(523,325)</u>	<u>(473,325)</u>
	<u>2,094,207</u>	<u>2,035,750</u>

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	473,325	4,334,300
Additions	50,000	-
Debt written off **	-	(140,044)
Debts settled during the period / year (collected)	-	(220,450)
Transferred to off statement of financial position ***	-	(3,500,481)
Balance at the End of the Period / Year	<u>523,325</u>	<u>473,325</u>

- ** The Board of Directors approved writing off these balances during the year.

- *** According to the Board of Directors' decision in their meeting held on December 21, 2017, receivables of JD 3,500,481 were transferred to off-statement of financial position items. Moreover, a fully covered provision has been taken for these receivables.

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	310,084	-
Additions	174,791	310,084
Balance at the End of the Period / Year	484,875	310,084

8. Other Debit Balances

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Earned revenue-unissued patients invoices	116,770	187,369
Claim on patients' deposits*	127,676	127,676
Advance payments for computer purchase	284,150	284,150
Advance payments for purchase of electric generator	99,229	99,229
Prepaid expenses	149,550	148,010
Refundable deposits	38,850	38,850
Outstanding billings	-	17,229
Other	68,667	54,801
	884,892	957,314
<u>Less:</u> Provision for Payments on account for purchasing computer programs	(284,150)	(284,150)
Provision for payments on account for purchasing an electric generator	(99,228)	(99,228)
Provision for patients' deposits difference *	(127,676)	(127,676)
	373,838	446,260

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

9. Liabilities against Finance Lease Contract

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Liabilities against short-term finance lease contracts - Islamic Arab Bank	671,160	671,160
Short-term land ownership transfer fees	(47,439)	(47,439)
	623,721	623,721
Liabilities against long-term finance lease contracts - Islamic Arab Bank	3,520,780	3,714,519
Long-term land ownership transfer fees	(288,587)	(312,307)
	3,232,193	3,402,212
	3,855,914	4,025,933

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

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

The lease return for the first year stood at 6.5% of the lease principal. Moreover, the varied margin for the first year is 1%, and the lease return amount was JD 69,420 as of June 30, 2018.

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

10. Other Credit Balances

This item consists of the following:

	June 30, 2018	December 31, 2017
	JD	JD
Shareholders' deposits-fractional shares	144,738	153,277
Employees' vacation provision *	198,433	206,653
Accrued salaries and expenses	497,175	177,930
Provision for potential claims	62,829	62,829
Electromechanical contractors' retentions	86,237	86,550
Patients' deposits	17,728	68,019
Outstanding billings	649	-
Stamp fees deposits	69,495	69,495
Social security deposits	81,752	76,563
End-of-service indemnity provision **	61,990	53,594
Postponed checks	2,467,733	2,301,909
Income tax deposits	21,766	20,735
Other	134,437	77,152
	<u>3,844,962</u>	<u>3,354,706</u>

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

	For the Six Months Ended June 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	206,653	182,207
<u>Add:</u> Additions during the period / year	5,080	60,554
<u>Less:</u> Paid during the period / year	(13,300)	(36,108)
Balance at the end of the period / year	<u>198,433</u>	<u>206,653</u>

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

	March 31, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	53,594	37,256
<u>Add:</u> Additions during the period / year	16,792	33,339
<u>Less:</u> Paid during the period / year	(8,396)	(17,001)
Balance at the End of the Period / Year	<u>61,990</u>	<u>53,594</u>

11. Operating Revenues

This item consists of the following:

		For the Six Months Ended June 30,	
		2018	2017
		JD	JD
Room fees		848,949	871,222
Medical supplies		1,917,916	1,738,521
Medical procedures		1,777,202	1,891,010
Pharmacy		1,537,039	1,484,225
Other departments		1,478,936	1,645,790
		<u>7,560,042</u>	<u>7,630,768</u>

12. Cost of Revenue

This item consists of the following:

		For the Six Months Ended June 30,	
		2018	2017
		JD	JD
Salaries and fringe benefits		1,930,065	1,907,269
Social security		247,020	239,146
Medicine and medical supplies		1,524,100	1,759,355
Electricity and water		531,428	437,984
Cleaning expense		146,178	163,133
Maintenance		100,696	150,209
Food		140,298	125,254
Consumables		371,371	385,051
Cafeteria expense		2,756	12,470
Fuel		88,921	72,135
Rent		164,454	160,160
Government Stamps		13,502	10,752
Depreciation of property and equipment		279,565	210,152
Real estate tax		10,329	20,241
Government fees		66,966	44,702
Other		33,765	43,810
		<u>5,651,414</u>	<u>5,741,823</u>

13. Other Revenue - Net

This item consists of the following:

		For the Six Months Ended June 30,	
		2018	2017
		JD	JD
Rent		114,825	62,504
Car park income		26,614	26,251
Other		66,387	40,489
		<u>207,826</u>	<u>129,244</u>

14. Earnings Per Share

This item consists of the following:

	For the Six Months Ended June 30,	
	2018	2017
	JD	JD
Profit for the period	413,519	543,654
	Share	Share
Weighted average number of shares	14,445,000	10,319,751
	JD/Share	JD/Share
Earning per share for the period relating to the Company's shareholders-Basic and diluted	-/029	-/053

- The weighted average number of shares (basic and diluted) related to the Company's shareholders has been calculated based on the number of authorized shares for the year 2017 and the period ended June 30, 2018. Moreover, average capital for the year 2017 has been calculated after restructuring the Company's capital according to the requirements of International Accountings Standard No. (33). Regarding the six months ended, the weighted average number of shares was adjusted assuming a retrospective increase in capital, as this increase is a result of the distribution of share dividends.

15. Cash and Cash Equivalent

This item consists of the following:

	For the Six Months Ended June 30,	
	2018	2017
	JD	JD
Cash on hand	80,125	104,782
Banks accounts	2,414,870	4,043,529
	2,494,995	4,148,311

16. Capital

During 2016, the Company decreased its capital to amortize accumulated losses, thus rendering capital at JD 9,825,362, divided into 9,825,362 shares of JD 1 each. Moreover, the Company completed the capital decrease procedures during 2016. In its extraordinary meeting held on July 17, 2016, the Company's General Assembly approved increasing the Company's authorized capital to JD 13,500,000 and covering capital increase of JD 3,674,638 through private subscription to the Company's shareholders. In this respect, the Company's capital restructuring was approved by the Minister of Industry, Trade, and Supply on November 21, 2016. Moreover, a letter was obtained from the Securities Depository Center on May 23, 2017. In addition, the Company's subscribed capital has been increased to 12,791,693 shares of JD 1 each. Previously unsubscribed shares relating to unexercised subscription rights of 708,307 shares were sold on Amman Stock Exchange on June 19, 2017 for a net amount of approximately JD 865 thousand. This amount includes JD 708 thousand to increase capital and JD 156 thousand, representing shareholders' deposits-fractional shares. In this regard, the Company completed the legal procedures for capital increase and obtained the required approvals for the capital to become JD 13.5 million on July 4, 2017.

The general assembly approved on April 26, 2018 to increase the company's capital to become 14,445,000 through caponizing an amount of JD 945,000 of retained earnings, and distributing it as shares to the shareholders based on their owning percentages. The Company completed the capital increase procedures on June 12, 2018.

17. Related Party Transactions and Balances

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

<u>Condensed interim statement of income items:</u>	For the Six Months Ended June 30,	
	2018	2017
	JD	JD
Executive management's salaries	153,000	131,250
Board of Directors' transportation	23,000	21,930

18. Operating Sectors

a. Information about the Company's Activities

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

b. Geographical Distribution

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

19. Lawsuits against the Company

Lawsuits against the Company amounted to JD 134,600 as of June 30, 2018 (JD 124,527 as of December 31, 2017). In the opinion of the Company's management and its legal advisor, most of these lawsuits are going to be ruled in favor of the Company.

- There are lawsuits filed by the Company against others of JD 8,301,511 as of June 30, 2018 (JD 8,278,724 December 31, 2017). The lawsuits are still pending at the courts.
- A case was filed by the Company at the Tax Court of First Instance under No. 1176/2017 on October 12, 2017. The case relates to preventing sales tax on patients services of JD 129,867, for the years 2013 and 2014, including service tax, fine twice the tax amount, and penalties. In the opinion of the Company's, management and tax advisor, there is no need to take a provision for this lawsuit because the imposed amount is unlawful and is based on incorrect judgements by the Income Tax and Sales Department.

20. Income Tax

a. Deferred Tax Assets

A settlement has been reached with the Income and Sales Tax Department for the years from 2012 till 2014.

- The Company's income is taxable at 20%.

b. Income tax provision

The movement on the income tax provision is as follows:

	June 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	-	31,222
Tax expense for the period / year	118,725	-
Tax paid during the period / year *	-	(31,222)
Balance at the End of the Period / Year	118,725	-

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

	2018	2017
	JD	JD
Income tax for the period	118,725	-
Deferred tax assets amortized for the period	2,775	121,931
	<u>121,500</u>	<u>121,931</u>

A final settlement has been reached with the Income and Sales Tax Department until the end of the year 2014. Moreover, the tax returns for the years 2015, 2016 and 2017 have been submitted and the due taxes paid. However, these returns have not been reviewed by the Income and Sales Tax Department yet. In the opinion of the management and its tax consultant, the tax provisions are adequate, and no additional provisions are needed in this regard.

21. Contingent Liabilities

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

- Performance guarantees of JD 34,000 with cash margins of JD 30,400.
- Solar power projects of JD 2,460,000 related to the Murabaha investment of the International Islamic Arab Bank.
- Main hospital building expansion with a total cost of JD 2,951,000.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd of JD 30,000.

22. Fair Value Hierarchy

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

23. Contra Accounts

Accounts receivable are stated net after deducting an amount of JD 3,658,409 representing doctors' fees, whereby the hospital collects these fees on behalf of doctors with no legal obligation. Consequently, this amount is shown as a contra account in the condensed interim financial statements.