ISTIKLAL HOSPITAL
Al-Bilad Medical Services Co.

مستشفى الإستقلال
شركة البلاد للخدمات الطبية م.ع.م

Date: 10/03/2020

التاريخ: ١٠/٣/٢٠٢٠م

Ref: 713/I.H/5/6

الرقم : ٧١٢/ح.ا/٥/٦

To: Jordan Securities Commission Amman Stock Exchange Subject: Annual Report for the fiscal year ended 31/12/2019	السادة هيئة الأوراق المالية السادة بورصة عمان الموضوع : التقرير السنوي للسنة المنتهية في 2019/12/31
Attached the Annual Report of (AL Bilad Medical Services co) for the fiscal year ended at 31/12/2019	مرفق طيه نسخة من التقرير السنوي لشركة (البلاد للخدمات الطبية) عن السنة المالية المنتهية في 2019/12/31م .
Kindly accept our high appreciation and respect AL Bilad Medical Services co General Manager's Signature AHAMAD ALAHMAD	وتفضلوا بقبول فائق الاحترام،،، شركة البلاد للخدمات الطبية المدير العام احمد الأحمد

بورصة عمان
الدائـــرة الإدارية والمالية
الديـــوان
١٧ آذار ٢٠٢٠
الرقم المتسلسل: ١٢٨٤
رقم الملف: ٢٠٠٩
الجهة المختصة: [illegible]

نسخة :-
- الصادر العام
- قسم شؤون المساهمين

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هاتف ٥٦٥٢٦٠٠ - ٥٦٥٢٣٠٠ - فاكس ٥٦٥٢٧١٠
ص . ب ١٤٩٣ عمان ١١٨٢١ الأردن
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AL BILAD FOR MEDICAL SERVICES COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2019

Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated Financial Statements
Together With Independent
Auditor's Report
For The Year Ended 31 December 2019

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INDEPENDENT AUDITOR'S REPORT

To the Shareholders of Al Bilad For Medical Services Company (Limited Public Shareholding)
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Al Bilad For Medical Services Company (Limited Public Shareholding) and its subsidiary "the Group", which comprise of:

- The consolidated statement of financial position as at 31 December 2019.
- The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended.
- Notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2019, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

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 Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with "the International Ethics Standards Board for Accountants" Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with this Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Key audit matters

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

1 Impairment of trade receivables

Key Audit Matter

The provision for impairment of trade receivables amounted to JD 16,110,438 as at 31 December 2019 that represent 66% of the account receivables. The determination of the existence of impairment and the estimation of required provision based on expected credit loss model according to the requirements of IFRS (9) which requires a high level of professional judgement.

Related Disclosures

Refer to note [12] of the accompanying consolidated financial statements.

Audit Response

The audit procedures included an understanding of the nature of the receivables and the procedures used to collect them and reviewing the reasonableness of the estimation made by the Group management. Also, we reviewed accounts receivable aging, all the lawsuits, correspondences and subsequent collections, if existing. As a result, we evaluated the sufficiency of this provision and the related disclosures.

2 Revenues

Key Audit Matter

The Group's revenues amounted to JD 13,289,423 as at 31 December 2019, consists of a wide variety of services, and the point of revenue recognition considered important as it includes many financial transactions related to various departments.

Related Disclosures

Refer to note [19] of the accompanying consolidated financial statements.

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INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Audit Response

We reviewed the Group's revenue recognition policy and its compatibility with international accounting standards. We also reviewed the internal control system related to the revenue cycle and necessary control tests were conducted in addition to analytical procedures on certain items.

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2019 annual report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, and after reviewing other information (Draft Annual Report), we conclude that there is a material misstatement of this other information that we have not been provided with, yet we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's 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 consolidated 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 consolidated 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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- 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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for the audit opinion.

We communicated with those charged with governance regarding other matters, the planned scope, timing of the audit and significant audit findings, including any significant deficiencies in internal control that have been identified during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to inform them all relationships and other matters that may affect our independence, in addition to preventive procedures, if any.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's 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.

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INDEPENDENT AUDITOR'S REPORT (Continued)

To the Shareholders of Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Report on Other Legal and Regulatory Requirements

The Group maintains proper accounting records, the audited financial statements and the financial information stated in the Board of Directors' report are in agreement therewith, we recommend the General Assembly to approve them.

Samman & Co.

Audit & Assurance
Since 1987
BDO JORDAN
Amman, Jordan

Ahmad Ramahi
License No. (868)

5 March 2020
Amman - Jordan

Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated statement of financial position
As at 31 December 2019

	Note	2019	2018
		JD	JD
Assets			
Non current assets			
Property and equipment	(6)	18,551,385	19,039,160
Intangible assets	(7)	101,784	75,845
Investment properties	(8)	3,090,609	3,090,609
Investment in equity-accounted associate	(9)	1,899,217	1,934,119
Financial assets at fair value through other comprehensive income	(10)	82,854	82,854
		23,725,849	24,222,587
Current assets			
Inventory	(11)	792,488	681,530
Trade and other receivables	(12)	9,492,250	9,154,973
Cash suspens in the bank	(14)	192,714	-
Cash and cash equivalents	(13)	2,696,759	2,731,107
		13,174,211	12,567,610
Total Assets		36,900,060	36,790,197
Equity and Liabilities			
Equity	(15)		
Subscribed capital		30,000,000	30,000,000
Statutory reserve		2,275,597	2,253,959
Cumulative change in fair value		(591,535)	(518,631)
Accumulated losses		(5,929,919)	(6,087,403)
Total Equity		25,754,143	25,647,925
Liabilities			
Current liabilities			
Trade and other payables	(16)	8,232,319	7,826,845
Loans and bank facilities	(17)	2,854,357	3,283,918
Income tax provision	(18)	59,241	31,509
		11,145,917	11,142,272
Total liabilities		11,145,917	11,142,272
Total equity and liabilities		36,900,060	36,790,197

The consolidated financial statements from page [1] to [27] were approved and authorized for issue by the Board of Directors on 3 March 2020 and were signed on its behalf by:

Turki Bin Fahad Mohammed Al Athel
Deputy Chairman

Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated statement of profit or loss and other comprehensive income for the year ended 31 December 2019

	Note	2019	2018
		JD	JD
Revenues	(19)	13,289,423	12,225,040
Cost of revenues	(20)	(8,447,404)	(7,839,679)
Gross profit		4,842,019	4,385,361
Administrative expenses	(21)	(5,243,801)	(4,917,350)
Other revenues	(23)	695,561	750,935
Profit from operating		293,779	218,946
Bank interest		141,911	131,218
Financing cost		(257,311)	(184,832)
Company's share of equity accounted associates profits	(9)	38,002	33,888
Profit for the year before tax		216,381	199,220
Income tax	(18)	(37,259)	(33,066)
Profit for the year		179,122	166,154
Other comprehensive income			
Company`s share of the change in fair value	(9 & 10)	(72,904)	(137,031)
Total comprehensive income		106,218	29,123
Basic and diluted gain per share for the year -JD / share	(24)	0.006	0.006

Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated statement of changes in equity
for the year ended 31 December 2019

	Subscribed capital	Statutory reserve	Cumulative change in fair value	Accumulated losses	Total
	JD	JD	JD	JD	JD
2019					
1 January 2019	30,000,000	2,253,959	(518,631)	(6,087,403)	25,647,925
Profit for the year	-	-	-	179,122	179,122
Statutory reserve	-	21,638	-	(21,638)	
Change in fair value	-	-	(72,904)	-	(72,904)
31 December 2019	**30,000,000**	**2,275,597**	**(591,535)**	**(5,929,919)**	**25,754,143**
2018					
1 January 2018	30,000,000	2,234,037	(381,600)	(6,233,635)	25,618,802
Profit for the year	-	-	-	166,154	166,154
Statutory reserve	-	19,922	-	(19,922)	
Change in fair value	-	-	(137,031)	-	(137,031)
31 December 2018	30,000,000	2,253,959	(518,631)	(6,087,403)	25,647,925

Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan

Consolidated statement of cash flows for the year ended 31 December 2019

	Note	2019 JD	2018 JD
Operating activities			
Profit for the year before tax		216,381	199,220
Adjustments for:			
Depreciations and amortizations		1,624,197	1,359,901
Company's share of equity accounted associates profits	(9)	(38,002)	(33,888)
Bank interest		(141,911)	(131,218)
Financing cost		257,311	184,832
Gain on sale of property, plant and equipment		(1,500)	(23,350)
		1,916,476	1,555,497
Inventory		(110,958)	110,420
Trade and other receivables		(337,277)	173,734
Cash suspense in the bank	(14)	(192,714)	-
Trade and other payables		405,474	(701,740)
Cash generated from operating		1,681,001	1,137,911
Income tax paid	(18)	(9,527)	(1,557)
Cash flows generated from operating activities		1,671,474	1,136,354
Investing activities			
Purchase of property, plant and equipment	(6)	(1,106,899)	(1,753,842)
Purchase of intangible assets	(7)	(55,462)	(23,253)
Proceeds from sale of property, plant and equipment		1,500	24,218
Cash flows used in investing activities		(1,160,861)	(1,752,877)
Financing activities			
Loans and bank facilities		(429,561)	48,671
Interests received		141,911	131,218
Interests paid		(257,311)	(184,832)
Cash flows used in financing activities		(544,961)	(4,943)
Decrease in cash and cash equivalents during the year		(34,348)	(621,466)
Cash and cash equivalents at beginning of the year		2,731,107	3,352,573
Cash and cash equivalents at end of the year	(13)	2,696,759	2,731,107

1) General

Al Bilad For Medical Services Company was established in 26 November 1996 as a limited public shareholding company in the Register of Public Shareholding Companies under No.(323).

The main objective of the company is to establish a general hospital to provide Health, Preventive, Diagnostic and Therapeutic Services.

The company's main address is Amman - Arjan.

The following are the names of the Board of Directors Members:

Name	Position
H.E Dr. Nayf Hayel Falih AlFayez (Resigned on 26 February 2020)	Chairman
Arab General Medical Services Company Ltd. represented by Turki Bin Fahad Mohammed Al Athel	Deputy Chairman
Zuhair Kamal Khamis Jaber	Board Member
Mohammed Tayseer Morshed Al Haj Hassan Abu Rajab	Board Member
Hashem Odeh Al Fadel	Board Member
Mustafa Ahmed Abdulhafeez Salhab	Board Member
Bassam Ahmad Mohammed Jarrar	Board Member
Sulaiman Ahmad Sulaiman Abu Tayeh	Board Member
Saleh Hasan Saleh Abu Rumoh	Board Member

The Group's consolidated financial statements for the year ended December 31, 2019 were approved by the Board of Directors on March 3, 2020. These statements require approval of the shareholders' general assembly.

The consolidated financial statements include the financial statements of the Parent Company (Al Bilad For Medical Services Company) and its subsidiary, the following is information about the subsidiary:

Company	Country of establish	Company's objective	Percentage of Ownership
Al Bilad Securities & Investment Co.	Jordan	Financial Brokerage	100%

2) Basis of preparation

The principal accounting policies adopted in the preparation of the financial statements are set out in Note (4). The policies have been consistently applied to all the years presented, unless otherwise stated.

The financial statements are presented in JD, which is also the Group's functional currency.

Amounts are rounded to the nearest JD.

These consolidated financial statements have been prepared in accordance with International Financial Reporting Standards, International Accounting Standards and Interpretations (collectively IFRSs) as adopted by the Jordanian laws.

The preparation of consolidated financial statements in compliance with adopted IFRS requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Group's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effect is disclosed in note (3).

Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through other comprehensive income and investment in associates, the details of which are disclosed in their accounting policies.

Changes in accounting policies

a) New standards, interpretations, improvements and amendments effective from 1 January 2019:

- IFRS (16) Leases,
- IFRIC (23) Uncertainty over Income Tax Treatments;
- Amendments to IFRS (9) Prepayment Features with Negative Compensation;
- Amendments to IAS (28) Long-term Interests in Associates and Joint Ventures; and
- Annual Improvements to IFRSs 2015-2018 Cycle (IFRS (3) Business Combinations and IFRS (11) Joint Arrangements, IAS (12) Income Taxes, and IAS (23) Borrowing Costs).

The above standards, amendments, improvements and Interpretations issued by the IASB are not expected to impact the Group as they are either not relevant to the Group activities or require accounting which is consistent with the Group current accounting policies.

b) New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early. These are as follows:

- IAS (1) Presentation of Financial Statements and IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors (Amendment - Definition of Material);
- IFRS (3) Business Combinations (Amendment - Definition of Business);
- Revised Conceptual Framework for Financial Reporting; and
- IFRS (17) Insurance Contracts (effective 1 January 2022).

The Group is currently assessing the impact of these new accounting standards and amendments.

3) Use of estimates and judgments

The Group makes certain estimates and assumptions regarding the future. Estimates and judgments are continually evaluated based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the future, actual experience may differ from these estimates and assumptions. The following are some significant accounting estimates used in the preparation of the consolidated financial statements:

Property, equipment and intangible assets

The Group reviews the estimated useful life of property ,equipment, intangible assets , depreciation and amortization methods to verify that it reflects the used economic benefits and in case there is a difference it will be treated as changes in estimates (in the year of change and subsequent years).

Inventory

The Group reviews the need for inventory impairment periodically, based on its condition and stay period in warehouses in addition to the estimated realizable value in the future.

Legal proceedings

The Group reviews outstanding legal cases following developments in the legal proceedings and at each reporting date, in order to assess the need for provisions and disclosures in its consolidated financial statements. Among the factors that should be taken into consideration regarding the provisions are the nature of the proceedings and the actions taken (especially in the period between the date of the financial statements and the date of issuance of these statements). and the opinion of a legal advisor on the similar lawsuits in addition to the management decision on how to respond.

Income tax

The Group is subject to income tax and significant judgment is required in determining the provision for income taxes. During the ordinary course of business, there are transactions and calculations for which the ultimate tax determination is uncertain. As a result, the Group recognizes tax liabilities based on estimates of whether additional taxes and interest will be due.

Provision for expected credit loss

The Group recognized the expected credit losses of the financial assets at amortized cost using the general approach according to IFRS (9), which requires the management to use an important estimates and assumptions as disclosed in the accounting policy of the financial instruments in Note (4).

Financial instruments measured at fair value

Inputs used in fair value measurement are categorized into different levels based on inputs provided and how observable they are (Fair value hierarchy):
level one: observable quoted prices (unadjusted) in active markets for assets or liabilities that Company can obtain.
level two: quoted prices are not available but fair value is based on observable market data and inputs are observable directly or indirectly for assets or liabilities.
level three: unobservable inputs for assets or liabilities.

The level of the fair value of investment properties and financial assets at fair value through other comprehensive income is level two.

The fair value of the financial assets was measured at fair value through other comprehensive income using the book value of the share in the investee.

4) Summary of significant accounting policies

Revenues

The Group recognizes revenue in accordance with IFRS 15, to the extent that it is probable the economic benefits will flow to the Group and that revenue and costs can be measured, if possible, in a reliable method and in accordance with these steps as follows:

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met. Note that the contract can be in writing or verbally.
Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.
Step 5. Recognize revenue when (or as) the Group satisfies a performance obligation.

Accommodation

The group recognizes the revenues through the period the patient spends in the hospital.

Laboratories, anesthesiology and medicines

Laboratories, x-rays and other such departments recognize the revenue at the time of offering the service

Basis of consolidation of financial statements

When the Group has control over an investee, it is classified as a subsidiary. The company controls an investee if all three of the following elements are present: power over the investee, exposure to variable returns from the investee, and the ability of the investor to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

The consolidated financial statements present the results of the company and its subsidiary as if they formed a single entity. Intercompany transactions and balances between Group companies are therefore eliminated in full.

The consolidated financial statements incorporate the results of business combinations using the acquisition method. In the consolidated statement of financial position, the acquirer's assets and liabilities are initially recognized at their fair values at the acquisition date. The results of acquired operations are included in the consolidated statement of profit or loss and other comprehensive income from the date on which control is obtained. They are deconsolidated from the date on which control ceases.

Investment in equity - accounted associate

When the Group has the power to participate in (but not control) the financial and operating policy decisions of another entity, it is classified as an associate. Associates are initially recognized in the consolidated statement of financial position using the equity method. The equity method is an accounting method whereby the investment is recorded at cost and the profit or loss and other comprehensive income statement reflects the profit from the investment in the amount of the company's share of the net results of the investee company arising after the acquisition and the share of the company in the profit or loss of other comprehensive income of the investee company after the acquisition and the amount received by the company as dividends of the net retained earnings of the investee company arising after the acquisition. Dividends received in excess of these gains are considered as a refund of the investment and are recognized as a reduction of the cost of the investment.

Any premium paid for an associate above the net fair value of the Group`s share of the assets, identifiable liabilities and contingent liabilities acquired as the date of acquiring is recognized as goodwill and presented as a part of the carrying amount of the investment in associate account and its subject to revaluation as a part of the investment to determine any impairment in its carrying amount. If the acquiring cost was less than the Group`s share of the assets, identifiable liabilities and contingent liabilities, the difference is recognized directly in the statement of profit or loss and other comprehensive income.

In the absence of the significant influence on the associates, the company measures and recognizes any investments held at fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the investment held in addition to the proceeds from sale is recognized in the profit or loss and other comprehensive income statement.

The Group determines whether it is necessary to record impairment losses on the investment of the company in its associates. The company determines at each reporting date whether there is objective evidence that the investment in the associate has decreased. If such evidence exists, the company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying amount and recognizes that amount in the statement of profit or loss and other comprehensive income.

Foreign currencies

Transactions entered into by the Group in a currency other than the currency of the primary economic environment in which they operate (functional currency- Jordanian Dinar) are recorded at the rates ruling when the transactions occur. Foreign currency monetary assets and liabilities are translated at the rates ruling at the reporting date. Exchange differences arising on the retranslation of unsettled monetary assets and liabilities are recognized immediately in the statement of profit or loss and other comprehensive income. Non-monetary assets and liabilities recognized at cost are translated at rates ruling at the date of transaction, where non-monetary items recognized at fair value translated at rates of valuation date, valuation of profit or loss are recognized as part of the intended fair value.

Financial assets:

Financial assets classified when initial recognize in one of these categories:

- Amortized cost
- Fair value through profit or loss
- Fair value through other comprehensive income.

Financial assets measured at amortized cost

The Group classifies financial assets at amortized cost based on the business model in which a financial asset is managed and its contractual cash flow characteristics and when both of the following conditions are met:

- It's held within a business model whose objective is to hold assets for collection of future cash flows.
- Its contractual terms cause, on specified dates, cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost using the effective interest method. The amortized cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognized in profit or loss. Gains or losses on disposal of financial assets are recognized in profit or loss.

Financial assets at amortized cost comprise trade receivables and other receivables, as well as cash and cash equivalents shown in the consolidated statement of financial position.

Cash and cash equivalents comprise cash on hand, demand deposits in bank and other short term investments with a high liquidity and maturity date of three months or less.

Financial assets at fair value through profit or loss

The Group has chosen to classify investments in unlisted companies and that were unrecognized as subsidiaries, associates or jointly controlled companies at fair value through other comprehensive income (this classification is not irreversible and irreversible) and not through profit or loss as the group considers that this classification is the most representative of the business model for these assets.

These assets are initially recognized at fair value and any direct transaction costs associated with their acquisition or issuance and later its measured at fair value. Dividends are recognized as income in profit or loss unless the dividends represent a recovery of part of the cost of the investment. Other net profit or loss is recognized in other comprehensive income and never reclassified to profit or loss.

Property and equipment

Items of property and equipment are initially recognized at cost. In addition to the purchase price, cost includes directly attributable costs that sets the asset in a condition that enables it to achieve the purpose which it was purchased for.

Depreciation not applicable on lands and depreciation on projects under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property and equipment so as to write off their carrying value over their expected useful economic lives. It is provided at the following rates:

Asset	Depreciation Percentage %
Buildings	2
Medical equipment	15
Electrical and mechanical works	10
Other property and equipment	2-20

When the recoverable amount for assets is less than its book value, they will be written down to their recoverable amount. The impairment loss is recorded in the consolidated statement of profit or loss and other comprehensive income.

Any gain or loss arising on derecognition of the asset calculated as the difference between the net disposal proceeds and the carrying amount of the assets is included in the statement of profit or loss.

Inventory

Inventory includes medicines and supplies warehouse, which are initially recognized at cost, and subsequently at the lower of cost and net realizable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventory to their present location and condition.

Weighted average cost is used to determine the cost.

Intangible assets

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives. The intangible assets in the group are computer programs, with useful life of five years.

Intangible assets that do not have a finite life and are obtained separately are stated at cost less accumulated impairment losses, if any.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as result of past events, the settlement of the obligations is probable, and the amount of those obligations can be estimated reliably.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, considering the risk and uncertainties surrounding the obligation.

When it is expected to cover some or all of the economic benefits required from other parties to settle the provision, the receivable is recognized in the asset if the receipt of the awards is effectively confirmed and its value can be measured reliably.

5) Financial instruments - Risk management

The Group is exposed through its operations to the following risks:

- Credit risk
- Market risk
- Liquidity risk

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group objectives, policies and processes for managing those risks and the methods used to measure them. Further quantitative information in respect of these risks is presented throughout these consolidated financial statements.

There have been no substantive changes in the Group exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them unless otherwise.

(I) Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- Trade and other receivables.
- Cash and cash equivalents.
- Trade and other payables
- Loans and bank facilities.
- Financial assets at fair value through other comprehensive income.

(II) Financial instruments by category:

	2019	2018
	JD	JD
Financial assets at amortized cost		
Trade and other receivables	9,371,163	9,006,348
Cash and cash equivalents	2,696,759	2,731,107
Total financial assets at amortized cost	12,067,922	11,737,455
Financial assets at fair value through other comprehensive income	82,854	82,854
Total financial assets	12,150,776	11,820,309
Financial liabilities at amortized cost		
Trade and other payables	7,619,877	7,212,959
Loans and bank facilities	2,854,357	3,283,918
Total financial liabilities	10,474,234	10,496,877

(III) Financial instruments not measured at fair value

A financial instrument not measured at fair value includes cash and cash equivalents, trade and other receivables, trade and other payables, loans and bank facilities and financial assets at fair value through other comprehensive income.

Due to their nature, the carrying value of the financial instruments above approximates their fair value.

General objectives, policies and procedures

The Board has overall responsibility for the determination of the Group risk management objectives and policies, whilst retaining ultimate responsibility for them.

The overall objective of the Board is to set policies that seek to reduce risk as far as possible without unduly affecting the Group competitiveness and flexibility. Further details regarding these policies are set out below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Group is exposed to this type of risk mainly from unearned revenue. The majority of the Group's activity is in cash, except for insurance companies' receivables and Libyan`s receivables, and there is no specific policy for the Group to address these risks. These receivables are reviewed regularly, its collection and the sufficiency of its provisions are monitored.

Credit risk also arises from cash and cash equivalents, deposits with banks and financial assets. The Group deals with banks with a suitable credit rating.

Market risk

Market risk arises from the Group use of interest bearing, tradable and foreign currency financial instruments. It is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates (interest rate risk), foreign exchange rates (currency risk) or other market factors (another price risk).

Interest rate risk or fair value

Financial instruments will expose the Group to cash flow interest rate risk from financial instruments at variable rate. The Group is not exposed to this type of risk due to holding financial instruments at fixed rates.

Currency risk

Currency risk arises when the Group has financial transactions in a currency other than their functional currency. The Group is not exposed to this type of risk, whereas the majority of foreign transaction are carried out in US Dollar, the exchange rate for Jordanian Dinar is fixed against the US Dollar.

Other market risk

The Group is exposed to other market price risk due to its investments in financial assets at fair value through other comprehensive income. The maximum amount exposed to fair value fluctuations for those investments is JD 82,854 for year 2019 and 2018.

Liquidity risk

Liquidity risk arises from the Group`s management of working capital. It is the risk that the Group will encounter difficulty in meeting its financial obligations as they fall due.

The Group`s policy is to ensure that it will always have sufficient cash to allow it to meet its liabilities when they become due. The following table sets out the contractual maturities (representing undiscounted contractual cash-flows) of financial liabilities:

	Less than 3 months	Between 3 and 12 months	between 1 and 2 year	between 2 and 5 years	over 5 Years
	JD	JD	JD	JD	JD
At 31 December 2019					
Loans and bank facilities	-	2,854,357	-	-	-
Trade and other payables	2,157,621	3,482,243	1,844,196	748,259	-
	2,157,621	6,336,600	1,844,196	748,259	-
At 31 December 2018					
Loans and bank facilities	93,588	3,375,161	-	-	-
Trade and other payables	2,817,909	3,203,460	100,000	300,000	1,405,476
	2,911,497	6,578,621	100,000	300,000	1,405,476

Capital Management

The Group monitors "adjusted capital" which comprises all components of equity (subscribed capital, statutory reserve, cumulative change in fair value and accumulated losses).

The Group objectives when maintaining capital are:

- To safeguard the entity's ability to continue as a going concern, so that it can continue to provide returns for shareholders and benefits for other stakeholders.
- To provide an adequate return to shareholders by pricing products and services commensurately with the level of risk.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt.

The debt-to-adjusted-capital ratios at 31 December are as follows:

	2019	2018
	JD	JD
Loans and facilities	2,854,357	3,283,918
Less: cash and cash equivalents	(2,696,759)	(2,731,107)
Net debt	157,598	552,811
Total equity	25,754,143	25,647,925
Debt to equity ratio	0.6%	2.2%

6) Property and equipment

	Lands	Buildings	Medical equipment	Electrical and mechanical works	Other property and equipment	Project under construction	Total
	JD	JD	JD	JD	JD	JD	JD
Cost							
At 1 January 2018	1,825,966	8,931,581	9,834,245	2,929,973	5,473,982	5,577,118	34,572,865
Additions	-	83,312	376,999	-	400,130	893,401	1,753,842
Disposals	-	-	(48,496)	-	(36,400)	-	(84,896)
Transferred to investment property	-	-	-	-	-	-	-
At 31 December 2018	1,825,966	9,014,893	10,162,748	2,929,973	5,837,712	6,470,519	36,241,811
Additions	-	167,182	559,070	-	379,573	1,074	1,106,899
Transferred to investment property	-	3,755,246	487,498	2,094,872	133,977	(6,471,593)	-
Disposals	-	(585)	-	-	(16,320)	-	(16,905)
At 31 December 2019	1,825,966	12,936,736	11,209,316	5,024,845	6,334,942	-	37,331,805
Accumulated depreciation							
At 1 January 2018	-	2,137,448	7,324,633	2,013,573	4,475,317	-	15,950,971
Depreciation of the year	-	175,063	687,539	158,659	314,447	-	1,335,708
Disposals	-	-	(47,628)	-	(36,400)	-	(84,028)
At 31 December 2018	-	2,312,511	7,964,544	2,172,232	4,753,364	-	17,202,651
Depreciation of the year	-	234,017	691,764	307,339	361,554	-	1,594,674
Disposals	-	(585)	-	-	(16,320)	-	(16,905)
At 31 December 2019	-	2,545,943	8,656,308	2,479,571	5,098,598	-	18,780,420
Net book value							
At 1 January 2018	1,825,966	6,794,133	2,509,612	916,400	998,665	5,577,118	18,621,894
At 31 December 2018	1,825,966	6,702,382	2,198,204	757,741	1,084,348	6,470,519	19,039,160
At 31 December 2019	1,825,966	10,390,793	2,553,008	2,545,274	1,236,344	-	18,551,385

There is a mortgage of the first class on the land of the Group No. 1493, Al Tahtour North Basin No. 7 of the lands of Amman and on the buildings of the Group was constructed with a value of JD 1,825,966, and in return for the bank facilities it was granted to the Group by the Islamic Bank of Jordan Note (17).

7) Intangible assets

	Computer software
	JD
Cost	
At 1 January 2018	585,469
Additions	23,253
At 31 December 2018	**608,722**
Additions	55,462
At 31 December 2019	**664,184**
Accumulated amortization	
At 1 January 2018	508,684
Amortization of the year	24,193
At 31 December 2018	**532,877**
Amortization of the year	29,523
At 31 December 2019	**562,400**
Net book value	
At 1 January 2018	76,785
At 31 December 2018	75,845
At 31 December 2019	**101,784**

8) Investment properties

Represents investment properties on lands.

The fair value of the investment properties amounted to JD 4,398,730 The lands were valued by an accredited real estate expert in 9 December 2019.

9) Investment in equity - accounted associate

Represents the Group`s investment in Al Bilad Securities & Investment Co. where the investment in the associate recognized by the equity method. Details of this investment are as follow:

Legal form	Country of establish	Percentage of ownership	Company`s Objective	Balance at 31 December 2019	Balance at 31 December 2018
				JD	JD
Limited public shareholding company	Jordan	22,31%	Financial Brokerage	1,899,217	1,934,119

The movement on investment during the year is as follows:

	2019	2018
	JD	JD
Balance at 1 January	1,934,119	1,876,410
Company's share of equity - accounted associates profit	38,002	(18,251)
Adjustments in the prior years	-	52,139
Company`s share of the change in fair value	(72,904)	23,821
Balance at 31 December	1,899,217	1,934,119

The market value of Group's investment in associate amounted to JD 1,762,503 as at 31 December 2019.

The following are the most important financial information of the associate:

	2019	2018
	JD	JD
As at 31 December		
Current assets	3,950,516	4,201,558
Non current assets	6,107,051	6,500,360
Current liabilities	1,450,005	2,032,626
Equity	8,512,850	8,669,292
For the year ended at 31 December		
Revenues	952,666	527,273
Gain (loss) for the year	170,334	(81,808)
Other comprehensive income (loss)	(326,776)	106,773
Total comprehensive income (loss)	(156,442)	24,965

10) Financial assets at fair value through other comprehensive income

Represents the Group`s investment in Saraya Real Estate Development Group, where the investment was recognized by the cost of acquisition.

Legal form	Country of establish	Percentage of ownership	Company`s Objective	Balance as at 31 December 2019	2018
				JD	JD
Limited private shareholding company	Jordan	0,061%	Investment in properties, hotel acquisition	82,854	82,854

11) Inventory

	2019	2018
	JD	JD
Pharmacy	273,105	258,475
Other medical supplies	267,865	185,138
Spare parts	169,803	132,757
Operations	81,715	105,160
	792,488	681,530

12) Trade and other receivables

	2019	2018
	JD	JD
Trade receivables	24,453,405	23,422,417
Provision for impairment of trade receivables	(16,110,438)	(15,594,492)
Net trade receivables	8,342,967	7,827,925
Accrued revenues	606,239	718,187
Employees receivables	155,633	191,313
Deposits	266,324	268,923
Total financial assets other than cash and cash equivalents classified as amortized cost	9,371,163	9,006,348
Prepaid expenses	121,087	142,296
Income tax deposits	-	6,329
	9,492,250	9,154,973

The book value of trades and other receivables almost equal to its fair value.

The Group has no guarantees against such receivables.

Trade receivables are presented as net amount, after deducting the Doctor`s deposits amount of JD 16,412,326 which are contra accounts that doesn't appear in the financial statements, that represent Doctor`s fees. Not an obligation of the Group and associated with the collection of these receivables.

The aging of receivables are as follows:

	2019	2018
	JD	JD
less than 30 days	504,398	784,561
from 31 to 60	434,047	1,110,238
from 61 to 90	462,720	925,263
from 91 to 120	402,135	648,716
from 121 to 360	4,442,322	640,074
More than 360 days	18,207,783	19,313,565
	24,453,405	23,422,417

The movement in the provision for impairment of trade receivables is as follows:

	2019	2018
	JD	JD
1 January	15,594,492	15,594,492
Increase during the year	515,946	-
31 December	16,110,438	15,594,492

13) Cash and cash equivalents

For the purpose of preparing cash flows, cash and cash equivalents comprise:

	2019	2018
	JD	JD
Cash at banks- Deposit	2,602,409	2,603,049
Cash at banks-Current	79,635	78,994
Cash on hand	14,715	49,064
	2,696,759	2,731,107

14) Cash suspense in the bank

According to Investment bank confirmation, cash were suspended with amount JD 192,714 as at 31 December 2019 for case against the group. The management of the Group believes that this amount will be released after the litigation procedures completed through court.

15) Equity

Capital

The authorized capital is JD (30) million divided into (30) million shares where the value is JD 1 per share.

Statutory reserve

This item represents the accumulated reserves from prior years at annual rate 10% of year profits before tax and fees as per Companies Law. This amount is not for distribution to shareholders. The Group may stop deducting statutory reserves when it reaches 25% of the capital. However, the Group may with the approval of the General Assembly, continue to deduct this annual ratio until this reserve equals the company`s authorized capital.

Cumulative change in fair value

Represents the profits or losses arising from the valuation of financial assets at fair value through other comprehensive income.

Retained earnings

This item contains losses, profits and dividends.

16) Trade and other payables

	2019	2018
	JD	JD
Trade payables	4,097,760	3,590,104
Post-dated checks	3,121,134	2,292,562
Accrued expenses	400,983	1,330,293
Total financial liabilities measured at amortized cost	7,619,877	7,212,959
provision for electricity company*	220,923	-
Income tax deposits	73,010	92,041
Social security deposits	76,950	72,365
Unearned revenues	69,095	144,505
Others	172,464	304,975
	8,232,319	7,826,845

17) Loans and bank facilities

	2019	2018
	JD	JD
Bank facilities (17-2)	2,854,357	3,188,508
Note payables (17-1)	-	95,410
	2,854,357	3,283,918
	2,854,357	3,283,918

17-1) Note Payables

The Group obtained a facility through note payable from the Islamic Bank with a ceiling of JD 3 million to finance the expansion of the hospital and the purchase of a catheterization device.

17-2) Bank facilities

Bank Name	Overdraft ceiling	Interest rate	2019	2018
	JD	%	JD	JD
BLOM Bank	2,350,000	7.25	2,349,806	2,511,182
Jordan Ahli Bank	500,000	10.875	504,551	503,889
Jordan Kuwait Bank	250,000	11.25	-	173,437
			2,854,357	3,188,508

- Bank facilities are of renewable annual facilities.
- The note payables are guaranteed against land as stated in note (6).
- The bank facilities provided from BLOM Bank was guaranteed against a deposit of JD 2,350,000.

The carrying amount of loans and Bank facilities approximately equals their fair value.

18) Income tax provision

The following is an income tax provision movement:

	2019	2018
	JD	JD
Balance at beginning of the year	31,509	-
Paid during the year	(9,527)	(1,557)
Income tax of the year	37,259	33,066
	59,241	31,509

The following is an income tax settlement with accounting profit:

	2019	2018
	JD	JD
Accounting profit distributed to		
Accounting loss/gain	216,381	199,220
Deduct: Non taxable revenues	(38,002)	(33,888)
Taxable income	178,379	165,332
Tax rate according to Jordanian tax law	20%	20%
Tax percentage of the national contribution according to Jordanian tax law	1%	-
Income tax of the year	37,259	33,066

Income tax

The income tax of the group has been settled till 2015 and the decision has not been issued to date, the group has submitted self-estimates statements for the years 2016, 2017 and 2018 within the legal period and it is still under auditing of the Income and Sales Tax Department.

Sales tax

The sales tax was settled with the Income and Sales Tax Department until 2012, and the sales tax was accepted for the years 2013, 2014, and 2015 because the legal period of the audit ended.

19) Revenues

	2019	2018
	JD	JD
Medical supplies and procedures	4,633,717	3,619,761
Medicines	2,925,511	2,524,473
Laboratories and radiology	3,421,880	2,938,036
Other departments	1,357,583	2,129,407
Residence	1,272,423	1,090,603
Anesthesia	611,251	481,465
Operating rooms	211,825	220,007
Total revenues	14,434,190	13,003,752
Discount on claims	(1,144,767)	(778,712)
Net revenues	13,289,423	12,225,040

20) Cost of revenues

	2019	2018
	JD	JD
Salaries and wages	2,850,460	2,737,374
Medicines	1,842,964	1,583,879
Medical supplies	1,609,893	1,357,988
Depreciations and amortizations	808,403	801,858
Social security	361,937	361,529
Maintenance	201,935	183,318
Employee`s rewards and incentives	172,159	252,649
Kitchen	272,460	194,622
Non-medical supplies	79,700	63,433
Blood units fees	53,984	46,360
External tests	52,242	47,534
Stationery and printings	23,118	27,218
Cleaning and hospitality	13,216	12,784
Others	104,933	169,133
	8,447,404	7,839,679

21) Administrative expenses

	2019	2018
	JD	JD
Salaries, wages and other benefits	2,008,827	2,044,553
Public utilities	1,013,914	1,026,362
Depreciations and amortizations	815,794	558,043
Social Security	211,072	227,208
Fuel	198,681	146,703
Maintenance	132,878	126,706
Training courses	120,689	43,247
Non-medical consumables	105,012	73,410
Communications	80,115	69,494
Fees and licenses	78,800	60,590
Subscriptions	54,109	99,645
Cleaning and hospitality	52,808	112,698
Professional fees	48,735	47,629
Advirtising	46,200	47,002
Insurance and licensing	41,062	34,319
Visa commission	37,574	34,873
Travel and transportation	28,371	28,857
Board of directors member`s transportation	27,000	24,000
Stationary and printings	18,793	23,935
Board of directors member`s rewards	17,500	16,615
Others	105,867	71,461
	5,243,801	4,917,350

22) Employees' salaries and benefits

	2019	2018
	JD	JD
Salaries and other benefits	4,859,287	4,781,927
Social security	573,009	588,737
Employees' rewards and incentives	201,935	183,318
	5,634,231	5,553,982
Number of employees'	621	636

23) Other revenues

	2019	2018
	JD	JD
Rent of outpatient clinics	293,360	270,591
Rent of fertilization unit	200,000	200,000
Revenue of cafeteria	64,341	100,322
Revenue of continuing education	40,712	19,902
Others	97,148	160,120
	695,561	750,935

24) Basic and diluted gain per share for the year - JD / share

	2019	2018
	JD	JD
Gain for the year	179,122	166,154
Weighted average for number of the shares	30,000,000	30,000,000
	0.006	0.006

25) Related parties

	Nature of related party	Transaction 2019	Transaction 2018	Balance as at 31 December 2019	Balance as at 31 December 2018
		JD	JD	JD	JD
Due from related parties	Key Management	-	125,000	111,000	123,000

The senior management employees are those who have the authority and responsibility to plan, supervise and control the activities of the Group. The salaries and benefits of the senior management including the members of the board of directors:

	2019	2018
	JD	JD
Salaries and other benefits	235,259	188,760
Board of directors member's rewards	17,500	16,615
Board of directors member's transportation	27,000	24,000
Social security	21,148	20,187
	300,907	249,562

26) Segment reporting

The Group's main activities are to provide medical services within the Hashemite Kingdom of Jordan. Note (19) shows the nature of the medical services provided.

27) Contingent liabilities

Lawsuits

According to the Group's lawyers' letter, there are lawsuits against the Group amounting to JD 902,443 as at 31 December 2019.

Bank guarantees

The Group has contingent liabilities through bank guarantees amounting to JD 102,700 as a date of the consolidated statement of financial position.