

disclosure

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To: Omar M. Al-karasneh; disclosure
Cc: Marwan Baker
Subject: البيانات المالية للربع الاول ٢٠٢٠ باللغة الانجليزية
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السيد عمر الكراسنة المحترم،
تحية طيبة وبعد،،

٨٢٤
ص

مرفق طيه البيانات المالية كما في 2020-03-31 باللغة الانجليزية

وتفضل بقبول فائق الاحترام،،

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المستشفى الاستشاري
Istishari Hospital

هيئة الأوراق المالية الدائرة الإدارية / الديوان ٢٤ آب ٢٠٢٠ الرقم المتسلسل ٤٣١١ الجهة المختصة ٢٠٢٥

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

CONSOLIDATED CONDENSED INTERIM
FINANCIAL INFORMATION FOR THE
PERIOD ENDED MARCH 31, 2020

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED CONDENSED INTERIM FINANCIAL
INFORMATION TOGETHER WITH
INDEPENDENT AUDITOR'S REVIEW REPORT
FOR THE THREE MONTHS ENDED MARCH 31, 2020

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INDEPENDENT AUDITOR'S REVIEW REPORT

AM/ 007568

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

Introduction

We have reviewed the accompanying consolidated condensed interim statement of financial position of The Consultant and Investment Group Company (A Public Limited Shareholding Company) as of March 31, 2020, and the related consolidated condensed interim statements of profit or loss and comprehensive income, and the consolidated condensed interim statements of changes in shareholders' equity and cash flows for the three months period then ended, and a summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and fair presentation of these consolidated condensed interim financial information in accordance with International Accounting Standard No. (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on these consolidated condensed interim financial information based on our review.

Scope of Review

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

Conclusion

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

Other Matter

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

Amman - Jordan
July 29, 2020

Deloitte & Touche (M.E.) – Jordan

Deloitte & Touche (M.E.)

ديلويت أند توش (الشرق الأوسط)

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THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

		March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	Note		
<u>NON-CURRENT ASSETS:</u>			
			JD
Property and equipment - net	5	19,826,575	18,976,399
Projects under construction	6	2,694,846	2,704,765
Deferred tax assets	12/c	275,206	232,226
Right of use assets		1,008,676	1,091,953
Total Non-Current Assets		23,805,303	23,005,343
<u>CURRENT ASSETS:</u>			
Medicine and medical supplies		1,584,116	1,419,727
Account receivables - net	7	3,803,297	4,182,815
Other debit balances	8	760,163	956,666
Checks under collection - short term		111,570	5,554
Cash on hand and at banks	9	3,291,119	3,535,571
Total Current Assets		9,550,265	10,100,333
Total Assets		33,355,568	33,105,676
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' EQUITY:</u>			
Paid-up capital		18,945,000	18,945,000
Statutory reserve		564,552	564,552
Retained earnings		1,512,812	1,674,498
(Loss) for the period		(181,133)	-
Total Shareholders' Equity		20,841,231	21,184,050
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES:</u>			
Long-term liabilities against finance lease contract	10	4,887,125	4,776,171
Lease contract liabilities		917,034	1,009,218
Total Non-Current Liabilities		5,804,159	5,785,389
<u>CURRENT LIABILITIES:</u>			
Accounts payable		3,568,540	3,064,301
Short-term liabilities against finance lease contracts	10	753,445	732,592
Contingent liabilities		401,785	401,785
Other credit balances	11	1,769,513	1,720,664
Income tax provision	12/a	216,895	216,895
Total Current Liabilities		6,710,178	6,136,237
Total liabilities		12,514,337	11,921,626
Total Shareholder's Equity and Liabilities		33,355,568	33,105,676

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

Chairman of the Board of Directors

General Manager

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF PROFIT AND LOSS

AND OTHER COMPREHENSIVE INCOME

FOR THE THREE-MONTHS ENDED MARCH 31, 2020

	<u>Note</u>	<u>For the Three Months</u> <u>Ended March 31,</u>	
		<u>2020 (Reviewed)</u>	<u>2019 (Reviewed)</u>
		<u>JD</u>	<u>JD</u>
Operating revenue	13	3,779,511	3,985,714
Cost of revenue	14	<u>(3,114,274)</u>	<u>(3,028,795)</u>
Gross profit		665,237	956,919
General and administrative expenses	15	(736,702)	(654,660)
Amortization of right of use assets		(83,278)	(113,391)
Finance costs and lease liabilities		(119,151)	(93,405)
Other revenue - net	16	<u>92,761</u>	<u>113,654</u>
Profit for the Period before Tax		(181,133)	209,117
Income tax expense	12/b	<u>-</u>	<u>(43,424)</u>
(Loss) profit for the Period / Total Comprehensive (Loss) Income for the Period		<u><u>(181,133)</u></u>	<u><u>165,693</u></u>
Earnings per share from the (loss) profit for the period - Basic and diluted	17	<u><u>(-/010)</u></u>	<u><u>-/011</u></u>

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Chairman of Board of Directors

General Manager

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

AMMAN - JORDAN

CONSOLIDATED CONDENSED INTERIM STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Note	Paid-up Capital	Statutory Reserve	Retained Earnings	(Loss) Profit for the Period	Total
For the Three Months Ended March 31, 2020						
Balance at the beginning of the period (Audited)		JD 18,945,000	JD 564,552	JD 1,674,498	-	JD 21,184,050
Effect of prior years adjustments - net	7&12	-	-	(161,686)	-	(161,686)
Gross comprehensive (loss) for the period		-	-	-	(181,133)	(181,133)
Balance at the End of the Period		18,945,000	564,552	1,512,812	(181,133)	20,841,231
For the Three Months Ended March 31, 2019 (Restated)						
Balance at the beginning of the period (Reviewed)		14,445,000	445,750	683,380	-	15,574,130
Effect of prior years adjustments		-	-	41,632	-	41,632
Gross comprehensive profit for the period		-	-	-	165,693	165,693
Balance at the End of the Period		14,445,000	445,750	725,012	165,693	15,781,455

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

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

	Note	For the Three Months Ended March 31,	
		2020 (Reviewed)	2019 (Reviewed)
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) profit for the period before tax		(181,133)	209,117
Adjustments:			
Finance costs and lease liabilities		119,151	93,405
Provision for employees' vacations	11	(10,064)	(15,349)
Provision for end-of-service indemnity	11	2,075	-
Amortization of right use of assets		83,278	113,391
Depreciation of property and equipment	5	302,673	281,033
Net Cash Flows from Operating Activities before Changes in Working Capital Items		315,980	681,597
(Increase) in medicine and medical supplies		(164,389)	(106,406)
Decrease (increase) in account receivables		186,852	(112,710)
(Increase) decrease in checks under collection		(106,016)	25,405
Decrease in other debit balances		196,503	467,815
Increase in accounts payable		504,239	424,979
Increase (decrease) in other credit balances		62,098	(561,068)
Net Cash Flows from Operating Activities before Provision Paid for Employees' Vacations and End-of-Service Indemnity		995,267	819,612
Paid from provision for employees' vacations	11	(3,185)	(6,568)
Paid from End-of-service indemnity provision	11	(2,360)	-
Net Cash Flows from Operating Activities		989,722	813,044
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Increase) in property and equipment	5	(185,396)	(147,637)
Decrease in restricted deposits	9	260,000	-
(Increase) payments for medical equipment		-	(679,163)
(Increase) in projects under construction	6	(958,176)	(246,166)
Net (used in) Investing Activities		(883,572)	(1,072,966)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in liabilities against finance lease contracts		131,808	(318,881)
Paid finance costs and lease liabilities		(114,415)	(93,405)
Paid finance lease		(120,475)	-
Net (used in) Financing Activities		(103,082)	(412,286)
(Decrease) in Cash and Cash Equivalents		3,068	(672,208)
Cash and cash equivalent - beginning of the year		169,710	1,355,641
Cash and Cash Equivalent - End of the Period	9	172,778	683,433
Non - Cash Transactions :			
Transferred from projects under construction to property and equipment	5	968,095	-

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

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

1. ESTABLISHMENT AND ACTIVITIES

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

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

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

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

- b. The Company's objectives are carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects, and 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 has Investment incentives granted in accordance with Article (6) of the Investment Promotion Law No. (30) For the year 2014 and up to three years starting from April 21, 2019.

2. Basis of Preparation

- a. Basis of Preparation the consolidated condensed interim financial information:

- The accompanying interim condensed financial information for the three months period ended March 31, 2020 have been prepared in accordance with International Accounting Standard (IAS) No. (34) relating to Interim Financial Reporting.
- The consolidated condensed interim financial information are prepared in Jordanian dinar, which is the Company's functional and presentation currency.
- The consolidated condensed interim financial information do not include all information and disclosures required for the annual financial statements and should be read with the Company's annual report for the year ended December 31, 2019. Moreover, the results of operations for the three months period ended March 31, 2020 do not necessarily provide an indication of the results of operations for the year ending December 31, 2020 , and do not contain appropriation of the profit for the three months period ended March 31, 2020, which is usually performed at year-end.

Judgments, Estimates and Risk Management

The preparation of the consolidated condensed interim financial information requires management to make judgments, estimates and assumptions that affects the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. The significant judgments made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Company's annual financial statements for the year ended December 31, 2019, except for the following:

The spread of the corona virus (covid-19) in the beginning of 2020 and it is spread in lots of geographical places around the world led to disturbances to the economic activities and business, also that this action is going through some continuously and Accelerating developments which demanded the group management to evaluate the expected Effects on the group activities, and making a study to review and reevaluate the potential risks in the economic phased information as in the March 31, 2020 , based on what is provided, the company performed the following procedures to contain the pandemic as the following:

- a. The Company formed a continuously working planning committee to Determine and supervise on the application of the continuity of work plan that is related to the following:
 - The hospital's management has set a Public safety measures plan by the Infection Control Committee as one of the internationally Accredited hospitals also it set plans related to it is employees through sterilization and safety Procedures and wearing masks and social distancing
 - The hospital put the patients and visitors test procedures Before the entrance to the building
 - The hospital activated the system of Distance working and setting the numbers that fits with work nature
 - The purchase management purchased an additional supply of medical supplies for facing any urgent decrease in it with the medicines and it is supplies staying at their normal levels.
 - Activating the distanced work Property for important jobs and providing electronic devices for the primary employees to enable them to from their homes to guarantee the continuity of providing the clients with our services through the electronic channels.
 - Keeping our employees and clients safe by applying all the procedures related to public places sterilization.
 - Continue to follow up the collection department for customers who have earned their receivables for the purpose of collecting them in possible ways.
- b. In the aspect of monitoring the impact of the COVID-19 crisis on the results of the group's business, there is a direct impact on revenue during the first quarter with the spread of the epidemic and the start of a comprehensive ban, bearing in mind that indicators indicate the return of revenue gradually at the end of the second quarter of the year.
- c. As for monitoring the impact of the COVID-19 crisis on the Company's liquidity levels, the Company's management has continued to follow the collection department for client's collections in order to collect the accrued balances in possible ways.

b. Basis of Preparation the consolidated condensed interim financial information

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

- The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.
- When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally, In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders,
- Potential voting rights held by the Company, other vote holders or other parties,
- Rights arising from other contractual arrangements.
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee;
- has the ability to use its power to affect the investee's returns,

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

When the Company has less than the majority of the voting rights of an investee, it considers that it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. In this regard, the Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give it power, including:

- The size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Company, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

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

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

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

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

- All balances, transactions, income, and expenses between the Company and its subsidiaries are eliminated,
- The subsidiaries financial information are prepared under the same accounting policies adopted by the Company, If the subsidiaries apply different accounting policies than those used by the Company, the necessary modifications shall be made to the subsidiaries' financial information to make them comply with the accounting policies used by the Company.
- The results of the subsidiaries' operations are consolidated in the consolidated statement of profit or loss effective from their acquisition date, which is the date on which control over subsidiaries is effectively transferred to the Company, Furthermore, the results of the disposed of subsidiaries are consolidated in the consolidated statement of profit or loss up to the date of their disposal, which is the date on which the Company loses control over the subsidiaries.
- The non-controlling interests represent the portion not owned by the Company in the subsidiaries; Non-controlling interests are shown in the subsidiaries' net assets as a separate line item within the Company's statement of shareholders' equity.

The Company owns Al Motamaizah Company for Hospital Management (subsidiary) as of March 31, 2020:

<u>Paid-up Capital</u>	<u>Ownership percentage</u>	<u>The nature of the company's business</u>	<u>Location</u>	<u>Date of acquisition</u>
JD 15,000	% 100	Commercial	Jordan	September 15, 2011

The following table shows the financial position and financial performance of the Al Motamaizah Company for Hospital Management (subsidiary) as at March 31, 2020:

<u>March 31, 2020</u>		<u>For the Three Months Ended March 31, 2020</u>	
<u>Assets</u>	<u>Liabilities</u>	<u>Revenue</u>	<u>Expenses</u>
JD 101,799	JD 59,345	JD 47,153	JD 55,176

3. Significant Accounting Policies

The accounting policies adopted in preparing the consolidated condensed interim financial information are consistent with those applied in the year ended December 31, 2019 except for the effect of the adoption of the new and revised standards which are applied on the current period as follow below:

Amendments to IAS 1 and IAS 8 and related to definition of materiality

The amendments are intended to make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'.

The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of material or refer to the term 'material' to ensure consistency.

The amendments are applied prospectively for annual periods beginning on or after January 1, 2020, with earlier application permitted.

Amendments to IFRS 3 and related to definition of a business

The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs.

Additional guidance is provided that helps to determine whether a substantive process has been acquired.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after the first annual reporting period beginning on or after January 1, 2020,

Amendments to References to the Conceptual Framework in IFRS Standards

Together with the revised Conceptual Framework, which became effective upon publication on 29 March 2018, the IASB has also issued Amendments to References to the Conceptual Framework in IFRS Standards. The document contains amendments to IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC 32.

Not all amendments, however, update those pronouncements with regard to references to and quotes from the framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASB Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Conceptual Framework of 2018) or to indicate that definitions in the standard have not been updated with the new definitions developed in the revised Conceptual Framework.

The amendments, where they actually are updates, are effective for annual periods beginning on or after January 1, 2020, with early application permitted.

5. Property and Equipment - Net

- During the three months period ended March 31, 2020, the Company purchased property and equipment totaled JD 185,396 (JD 147,637 during the three months ended March 31, 2019).
- During the three months period ended March 31, 2020, the Company transferred property and equipment totaled JD 968,095 from projects under construction.
- During the Three months period ended March 31, 2020, the Company disposed property and equipment with a net book value of JD 641 (JD 2,288 as of March 31, 2019).
- The depreciation expense of property and equipment for the three months ended March 31, 2020 amounted to 302,673 (JD 281,033 the three months ended March 31, 2019).

6. Projects under Construction

This item represents expansion of the main building of the hospital project: The project completion percentage was 22% as of March 31, 2020 (12% as of December 31, 2019), and the Company incurred a total cost of around JD 2,7 million. The project is expected to be completed during 2020 for a total costs of around JD 8,2 million.

7. Accounts Receivable - Net

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Accounts Receivable	5,838,438	5,975,513
<u>Less:</u> Provision for Allowable discounts *	(724,631)	(686,854)
Provision for expected credit loss **	(1,310,510)	(1,105,844)
	<u>3,803,297</u>	<u>4,182,815</u>

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period/year	686,854	952,868
Additions (used) during the period/year	37,777	(266,014)
Balance - End of the Period/Year	<u>724,631</u>	<u>686,854</u>

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance - beginning of the period/year	1,105,844	896,979
Effect of prior year adjustments*	204,666	-
Additions during the period/year	-	208,865
Balance - End of the Period/Year	<u>1,310,510</u>	<u>1,105,844</u>

- * During the first quarter of the year 2020 a provision for expected credit loss was recorded related to prior years amounted JD 204,666.

8. Other Debit Balances

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Earned revenue-unissued patients invoices	412,191	293,435
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	91,080	72,532
Refundable deposits	13,500	32,000
Advance payments for purchase medical equipment **	441,186	441,186
Advance payments for suppliers	146,475	412,961
Others	96,916	145,737
	<u>1,712,403</u>	<u>1,908,906</u>
<u>Less:</u> Provision for payments on account of purchasing computer programs	(284,150)	(284,150)
Provision for payments on account of purchasing an electric generator	(99,229)	(99,229)
Provision for patients' deposits difference *	(127,676)	(127,676)
Provision for purchase medical equipment **	<u>(441,185)</u>	<u>(441,185)</u>
	<u>760,163</u>	<u>956,666</u>

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

** In previous years, the Company took a provision for the entire balance of payments for the purchase of some medical equipment's because they did not meet the required specifications and the management was unable to determine the extent of the possibility of benefiting from them.

9. Cash on Hand and at Banks

This item represents:

	March 31, 2020	December 31, 2019
	JD	JD
Cash on hand	91,088	19,564
Current accounts at Banks	96,498	152,473
Deposit *	<u>3,124,457</u>	<u>3,384,458</u>
Total	3,312,043	3,556,495
<u>Less:</u> Provision for expected credit loss	<u>(20,924)</u>	<u>(20,924)</u>
	<u>3,291,119</u>	<u>3,535,571</u>

* This item represents a deposit at the Arab International Islamic Bank for six months and is renewed automatically at a Murabaha rate of 6.2% as of March 31, 2020 and it's restricted against loans liabilities.

Cash and Cash Equivalent for cash flows purposes is as follows:

	For the Three months March 31, 2020	2019
	JD	JD
Cash on hand and at banks	3,312,304	683,433
Restricted deposits	<u>(3,139,516)</u>	<u>-</u>
	<u>172,778</u>	<u>683,433</u>

10. Liabilities against Finance Lease Contract

This item consists of the following:

	March 31, 2020 (Reviewed) JD	December 31, 2019 (Audited) JD
Liabilities against short-term finance lease contracts – International Islamic Arab Bank, solar power	224,700	226,296
Liabilities against short-term finance lease contracts - International Islamic Arab Bank	186,820	105,960
Liabilities against short-term Istisna'a contracts- International Islamic Arab Bank (Hospital Expansion)	389,364	447,775
Short-term land ownership transfer fees	(47,439)	(47,439)
	<u>753,445</u>	<u>732,592</u>
Liabilities against long-term finance lease contracts - International Islamic Arab Bank, solar power	1,508,834	1,563,681
Liabilities against long-term finance lease contracts - International Islamic Arab Bank	3,078,707	3,131,208
Liabilities against long-term Istisna'a contracts-International Islamic Arab Bank (Hospital expansion)	500,787	298,711
Long-term land ownership transfer fees	(201,203)	(217,429)
	<u>4,887,125</u>	<u>4,776,171</u>
	<u>5,640,570</u>	<u>5,508,763</u>

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

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

The lease return for the first year stood at 6.5% of the lease principal. Moreover, the varied margin for the first year is 1%.

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

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

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

11. Other Credit Balances

This item consists of the following:

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Shareholders' deposits-fractional shares	224,721	230,856
Employees' vacation provision *	189,411	202,660
Accrued salaries and expenses	180,569	120,158
Provision for potential claims	21,069	21,069
Electromechanical contractors' retentions	86,550	86,550
Patients' deposits	383,040	257,941
Stamp fees deposits	69,495	69,495
Social security deposits	21,136	87,925
End-of-service indemnity provision **	94,633	94,918
Deferred checks	275,497	352,906
Income tax deposits	55,560	27,497
Other	167,832	168,689
	<u>1,769,513</u>	<u>1,720,664</u>

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period /year	202,660	196,511
<u>(Used)</u> additions during the period / year	(10,064)	27,683
<u>Less:</u> paid during the period / year	(3,185)	(21,534)
Balance at the end of the period /year	<u>189,411</u>	<u>202,660</u>

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

	March 31, 2020 (Reviewed)	December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period / year	94,918	71,729
<u>Add:</u> additions during the period / year	2,075	27,256
<u>Less:</u> paid during the period / year	(2,360)	(4,067)
Balance at the End of the Period / Year	<u>94,633</u>	<u>94,918</u>

12. Income Tax

a. Income Tax Provision

Movement on the income tax provision as follows:

	For the Three Months Ended March 31, 2020 (Reviewed)	For the Year Ended December 31, 2019 (Audited)
	JD	JD
Balance at the beginning of the period/year	216,895	-
Income tax for the period/year	-	219,817
Income tax for prior periods	-	1,247
Income tax paid	-	(4,169)
Balance at the End of the Period / Year	<u>216,895</u>	<u>216,895</u>

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

	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Deferred tax assets	-	42,157
Income tax for the period	-	1,267
	-	43,424

A final settlement has been reached with the Income and Sales Tax Department up to the end of the year 2015. Moreover, the tax returns for the years 2016, 2017, 2018 and 2019 have been submitted and the taxes due were paid, however, these returns have not been reviewed by the Income and Sales Tax Department yet. In the opinion of the Company management and its tax consultant, the tax provisions are adequate, and no additional provisions are needed.

- c. Deferred tax assets in the statement of financial position is as follows:

	March 31, 2020	December 31, 2019
	(Reviewed)	(Audited)
	JD	JD
Balance at the beginning of the period / year	232,226	89,250
Prior years adjustments *	42,980	193,863
Addition during the period / year	-	43,862
Released during the period / year	-	(94,749)
Income tax / income tax benefit	275,206	232,226

- * During the first quarter of the year 2020 a provision for expected credit loss was recorded related to prior years amounted JD 204,666 and a deferred tax assets was booked using a tax rate of 21%.

13. Operating Revenue

This item consists of the following:

	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Room fees revenue	353,279	467,390
Medical supplies revenue	868,785	997,406
Medical procedures revenue	677,913	753,072
Pharmacy revenue	872,410	883,867
Other departments revenue	1,007,124	883,979
	3,779,511	3,985,714

14. Cost of Revenue

This item consists of the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Salaries, fringe and other benefits	1,136,038	977,895
Social security	108,707	129,827
Medicine and medical supplies	934,803	1,025,629
Electricity and water	34,095	24,028
Cleaning expense	73,586	74,383
Maintenance	44,504	71,352
Food	87,101	80,433
Consumables	231,893	201,523
Cafeteria expense	13,370	14,138
Fuel	94,125	73,170
Government stamps	7,932	7,429
Disposal expenses	7,285	7,313
Depreciation property and equipment	275,220	252,227
Property tax	5,887	5,887
Government fees	12,947	35,777
Other	46,781	47,784
	<u>3,114,274</u>	<u>3,028,795</u>

15. General and Administrative Expenses

This item consists of the following:

	For the Three Months Ended March 31,	
	2020 (Reviewed)	2019 (Reviewed)
	JD	JD
Salaries, fringe and other benefits	332,325	329,693
Social security	30,687	38,661
End-of-service indemnity	2,075	5,123
Computer and software expenses	509	58
Stationary and printing	4,607	2,952
Recruitment expenses	2,667	9,065
Security and safety	24,131	21,512
Maintenance	59,619	34,631
Professional fees	13,566	15,193
Insurance	47,536	54,593
Advertisements subscriptions and commissions	103,150	25,790
Postage and telephone	5,734	9,892
Legal claims expenses	34,146	28,278
Board of Directors transportation	9,000	13,500
Depreciation property and equipment	27,453	28,806
Others	39,497	36,913
	<u>736,702</u>	<u>654,660</u>

16. Other Revenue - Net

This item consists of the following:

	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Rent	47,964	68,375
Car parking income	13,627	18,866
Other revenue (expense) – net	13,059	11,064
Provision for employee vacations no longer needed	10,064	15,349
Interest revenue	8,047	-
	<u>92,761</u>	<u>113,654</u>

17. Earnings Per Share for the Period Attributable to the Company's Shareholders

This item consists of the following:

	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
(Loss) profit for the period	<u>(181,133)</u>	<u>165,693</u>
	Share	Share
Weighted average number of shares	<u>18,945,000</u>	<u>14,445,000</u>
	JD/Share	JD/Share
Earning per share from the (Loss) profit for the period relating to the Company's shareholders- Basic and diluted	<u>(-/010)</u>	<u>-/011</u>

18. Related Party Transactions and Balances

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

<u>Consolidated Condensed interim statement of income items:</u>	For the Three Months Ended March 31,	
	2020	2019
	(Reviewed)	(Reviewed)
	JD	JD
Executive management's salaries	82,500	76,500
Board of Directors' transportation	9,000	10,500

19. Operating Sectors

a. Information about the Company's Activities

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

b. Geographical Distribution

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

20. Lawsuits against the Company

Lawsuits against the Company amounted to JD 76,731 and other unspecified lawsuits as of March 31, 2020 and December 31, 2019. In the opinion of the Company's management and its legal advisor, most of these lawsuits are going to be ruled in favor of the Company.

- There are lawsuits filed by the Company against others of 8,753,902 as of March 31, 2020 and December 31, 2019. The lawsuits are still pending at the courts.

21. Contingent Liabilities

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

- Performance guarantees of JD 34,000 with cash margins of JD 30,400.
- Main hospital building expansion with an amount of JD 4 million.
- Mortgage against loan obligations amounted JD 2,189 thousand.
- 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

There is an amount of JD 3.8 million representing doctors' fees as of March 31, 2020 (JD 3.7 Million as of December 31, 2019), whereby the hospital collects these fees on behalf of doctors with no legal obligation. Accordingly, this amount is shown as a contra account in the consolidated condensed interim financial statements.

24. Approval of the Consolidated Condensed Interim Financial Information

These consolidated condensed interim financial information were approved by the Board of Directors and authorized for issue on July 26, 2020.

25. Subsequent events

The General Assembly decided on the extraordinary meeting held on June 30, 2020 to increase the Company's capital to become JD 20 million by capitalizing part of the retained earnings amounted to JD 1,055,000 and distribute them as a free shares to the shareholders.