

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR
ENDED DECEMBER 31, 2022

TOGETHER WITH THE
INDEPENDENT AUDITOR'S REPORT

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

AMMAN - JORDAN
FOR THE YEAR ENDED
DECEMBER 31, 2022

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INDEPENDENT AUDITOR'S REPORT

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To the Shareholders of
The Consultant and Investment Group Company
(Public Limited Shareholding Company)
Amman – The Hashemite Kingdom of Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Consultant and Investment Group Company (Public Limited Shareholding Company), which comprise the consolidated statement of financial position as of December 31, 2022, and the consolidated statement of profit or loss and consolidated comprehensive income, consolidated statement of changes in shareholders' equity and the consolidated statement of cash flows for the year then ended, and note 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 Company as of December 31, 2021, and its financial performance and its 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 Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code) together with the other ethical requirements that are relevant to our audit of the Company's consolidated financial statements, and we have fulfilled our other ethical responsibilities. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were most significant in our audit of the consolidated financial statements of the current year. 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.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

A description was provided on how to examine the matter referred to below in the audit procedures:

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>Revenue recognition</p> <p>The Group's total revenue amounted to JD 18 million for the year ended December 31, 2022.</p> <p>Revenue comprises an extensive volume and variety of transactions which are processed daily by the group and rely on the effective operation of automated controls related to revenue, especially controls over access rights.</p> <p>Access rights to technology are provided to individuals in order to support their specific roles. These rights are important because they ensure that changes to applications and data are authorized and made in an appropriate manner. Ensuring staff only have appropriate access, and that the access is monitored, are key controls performed by management to mitigate the potential for fraud or error. In addition management applies significant judgment and makes significant estimates assumptions to determine both the timing and amount of revenue recognized. Accordingly revenue recognition is considered as a key audit matter.</p>	<p>Our audit approach relies on automated controls over revenue, and therefore, the following producers were designed to test access and control over IT systems assisted by our own IT specialists.</p> <ul style="list-style-type: none"> • Understanding the significant revenue processes and identifying the relevant controls, IT systems, interfaces and reports; • Understanding the control environment and testing the general IT controls over the main systems and applications involved in the revenue recording process. In doing so, we involved our IT specialists to assist in the audit of IT system controls. • We examined certain Information Produced by the Entity (IPEs) used in the financial reports from relevant applications and key controls over their report logics as well as preparation and maintenance; and; • Evaluating the design and implementation and testing the operating effectiveness of automated controls in the IT environment in which the core network and related systems reside, covering pervasive IT risks around access security, change management, data center and network operations;

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>The following notes to the consolidated financial statements contain the relevant information related to the above discussed matters: Note [2] – Significant Accounting Policies Note [4] – Critical Accounting Judgments and Key Sources of Estimation Uncertainty. Note [18] – Operating revenue - net.</p>	<p>We also performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> • Selecting a sample of revenue transactions either side of the revenue cut-off date to assess whether the revenue was recognized in the correct period; • Performing substantive analytical procedures and detailed analysis of revenue and the timing of its recognition based on expectations derived from industry knowledge and external market data, following up on variances from our expectation. In order to rely on the data extracted, we tested a sample of transactions to supporting documentation to assess the accuracy of the data extracted. • Assessing the Group's accounting policy and the compliance of revenue recognized therewith; and • Assessing the disclosures in the consolidated financial statements relating to this matter against the requirements of IFRSs.

Other Matter

The accompanying consolidated financial statements are a translation of the consolidated financial statements, which are in the Arabic Language to which references should be made.

Other Information

Management is responsible for other information. Other information consist of information provided in the annual report other than the consolidated financial statements and the related auditor's report. We expect that the annual report will be provided to us at a later date of our report. Our opinion on the consolidated financial statements does not include other information and we do not express any type of assertion or conclusion about it.

Regarding the audit of the consolidated financial statements it is our responsibility to read the above mentioned information when it becomes available to us, assessing whether the other information is not materially consistent with the consolidated financial statements or information obtained through our audit or that other information includes material misstatement.

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 IFRS, and for such internal control as management determines necessary to enable preparation of the 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 Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the 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.

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 ISA's, we exercise professional judgement 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper accounting records duly organized and in line with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements.

Amman – Jordan
March 30, 2023


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
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THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31,	
	Note	2022	2021
NON-CURRENT ASSETS:		JD	JD
Property and equipment - net	5	17,846,894	18,411,084
Project under construction - net	6	11,310,514	6,432,674
Deferred tax assets	17/A	697,181	612,209
Right of use	7/A	751,597	989,254
Total Non-Current Assets		30,606,186	26,445,221
CURRENT ASSETS:			
Medicine and medical supplies	8	1,493,039	1,292,970
Receivables - net	9	3,983,593	4,156,256
Other debit balances	10	1,257,042	903,739
Checks under collection	11	61,413	72,297
Cash on hand and at banks	12	153,995	708,139
Total Current Assets		6,949,082	7,133,401
TOTAL ASSETS		37,555,268	33,578,622
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
SHAREHOLDERS' EQUITY:			
Paid-up capital	13/A	20,000,000	20,000,000
Statutory reserve	13/B	793,808	665,808
Retained earnings /(Accumulated losses)	13/A	431,338	(323,686)
Net / Total Shareholders' Equity		21,225,146	20,342,122
<u>LIABILITIES:</u>			
NON-CURRENT LIABILITIES:			
Long-term liabilities against finance lease contracts	14	7,895,948	4,277,564
Lease liability	7/B	495,922	658,683
Total Non - Current Liabilities		8,391,870	4,936,247
CURRENT LIABILITIES:			
Short-term liabilities against finance lease contracts	14	1,813,055	1,726,161
Lease liability	7/B	246,705	327,673
Contingent liabilities Provision	16	751,790	851,785
Accounts payable and Other credit balances	15	4,598,394	5,120,300
Income tax provision	17/B	528,308	274,334
Total Current Liabilities		7,938,252	8,300,253
TOTAL LIABILITIES		16,330,122	13,236,500
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		37,555,268	33,578,622

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE
CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM
AND WITH THE ACCOMPANYING AUDIT REPORT.

THE CONSULTANT AND INVESTMENT GROUP COMPANY

(PUBLIC LIMITED SHAREHOLDING COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND COMPREHENSIVE INCOME

		For the Year Ended	
		December 31,	
	Note	2022	2021
		JD	JD
Operating revenue - net	18	18,435,632	17,339,218
Cost of revenue	19	(13,633,327)	(13,056,036)
Gross Profit		4,802,305	4,283,182
General and administrative expenses	20	(2,985,602)	(2,925,719)
Excepted credit loss	9	(404,804)	(256,738)
Finance costs and lease liability interests		(372,631)	(349,367)
Marketing expenses		(87,532)	(54,969)
Other revenue - net	21	328,270	316,176
Income for the Year before income tax		1,280,006	1,012,565
Income tax expense	17/C	(396,982)	(185,344)
Income for the Year / Total Comprehensive Income for the Year		883,024	827,221
Earnings (Profit) per share for the year	22	-/044	-/041

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

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

	Paid-up Capital	Statutory Reserve	Retained Earnings (Accumulated Loss)	Total
<u>For the Year Ended December 31, 2022</u>	JD	JD	JD	JD
Balance at the beginning of the year	20,000,000	665,808	(323,686)	20,342,122
Total comprehensive income for the year	-	-	883,042	883,042
Transfer to statutory reserve	-	128,000	(128,000)	-
Balance at the End of the Year	20,000,000	793,808	431,338	21,225,146

For the Year Ended December 31, 2021

Balance at the beginning of the year	20,000,000	564,552	(1,049,651)	19,514,901
Total comprehensive income for the year	-	-	827,221	827,221
Transfer to statutory reserve	-	101,256	(101,256)	-
Balance at the End of the Year	20,000,000	665,808	(323,686)	20,342,122

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

	Note	For the Year Ended	
		December 31,	
		2022	2021
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Income for the year before tax		1,280,006	1,012,565
Adjustments:			
Depreciation of property and equipment	5	1,184,770	1,229,024
Amortization of right of use	7/a	237,657	343,885
Expected credit loss provision	9	404,804	256,738
Employees' vacations provision	15	42,001	19,782
End-of-service indemnity provision	15	17,515	18,111
Contingent liabilities Provision	20	275,005	300,000
Finance costs and lease liability interests		372,631	349,367
Net Cash Flows from Operating Activities before Changes in Working Capital Items		3,814,389	3,529,472
(Increase) in medicine and medical supplies		(200,069)	(77,294)
(Increase) in account receivables		(232,141)	(1,403,125)
Decrease (increase) in checks under collection		10,884	(29,297)
(Increase) decrease in other debit balances		(353,303)	2,711
(Decreases) in accounts payable and other credit balances		(824,629)	(110,253)
Net Cash Flows from Operating Activities before Provision Paid for Employees' Vacation		2,215,131	1,912,214
Employees' vacations provision paid	15	(28,669)	(25,745)
End-of-service indemnity provision paid	15	(8,424)	(76,326)
Income tax paid	17b	(227,980)	-
Net Cash Flows from Operating Activities		1,950,058	1,810,143
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	5	(620,580)	(303,583)
(Increase) in project under construction	6	(4,877,840)	(2,291,957)
Decrease in bank deposits		557,748	1,337,953
Net Cash Flows (used in) Investing Activities		(4,940,672)	(1,257,587)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Finance lease contracts and loans received	14	5,282,430	1,240,933
Finance lease contracts and loans paid	14	(1,577,152)	(1,350,750)
Lease liabilities paid	7b	(357,130)	(432,370)
Finance costs paid		(353,930)	(248,194)
Net Cash Flows from (used in) Financing Activities		2,994,218	(790,381)
Net Decrease / increase in Cash and Cash Equivalent during the Year		3,604	(237,825)
Cash and cash equivalent - beginning of the year		171,315	409,140
Cash and Cash Equivalent - End of the Year before provision	23	174,919	171,315

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THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
NOTES TO THE FINANCIAL STATEMENTS

1. General

- a. The Consultant and Investment Group Company (Al-Istishari Hospital) ("the Company or Group") was established and registered on 7 November 1995 as a public limited shareholding company under No. (299) with a paid-up capital of JD (8) million. The Company's capital was increased & decreased in the previous years. The Company's address is Wadi Saqra, P.O. Box 840431, Amman 11184 the Hashemite Kingdom of Jordan.
- b. The Company's objectives includes carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects and setting up and managing projects related to healthcare, real estate, housing and buildings or industrial and commercial markets of all types and 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.
- d. The consolidated financial statements were approved by the Board of Directors on March 19, 2023.

2. Basis of Preparation of the Consolidated Financial Statement

- The accompanying consolidated financial statements are prepared in accordance with the standards issued by the International Accounting Standards Board (IASB) and the related interpretations issued by the Committee of the IASB.
- The financial statements are prepared under the historical cost basis except for financial assets and financial liabilities shown at fair value at the date of the consolidated financial statements.
- The reporting currency of the financial statements is the Jordanian Dinar, which is the functional currency of the Company.
- The accounting policies adopted in preparing the consolidated financial statements for the current year are consistent with those applied in the year ended December 31, 2021 except for the effect of applying the new and adjusted standards as mentioned in Note (3-A) and (3-B).

Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiary and controlled by the Company.

Control is achieved when the Company:

- Has the power over the investee;
- Is exposed, or has rights, to variable returns from its involvement with the investee ; and
- Has the ability to use its power to affects its returns.

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

When the Company has less than a 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. 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.
- 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.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, the results of subsidiaries acquired or disposed of during the year are included in consolidated profit or loss statement from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of the subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with the Company's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between the Company and its subsidiaries are eliminated on consolidation.

Non-controlling interests in subsidiaries are identified separately from the Company's equity therein. Those interests of non-controlling shareholders that are present ownership interests entitling their holders to a proportionate share of net assets upon liquidation may initially be measured at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement is made on an acquisition-by-acquisition basis. Other non-controlling interests are initially measured at fair value. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The carrying amount of the Company's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Company loses control of a subsidiary, the gain or loss on disposal recognised in profit or loss statement is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), less liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Company had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

The Company owns as of December 31, 2022 and 2021 Mutamaiyzah Hospital Management Company for managing hospitals (subsidiary company) as follows:

<u>Paid-up Capital</u>	<u>Percentage of Ownership</u>	<u>Industry of the Company</u>	<u>Location</u>	<u>Acquisition / Inception Date</u>
JD	%			
15,000	100	Commercial	Jordan	September 15, 2011

The following most significant financial information for the Mutamaiyzah Hospital Management Company as of December 31, 2022 and 2021:

<u>December 31, 2022</u>		<u>For the Year Ended December 31, 2022</u>	
<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Total Expenses</u>
JD	JD	JD	JD
105,831	12,039	287,111	252,592
<u>December 31, 2021</u>		<u>For the Year Ended December 31, 2021</u>	
<u>Total Assets</u>	<u>Total Liabilities</u>	<u>Total Revenue</u>	<u>Total Expenses</u>
JD	JD	JD	JD
84,412	22,878	195,172	184,184

The following are the most significant accounting policies used:

Property and Equipment

- Property and equipment are stated at cost, net of accumulated depreciation and any impairment in their value. Moreover, property and equipment are depreciated when ready for use according to the straight-line method over their expected useful lives using the rates ranging from 2% to 33%.
- When the recoverable amount of any property and equipment becomes less than its net book value, its value is reduced to the recoverable amount, and the impairment loss is charged to the consolidated statement of profit or loss.
- The useful lives of property and equipment are revalued at the end of each year. If the revaluation differs from previous estimates, the change is recorded in subsequent years, being a change in estimate.
- Property and equipment are eliminated when disposed of or when no future benefits are expected from their use or disposal.

Financial Assets

The financial assets are recognized when the asset becomes a party to the contractual matters of the instrument. Financial assets are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets (except for financial assets at fair value through statement of profit or loss) are added to or deducted from the fair value of the financial assets, as appropriate, on initial recognition.

Later, all recognized financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of Financial Assets

Debt instruments that meet the following conditions are measured subsequently at amortised cost:

- The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows.
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are measured at fair value.

Amortised Cost and Effective Interest Method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit-adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortised cost of the debt instrument on initial recognition.

Foreign Exchange Gains and Losses

The carrying amount of financial assets that are denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial assets measured at amortised cost that are not part of a designated hedging relationship, exchange differences are recognised in consolidated statement of profit or loss.

Impairment of Financial Assets

The Company recognises a loss allowance for expected credit losses (ECL) on trade receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

Provision for Expected Credit Loss

The Company has adopted the simplified approach to recognize expected credit losses over the life of its receivables as permitted by IFRS (9). Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of stage 2 with the recognition of expected credit losses over their lifetime.

A provision for the expected credit loss should be recognized over the life of the financial instrument if the credit risk on that financial instrument increases substantially since the initial recognition and the expected credit loss is an expected weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company under the contract and the cash flows that the Company expects to receive arising from the expectation of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is objective evidence of impairment on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Provisions for loss of credit losses are presented as a reduction of the total carrying amount of financial assets at amortized cost.

Write off

The Company writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over 24 months past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in consolidated statement of profit or loss.

Derecognition of Financial Assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognize the financial asset.

When derecognition of a financial asset measured at amortised cost, the difference between the assets carrying amount and the sum of the consideration received and receivable is recognised in consolidated statement of profit or loss.

Classification as Debt or Equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss statement on the purchase, sale, issue or cancellation of the Company's own equity instruments.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at fair value through statement of profit or loss.

Financial liabilities that are not (i) contingent consideration of an acquirer in a business combination, (ii) held-for-trading, or (iii) designated as at FVTPL, are measured subsequently at amortised cost using the effective interest method.

Trade and other payables classified as "financial liabilities" are initially measured at fair value, net of transaction costs and subsequently measured at amortised cost using the effective interest method. Interest expenses are recognised based on effective interest rate.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or where appropriate to a shorter period.

Derecognition of Financial Liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised consolidated statement of profit or loss.

Medicine and Medical Supplies

The medicine and medical supplies are shown in cost (According to the weighted average method) or the net amount whichever is lower after deducting the provision of the expired items or absolute.

Provisions

Provisions are recognized when the Company has legal obligations as a result of past events, it is probable to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Revenue recognition

The group recognizes revenue mainly from providing medical services and selling medicine.

Revenue is measured based on the consideration to which the company expects to be entitled (net after returns and discounts) in a contract with a customer and excludes amounts collected on behalf of third parties. The Company recognizes revenue when it transfers control of a product or service to a customer, being when services are rendered or the goods have been shipped to the specific location (delivery). Following delivery, the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility when on selling the goods and bears the risks of obsolescence and loss in relation to the goods. A receivable is recognized by the group when the services are provided or goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due.

If customers have a right of return. At the point of sale, a refund liability and a corresponding adjustment to revenue is recognized for those products expected to be returned. At the same time, the Company has a right to recover the product when customers exercise their right of return so consequently recognizes a right to returned goods asset and a corresponding adjustment to cost of sales. The Company uses its accumulated historical experience to estimate the number of returns on a portfolio level using the expected value method. It is considered highly probable that a significant reversal in the cumulative revenue recognized will not occur given the consistent level of returns over previous years.

The Company recognizes accommodation revenues in accordance with the five steps set out in the standard in the amount of the time spent by the patient in the hospital, as well as the revenues of laboratories, radiology, medicine and all other types/s at a point in time, and this is when the service is provided directly or medicine delivered.

For certain customers, the services are rendered with discounts retroactively on the basis of (12) months of total sales. Revenue of these sales is recognized based on the price specified in the contract less estimated discounts. The Company uses its accumulated historical experience to estimate discounts and the revenue is recognized to the extent that it is probable that there will be no material reversal. Liabilities for discounts on payments to customers are recovered in respect of services made during the year.

The Company account for consideration payable to a customer (listing fee and promotional expenses) which occur in conjunction with purchase of goods from the Company as a reduction of the transaction, unless the payment to the customer is in exchange for a distinct good or service that the customer transfers to the Company.

Income tax

- Income tax expenses represent accrued taxes and deferred taxes.
- Income tax expenses are accounted for on the basis of taxable income, Moreover, taxable income differs from income declared in the financial statements because the latter includes non-taxable revenue or tax expenses not deductible in the current year but deductible in subsequent years, accumulated losses acceptable by the tax authorities, items not accepted for tax purposes or subject to tax.
- Taxes are calculated on the basis of the tax rates prescribed according to the prevailing laws, regulations and instructions in Jordan.
- Deferred taxes are taxes expected to be paid or recovered as a result of the temporary timing differences between the value of assets or liabilities in the consolidated financial statements and the value on the basis of which taxable income is calculated, Moreover, deferred taxes are calculated based on the liability method in the consolidated statement of financial position according to the tax rates expected to be applied upon the settlement of the tax liability or realization of the deferred tax assets.
- Deferred tax assets and liabilities are reviewed as of the date of the consolidated financial statements, and reduced in case no benefit is expected to arise therefrom, partially or totally.

Interest Income / Expense

Interest income and expense for all financial instruments are recognized in the consolidated statement of profit or loss using the effective interest method. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash flows of the financial instrument through the expected life of the financial instrument or, where appropriate, a shorter period, to the net carrying amount of the financial asset or financial liability. The future cash flows are estimated taking into account all the contractual terms of the instrument.

The interest income/ interest expense is calculated by applying the EIR to the gross carrying amount of non-credit impaired financial assets (at the amortized cost of the financial asset before adjusting for any expected credit loss allowance), or to the amortized cost of financial liabilities. For credit-impaired financial assets the interest income is calculated by applying the EIR to the amortized cost of the credit-impaired financial assets (the gross carrying amount less the allowance for expected credit losses (ECLs)). For financial assets originated or purchased credit-impaired (POCI) the EIR reflects the ECLs in determining the future cash flows expected to be received from the financial asset.

Foreign Currencies

For the purpose of the consolidated financial statements, the results and financial position of each group company are expressed in the functional currency of the Company, and the presentation currency for the consolidated financial statements.

The individual financial statements of each group company are presented in the currency of the primary economic environment in which it operates (its functional currency). In preparing the financial statements of the individual companies, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing on the dates of the transactions. At each balance sheet date, monetary assets and liabilities that are denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences are recognised in consolidated statement of profit or loss in the period in which they arise except for:

- Exchange differences on transactions entered into to hedge certain foreign currency risks.
- Exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur in the foreseeable future (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to consolidated statement of profit or loss on disposal or partial disposal of the net investment.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the group's foreign operations are translated at exchange rates prevailing on the balance sheet date. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the date of transactions are used. Exchange differences arising, if any, are recognised in OCI and accumulated in a separate component of equity.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest become a financial asset), all of the exchange differences accumulated in a separate component of equity in respect of that operation attributable to the owners of the Company are reclassified to consolidated statement of profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interest and are not recognised in consolidated statement of profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to consolidated statement of profit or loss.

Fair value

Fair value is defined as the a price at which an asset is to be sold or paid to convert any of the liabilities in a structured transaction between the market participants on the measurement date, irrespective of whether the price can be realized directly or whether it is estimated using another valuation technique. When estimating the fair value of an asset or liability, the Company takes into consideration when determining the price of any asset or liability whether market participants are required to take these factors into account at the measurement date. The fair value of the measurement and / or disclosure purposes in these financial statements is determined on the same basis, except for measurement measures that are similar to fair value procedures and are not fair value such as fair value as used in IAS (36.)

In addition, fair value measurements are classified for the purposes of financial reporting to level (1) or (2) or (3) based on the extent to which the inputs are clear to fair value measurements and the importance of inputs to the full fair value measurements, which are identified as follows:

Input Level (1) inputs derived from quoted (unadjusted) prices of identical assets or liabilities in active markets that the enterprise can obtain on the measurement date;

Input level (2) inputs derived from data other than quoted prices used at level 1 and observable for assets or liabilities, either directly or indirectly; and;

Input level (3) are inputs to assets or liabilities that are not based on quoted market prices.

End-of-service Indemnity Provision

A provision is taken to meet the legal and contractual obligations related to the end-of-service indemnities of the employees who are not enrolled for social security in the statement of profit or loss. The annual compensation paid to the employees who leave the service is carried to the provision for end-of-service indemnities when paid

Annual Vacation Provision

Provision is taken for unutilized annual leave days for employees at the date of the consolidated financial statement in the consolidated statement of profit or loss.

Lease contracts

The Company as a Lessee

The Company assesses whether the contract contains lease when starting the contract. Moreover, the company recognizes the right-of-use assets and the corresponding lease obligations in relation to all lease arrangements to which the lessee is a party, except for short-term lease contracts (defined as leases of 12 months or less) and low-value asset leases. For these contracts, the group recognizes the lease payments as an operating expense on a straight-line basis over the period of the lease, unless another regular basis is more representative of the time pattern in which the economic benefits from the leased assets are utilized.

The lease obligation is initially measured at the present value of the lease payments that were not paid on the start date of the lease, and is discounted using the price implicit in the lease. If this rate cannot be easily determined, the group uses its additional expected rate.

The lease payments included in the rental obligation measurement include:

- Fixed rental payments (essentially including fixed payments), minus accrued receivable rental incentives;
- Variable rental payments that depend on an index or rate, initially measured using the indicator or the rate at the date the contract begins;
- The amount expected to be paid by the lessee under the residual value guarantees;
- The price of the exercise of purchase options, if the lessee is reasonably certain of the exercise of the options; and
- Payment of the contract termination fines, if the lease reflects the exercise of the lease termination option.

Rental obligations are presented as a separate note in the consolidated statement of financial position.

Subsequently, lease obligations are measured by increasing the book value to reflect the interest in the rental obligations (using the effective interest method) and by reducing the book value to reflect the rental payments paid.

The lease obligations (and a similar adjustment to the related right-of-use assets) are re-measured whenever:

- The lease term has changed, or there is an event or important change in the conditions that lead to a change in the exercise of the purchase option assessment, in which case the lease obligations are re-measured by deducting the adjusted lease payment using the adjusted discount rate.
- Lease payments change due to changes in an index, rate, or change in expected payments under the guaranteed residual value, in which cases the lease obligation is re-measured by deducting the modified rental payments using a non-variable discount rate (unless the rental payments change due to a change in the floating interest rate. In this case, the adjusted discount rate is used.
- The lease contract is adjusted, and the lease amendment is not accounted for as a separate lease, in which case the lease obligation is re-measured based on the duration of the adjusted lease contract by deducting the adjusted rental payments, using the adjusted discount rate at the actual price at the date of the amendment.

The right-of-use assets are depreciated over the life of the lease or the useful life of the asset (whichever is shorter). If the lease contract transfers the ownership of the underlying asset or the cost of the right to use, which reflects that the company expects to exercise the purchase option, then the relevant value of the right to use is depreciated over the useful life of the asset. Depreciation begins on the date the commencement of the lease.

The right-of-use assets are presented as a separate note in the consolidated statement of financial position.

The Group applies International Accounting Standard (36) to determine whether the value of the right to use has decreased its value and calculates any impairment losses as described in the policy of "property and equipment".

Variable rents that are not dependent on an index or rate are not included in the measurement of lease obligations and right-of-use assets. Related payments are recognized as an expense in the period in which the event or condition that leads to these payments occurs and are included in "Other Expenditures" in the statement of profit or loss.

The Company as a Lessor

The Company enters into lease contracts as a lessor regarding some investment properties.

Leases in which the Company is a lessor are classified as operating or finance leases. In the event that the terms of the lease contract transfer all risks and rewards of ownership to the lessee, the contract is classified as a finance lease, and all other leases are classified as operating leases.

When the Company is an intermediary lessor, it represents the main lease and sub-contract as two separate contracts. The sublease contract is classified as a finance or operating lease by reference to the original right of use arising from the main lease.

Rental income from operating leases is recognized on a straight-line basis over the period of the relevant lease. The primary direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and are recognized on a straight-line basis over the lease term.

The amounts due from the lessee under finance leases are recognized as receivables with the amount of the company's net investment in the rental contracts. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the group existing net investment with respect to lease contracts.

When the contract includes leasing components and other components other than leasing, the Company applies IFRS 15 to distribute the amounts received or to be received under the contract for each component.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis or to realize the asset and settle the liability simultaneously.

Project under Construction

Projects under construction are carried at cost less any impairment loss. Such cost includes expenditures directly attributable to the acquisition of assets. Depreciation on these assets commences when they are ready for their intended use.

Borrowing costs

The interest on loans used to finance hospital expansion projects capitalized as part of the cost and all other borrowing costs are recorded on the profit or loss statement and statement of comprehensive income.

3. Adoption of new and revised Standards

a. New and amended IFRS Standards that are effective for the current year

The following new and revised IFRSs, which became effective for annual periods beginning on or after January 1, 2022, have been adopted in these consolidated financial statements. The application of these revised IFRSs has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for future transactions or arrangements.

Amendments to IFRS 3 Business Combinations – Reference to the Conceptual Framework

The amendments update IFRS 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Framework. They also add to IFRS 3 a requirement that, for obligations within the scope of IAS 37, an acquirer applies IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events. For a levy that would be within the scope of IFRIC 21 Levies, the acquirer applies IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date.

Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Annual Improvements to IFRS Standards 2018-2020

The Annual Improvements include amendments to four standards:

Amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards

The amendment provides additional relief to a subsidiary which becomes a first-time adopter later than its parent in respect of accounting for cumulative translation differences. As a result of the amendment, a subsidiary that uses the exemption in IFRS 1:D16 (a) can now also elect to measure cumulative translation differences for all foreign operations at the carrying amount that would be included in the parent's consolidated financial statements, based on the parent's date of transition to IFRS Standards, if no adjustments were made for consolidation procedures and for the effects of the business combination in which the parent acquired the subsidiary. A similar election is available to an associate or joint venture that uses the exemption in IFRS 1:D16 (a).

IFRS 9 Financial Instruments

The amendment clarifies that in applying the '10 per cent' test to assess whether to derecognise a financial liability, an entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

IFRS 16 Leases

The amendment removes the illustration of the reimbursement of leasehold improvements.

IAS 41 Agriculture

The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pretax or post-tax cash flows and discount rates for the most appropriate fair value measurement.

b. New and Revised Standards in issue but not yet effective

At the date of authorization of these consolidated financial statements, the Group has not applied the following new and revised IFRS Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective date
IFRS 17 Insurance Contracts (including the June 2020 amendments to IFRS 17) IFRS 17 establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts and supersedes IFRS 4 Insurance Contracts. IFRS 17 outlines a general model, which is modified for insurance contracts with direct participation features, described as the variable fee approach. The general model is simplified if certain criteria are met by measuring the liability for remaining coverage using the premium allocation approach.	The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, unless impracticable, in which case the modified retrospective approach or the fair value approach is applied.

The general model uses current assumptions to estimate the amount, timing and uncertainty of future cash flows and it explicitly measures the cost of that uncertainty. It takes into account market interest rates and the impact of policyholders' options and guarantees.

In June 2020, the Board issued Amendments to IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 was published. The amendments defer the date of initial application of IFRS 17 (incorporating the amendments) to annual reporting periods beginning on or after January 1, 2023. At the same time, the Board issued Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4) that extends the fixed expiry date of the temporary exemption from applying IFRS 9 in IFRS 4 to annual reporting periods beginning on or after January 1, 2023.

In December 2021, the IASB issued Initial Application of IFRS 17 and IFRS 9—Comparative Information (Amendment to IFRS 17) to address implementation challenges that were identified after IFRS 17 was published. The amendment addresses challenges in the presentation of comparative information.

For the purpose of the transition requirements, the date of initial application is the start of the annual reporting period in which the entity first applies the Standard, and the transition date is the beginning of the period immediately preceding the date of initial application.

New and revised IFRSs	Effective date
<p>Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</p> <p>The amendments to IFRS 10 and IAS 28 deal with situations where there is a sale or contribution of assets between an investor and its associate or joint venture. Specifically, the amendments state that gains or losses resulting from the loss of control of a subsidiary that does not contain a business in a transaction with an associate or a joint venture that is accounted for using the equity method, are recognised in the parent's profit or loss only to the extent of the unrelated investors' interests in that associate or joint venture. Similarly, gains and losses resulting from the remeasurement of investments retained in any former subsidiary (that has become an associate or a joint venture that is accounted for using the equity method) to fair value are recognised in the former parent's profit or loss only to the extent of the unrelated investors' interests in the new associate or joint venture.</p>	<p>The effective date is yet to be set. Earlier application is permitted.</p>
<p>Amendments to IAS 1 Presentation of Financial Statements – Classification of Liabilities as Current or Non-current</p> <p>The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.</p> <p>The amendments clarify that the classification of liabilities as current or noncurrent is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services.</p>	<p>The amendments are applied retrospectively for annual periods beginning on or after January 1, 2023, with early application permitted.</p>
<p>Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements - Disclosure of Accounting Policies</p> <p>The amendments change the requirements in IAS 1 with regard to disclosure of accounting policies. The amendments replace all instances of the term 'significant accounting policies' with 'material accounting policy information'. Accounting policy information is material if, when considered together with other information included in an entity's financial statements, it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.</p>	<p>January 1, 2023, with earlier application permitted and are applied prospectively.</p> <p>The amendments to IFRS Practice Statement 2 do not contain an effective date or transition requirements.</p>
<p>The supporting paragraphs in IAS 1 are also amended to clarify that accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed. Accounting policy information may be material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial. However, not all accounting policy information relating to material transactions, other events or conditions is itself material.</p> <p>The Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.</p>	

New and revised IFRSs	Effective date
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors - Definition of Accounting Estimates	January 1, 2023, with earlier application permitted
<p>The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”.</p>	
<p>The definition of a change in accounting estimates was deleted. However, the Board retained the concept of changes in accounting estimates in the Standard with the following clarifications:</p> <ul style="list-style-type: none"> • A change in accounting estimate that results from new information or new developments is not the correction of an error • The effects of a change in an input or a measurement technique used to develop an accounting estimate are changes in accounting estimates if they do not result from the correction of prior period errors 	
<p>The IASB added two examples (Examples 4-5) to the Guidance on implementing IAS 8, which accompanies the Standard. The IASB has deleted one example (Example 3) as it could cause confusion in light of the amendments.</p>	
Amendments to IAS 12 Income Taxes - Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023, with earlier application permitted
<p>The amendments introduce a further exception from the initial recognition exemption. Under the amendments, an entity does not apply the initial recognition exemption for transactions that give rise to equal taxable and deductible temporary differences.</p>	
<p>Depending on the applicable tax law, equal taxable and deductible temporary differences may arise on initial recognition of an asset and liability in a transaction that is not a business combination and affects neither accounting nor taxable profit. For example, this may arise upon recognition of a lease liability and the corresponding right-of-use asset applying IFRS 16 at the commencement date of a lease.</p>	
<p>Following the amendments to IAS 12, an entity is required to recognise the related deferred tax asset and liability, with the recognition of any deferred tax asset being subject to the recoverability criteria in IAS 12.</p>	
<p>The Board also adds an illustrative example to IAS 12 that explains how the amendments are applied.</p>	

New and revised IFRSs	Effective date
The amendments apply to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period an entity recognises:	January 1, 2023, with earlier application permitted

- A deferred tax asset (to the extent that it is probable that taxable profit will be available against which the deductible temporary difference can be utilised) and a deferred tax liability for all deductible and taxable temporary differences associated with:

- Right-of-use assets and lease liabilities
- Decommissioning, restoration and similar liabilities and the corresponding amounts recognised as part of the cost of the related asset

The cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date.

Management anticipates that these new standards, interpretations and amendments will be adopted in the Group's consolidated financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments, may have no material impact on the consolidated financial statements of the Group in the period of initial application.

4. Significant Accounting Judgments and Key Sources of Uncertainty

The preparation of the consolidated financial statements and the adoption of accounting policies requires the management to make judgments, estimates and assumptions that affect the amounts of financial assets and financial liabilities and the disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses and provisions in general and expected credit losses. In particular, the Company's management is required to make judgments to estimate the amounts and timing of future cash flows. These mentioned estimates are based on multiple hypotheses and factors with varying degrees of estimation and uncertainty. Actual results may differ from estimates as a result of changes in these conditions and circumstances in the future.

Judgments, estimates and assumptions are reviewed periodically. The effect of the change in estimates is recognized in the financial period in which the change has occurred and only if the change affects the same financial period. Moreover, the effect of the change in estimates is recognized in the financial period in which the change has occurred and in future periods in case the change affects the financial period and future financial periods.

Management believes that its estimates in the consolidated financial statements are reasonable. The key estimates used by management in applying the Company's accounting policies that have the most significant effect on the amounts recognized in the consolidated financial statements are as follows:

Useful life of Tangible Assets and Intangible Assets

The management periodically re-estimates the useful life of tangible assets and intangible assets for the purpose of calculating the annual depreciation and amortization based on the general condition of those assets and estimated future useful lives. The impairment loss is recognized in the consolidated statement of profit or loss for the year.

Income Tax

The fiscal year is charged its related income tax expense in accordance with the regulations, laws and accounting standards. The deferred taxes and income tax provision are calculated and recognized.

Lawsuit Provision

A provision is booked to meet any potential litigation obligations based on the legal study prepared by the Company's legal counsel that identifies potential risks in the future and periodically reviews the study.

Assets and Liabilities Presented at Cost

Management reviews the assets and liabilities at cost periodically for the purpose of estimating any impairment in value, any impairment loss is recognized in the consolidated statement of profit or loss for the year.

Fair value measurement and valuation procedures

When estimating the fair value of financial assets and financial liabilities, the Company uses available observable market data. In case of the absence of level 1 inputs, the Company conducts evaluations using appropriate valuation models to determine the fair value of financial instruments.

Calculation of provision for expected credit losses

The management is required to use important judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risk of significant increase in credit risk for financial assets after the initial recognition and future measurements information for expected credit losses. The expected credit loss is measured as an allowance equivalent to the expected credit loss over the life of the asset.

Determining the number and relative weight of forward looking scenarios for each type of products / market and the identification of future information relevant to each scenario

When measuring the expected credit loss, the Company uses reasonable and reliable future information based on the assumptions of the future movement of the various economic factors and how these economic factors affect each other.

Probability of default

The probability of default is a key input in measuring the expected credit loss. The probability of default is considered an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions and expectations relating to future circumstances.

Loss given default

Loss given default is an estimate of the loss arising from default. It is based on the difference between the contractual cash flows due and those that the financier expects to collect, taking into account cash flows from collaterals and credit adjustments.

Revenue recognition

The Company's management uses significant estimates and assumptions to determine the amount and timing of revenue recognition under IFRS 15, "Revenue from contracts with customers".

Extension and termination options in lease contracts

Extension and termination options are included in a number of leases. These terms are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable both by the Company and the respective lessor.

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

5. Property and Equipment - Net

	Land *	Buildings and Main Constructions	Machinery and Medical Equipment	Furniture, Fixtures and Decoration	Computers and Electronic Equipment	Vehicles	Elevators and Buildings	Solar Panels	Total
<u>2022</u>	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:									
Balance at the beginning of the year	7,833,731	9,290,533	12,453,189	2,166,731	1,965,057	196,072	1,124,802	2,287,784	37,317,899
Additions	51,000	-	401,540	67,841	97,854	-	2,345	-	620,580
Balance at the end of the year	7,884,731	9,290,533	12,854,729	2,234,572	2,062,911	196,072	1,127,147	2,287,784	37,938,479
Accumulated Depreciation:									
Balance as of the beginning of the year	-	2,509,600	10,388,574	1,926,734	1,784,585	196,072	1,042,071	1,059,179	18,906,815
Depreciation for the year	-	185,749	479,048	52,914	68,938	-	72,014	326,107	1,184,770
Balance at the end of the year	-	2,695,349	10,867,622	1,979,648	1,853,523	196,072	1,114,085	1,385,286	20,091,585
Net Book Value as of December 31, 2022	7,884,731	6,595,184	1,987,107	254,924	209,388	-	13,062	902,498	17,846,894
<u>2021</u>									
Cost:									
Balance at the beginning of the year	7,833,731	9,290,533	12,265,965	2,125,603	1,889,826	196,072	1,124,802	2,287,784	37,014,316
Additions	-	-	187,224	41,128	75,231	-	-	-	303,583
Balance at the end of the year	7,833,731	9,290,533	12,453,189	2,166,731	1,965,057	196,072	1,124,802	2,287,784	37,317,899
Accumulated Depreciation:									
Balance as of the beginning of the year	-	2,323,796	9,933,060	1,874,574	1,722,021	196,072	895,196	733,072	17,677,791
Depreciation for the year	-	185,804	455,514	52,160	62,564	-	146,875	326,107	1,229,024
Balance at the end of the year	-	2,509,600	10,388,574	1,926,734	1,784,585	196,072	1,042,071	1,059,179	18,906,815
Net Book Value as of December 31, 2021	7,833,731	6,780,933	2,064,615	239,997	180,472	-	82,731	1,228,605	18,411,084
Annual depreciation rate %	-	2	20 - 10	12	12 - 33	15	10 - 20	15	

* As mentioned in Note (14), a finance lease agreement was signed concerning Land No.(1284) with Arab International Islamic Bank on July 28, 2016. Property and equipment includes fully depreciated assets of JD 11,796,762 as of December 31, 2022 (JD 11,635,131 as of December 31, 2021).

6. Projects under Construction

This item includes the expansion of the main building of the hospital project. The project was 90% completed as of December 31, 2022 (73% as of December 31, 2021) for costs of approximately JD 6 million the project is expected to be completed during 2023 for a total cost of JD 8,2 million. During the year 2022, the company purchased two plots of land No. 1028 and 954 in Wadi Saqra Basin No. 18 through lease contracts ending with ownership (Note 14). The company will demolish the buildings built on the lands and start preparing and building new buildings belonging to the company.

- The movement on projects under construction during the year was as follows:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Balance-beginning of the year	6,432,674	4,140,717
Additions during the year	4,877,840	2,291,957
Balance-End of Year	11,310,514	6,432,674

7. Right of Use / Lease liability

This item includes the following:

a. Right of Use

The Company leases many buildings with a different term for each, below the movement on right of use during the year:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Balance – beginning of the year	989,254	735,913
New contracts during the year	-	597,226
Amortization during the year	(237,657)	(343,885)
	751,597	989,254

Recognized amounts in the consolidated statement of profit or loss

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Amortization during the year	(237,657)	(343,885)
Interest expenses during the year	(113,401)	(101,173)

b. Lease Liability

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Balance – beginning of the year	986,356	720,327
New contracts during the year	-	597,226
Interest expenses during the year	113,401	101,173
Paid during the year	(357,130)	(432,370)
	<u>742,627</u>	<u>986,356</u>

Maturities of Lease liability

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Less than one year	246,705	327,673
From 1 year to 5 years	495,922	492,260
More than 5 year	-	166,423
	<u>742,627</u>	<u>986,356</u>

8. Medicine and Medical Supplies

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Main medical warehouse	527,593	550,714
Pharmacy warehouse	182,973	125,212
Medical supplies warehouse	128,983	190,381
Floors and department warehouse	509,709	273,157
Medical spare parts warehouse	7,501	40,281
Other warehouses	136,280	113,225
	<u>1,493,039</u>	<u>1,292,970</u>

9. Receivables – Net

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Receivables	7,173,664	7,124,310
<u>Less:</u> discounts allowance*	(598,019)	(780,806)
Provision for expected credit loss **	(2,592,052)	(2,187,248)
	<u>3,983,593</u>	<u>4,156,256</u>

The average credit period ranges from 30 to 90 days. No interest charged on the outstanding trade receivable balances.

The Company has adopted the simplified approach as permitted by IFRS 9 the Company measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The expected credit losses on trade receivables are estimated using a provision matrix by reference to past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for factors that are specific to the debtors, general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of conditions at the consolidated financial statements date.

The table below illustrates the determination of the risk of trade receivables based on the provision's matrix:

As of December 31, 2022		Receivables are past due					
	Current receivables (not past due) *	Less than 60 days	From 61 days to 90 days	From 91 days to 120 days	From 121 days to 365 days	More than 365 days	Total
	JD	JD		JD	JD	JD	JD
Total trade receivables	1,976,071	724,998	760,567	839,796	1,582,142	1,290,090	7,173,664
Expected credit loss and discount	159,208	260,999	349,861	386,306	734,607	1,290,090	3,190,071
Expected credit loss rate and discount	8%	36%	46%	46%	47%	100%	

As of December 31, 2021		Receivables are past due					
	Current receivables (not past due) *	Less than 60 days	From 61 days to 90 days	From 91 days to 120 days	From 121 days to 365 days	More than 365 days	Total
	JD	JD		JD	JD	JD	JD
Total trade receivables	1,939,189	1,656,810	436,699	575,905	1,399,162	1,116,545	7,124,310
Expected credit loss and discount	224,114	596,452	200,881	172,456	657,606	1,116,545	2,968,054
Expected credit loss rate and discount	12%	36%	46%	46%	47%	100%	

* The movement on the discount allowance during the year is as follows:

	2022	2021
	JD	JD
Balance - beginning of the year	780,806	573,118
(Releases) Additions during the year-net	(182,787)	207,688
Balance - End of the Year	598,019	780,806

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

	2022	2021
	JD	JD
Balance - beginning of the year	2,187,248	1,930,510
Additions during the year	404,804	256,738
Balance - End of the Year	<u>2,592,052</u>	<u>2,187,248</u>

10. Other Debit Balances

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Earned revenue-unissued patients' invoices	237,512	605,800
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	218,127	84,700
Refundable deposits	10,400	10,400
Advance payments for purchase medical equipment **	441,186	441,186
Advance payments to suppliers	582,991	-
Withholding income tax	-	8,982
Other	<u>208,012</u>	<u>193,857</u>
	2,209,283	1,855,980
<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 **	(441,186)	(441,186)
	<u>1,257,042</u>	<u>903,739</u>

* This item represents claims for patients' deposits and their related provision to settle the difference in the patients' deposits debit 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.

11. Checks under Collection

This item represents:

	December 31,	
	2022	2021
	JD	JD
Short-term checks under collection	<u>61,413</u>	<u>72,297</u>
	<u>61,413</u>	<u>72,297</u>

The maturity date of these checks extends up to March 10, 2023.

12. Cash on Hand and at Bank

This item represents:

	December 31,	
	2022	2021
	JD	JD
Cash on hand	54,660	49,287
Cash at banks	120,259	122,028
Deposit *	-	557,748
Total	174,919	729,063
<u>Less: Provision for expected credit loss</u>	<u>(20,924)</u>	<u>(20,924)</u>
	<u>153,995</u>	<u>708,139</u>

- * This item represents a deposit at the Arab International Islamic Bank for six months at a Murabaha rate of 4,7% as of December 31, 2021 and it's restricted against loans liabilities.

The movement on the provision of the expected credit loss on the cash in banks is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	20,924	20,924
Balance at the Year End	<u>20,924</u>	<u>20,924</u>

13. Shareholders' Equity

a. Capital, premium and retained earnings

The authorized and paid-up capital amounted to JD 20,000,000 divided into 20,000,000 shares at a par value of JD 1 per share as of December 31, 2022 (JD 20,000,000 as of December 31, 2021).

b. Statutory reserve

The accumulated balance in this account represents appropriations from net income before tax for the year and previous years at 10%. This reserve cannot be distributed to shareholders.

14. Liabilities against Finance Lease Contract

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Liabilities against short-term finance lease contracts - Islamic Arab Bank, solar power	274,212	479,871
Liabilities against short-term finance istisna' contracts - Islamic Arab Bank, hospital expansion	851,971	627,813
Liabilities against short-term finance Lease contracts - Islamic Arab Bank	734,311	665,916
Short-term land ownership transfer fees	(47,439)	(47,439)
	<u>1,813,055</u>	<u>1,726,161</u>
Liabilities against long-term finance lease contracts - Islamic Arab Bank, solar power	1,031,028	1,032,149
Liabilities against long-term finance istisna' contracts - Islamic Arab Bank hospital expansion	1,831,729	1,398,990
Liabilities against long-term finance lease contracts - Islamic Arab Bank	5,127,588	1,977,957
Long-term land ownership transfer fees	(94,397)	(131,532)
	<u>7,895,948</u>	<u>4,277,564</u>
	<u>9,709,003</u>	<u>6,003,725</u>

The 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 is 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' agreement on September 5, 2019 for the purposes of expanding the fourth and fifth floor of the ISTISHARI hospital building with amount of JD 1,694,812 with a margin of 2.36% per annum, which is paid in installments at 48 monthly installments. These amounts are guaranteed against a first-class mortgage on a plot of land worth JD 2,189k.

The Company has signed a financing leasing agreement to finance the solar energy project on November 18, 2018 with a total amount of JD 2,490,750, with a rental yield of 2.5% per annum to be paid on 109 monthly installments divided over 9 years, where the monthly premium is JD 22,851.

During the year 2022, the company signed financial leasing agreements to purchase the two plots of land No. 954 and 1028 in Wadi Saqra Basin No. 18 with the Islamic International Arab Bank, provided that the lease period is 120 months divided into 10 years, and it is paid monthly starting from November 30, 2023. The percentage of the first lease return was 6.2% of the original financing value.

The movement on the loan and liabilities against the finance lease for the years 2022 and 2021 is as follows:

	2022	2021
	JD	JD
Beginning balance	6,003,725	6,113,542
Loans and financing lease received	5,282,430	1,240,933
Loans and financing lease paid	(1,577,152)	(1,350,750)
Balance at the End of the Year	9,709,003	6,003,725

15. Other Credit Balances

This item consists of the following:

	December 31,	
	2022	2021
	JD	JD
Accounts payable	3,166,473	3,850,897
Shareholders' deposits	208,999	216,827
Vacation provision *	230,040	216,708
Accrued salaries and expenses	372,180	198,833
Provision for potential claims	21,069	21,069
Electromechanical contractors' retentions	86,550	86,550
Stamp fees deposits	59,490	59,490
Social security deposits	125,555	45,553
End-of-service indemnity provision **	68,425	59,334
Postponed checks	4,048	80,120
Income tax deposits	29,239	59,518
Other	226,326	225,401
	4,598,394	5,120,300

* The movement on the provision for employees' vacations during the year is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	216,708	222,671
Additions during the year	42,001	19,782
Less: Paid during the year	(28,669)	(25,745)
Balance at the End of the Year	230,040	216,708

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

	2022	2021
	JD	JD
Balance at the beginning of the year	59,334	117,549
Additions during the year	17,515	18,111
Paid during the year	(8,424)	(76,326)
Balance at the End of the Year	68,425	59,334

16. Provision for contingent liabilities

This item represents the provision taken by the Company to meet claims and other obligation that may arise in the future.

- The movement on the Provision for contingent liabilities is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	851,785	551,785
Additions during for the year	275,005	300,000
Paid during the year	(375,000)	-
Ending Balance (Debit) (Note 10)	751,790	851,785

17. Income Tax

a. The details of deferred tax assets are as follows:

	For the Year Ended December 31, 2022					December 31, 2021
	Balance at the Beginning of the Year	Addition	Released	Year End Balance	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
<u>Accounts included</u>						
<u>Deferred Tax assets:</u>						
Incentive provision	727,861	-	-	727,861	152,850	152,850
Provision for expected credit loss	2,187,248	404,804	-	2,592,052	544,331	459,322
	<u>2,915,109</u>	<u>404,804</u>	<u>-</u>	<u>3,319,913</u>	<u>697,181</u>	<u>612,209</u>

- The Company booked the deferred tax assets for the year 2022 using 21% .

17. Provision for income tax

- The movement on the Provision for income tax is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	274,334	(5,018)
Income tax expense	481,954	279,352
Tax paid during the year	(227,980)	-
Ending Balance	528,308	274,334

- b. Income tax recognized in the consolidation statement of profit or loss and comprehensive income is as follows:

	2022	2021
	JD	JD
Deferred tax assets *	84,972	94,008
Income tax for the year	(481,954)	(279,352)
Income tax / Tax benefits	(396,982)	(185,344)

- * The movement on deferred tax assets during the year is as follows:

	2022	2021
	JD	JD
Balance at the beginning of the year	612,209	518,201
Additions during the year	84,972	94,008
Ending balance	697,181	612,209

- Reconciliation of the accounting profit and the taxable profit is as follows:

	2022	2021
	JD	JD
Accounting profit	1,280,006	1,012,565
Non-taxable expenses	610,384	306,738
Taxable profit	1,890,390	1,319,303
Income Tax Rate	21%	21%

The Company has completed the tax situation until 2018 and the income and sales tax department have audited the income tax files for the years 2016, 2017 and 2018 and issued an initial claim in the amount of JD 2.3 million, the Company has appealed this decision, and in the opinion of the management and the tax consultant, the provisions allocated in the financial statements of the Company are sufficient.

The Company has submitted tax returns for the years 2020 and 2021 and they still under audit.

18. Operating Revenue - net

This item consists of the following:

	2022	2021
	JD	JD
Room fees	1,703,033	1,440,831
Medical supplies	4,339,882	4,033,144
Medical procedures	3,343,491	3,040,973
Pharmacy	4,307,137	3,651,886
Other departments	4,742,089	5,172,384
	18,435,632	17,339,218

19. Cost of Revenue

This item consists of the following:

	2022	2021
	JD	JD
Wages and salaries and related	5,060,235	4,548,405
Social security	483,027	511,051
Medicine and medical supplies	4,551,789	4,062,427
Electricity and water	158,820	157,943
Depreciation of property and equipment	1,065,856	1,122,487
Amortization of Right of use	207,217	279,036
Cleaning	290,787	279,628
Maintenance	229,004	112,487
Food	357,522	315,113
Consumables	689,612	1,053,740
Cafeteria expense	97,053	91,820
Fuel	235,082	193,470
Incendiary expenses	36,294	37,798
Revenue stamps	9,636	14,682
Real estate tax	13,815	12,019
Government fees	64,240	97,994
Other	83,338	147,976
	<u>13,633,327</u>	<u>13,056,036</u>

20. General and Administrative Expenses

This item consists of the following:

	2022	2021
	JD	JD
Salaries, wages, and benefits	1,283,227	1,264,012
Social security	157,080	153,912
End-of-service indemnity	17,515	18,111
Computer and program expense	18,014	14,146
Stationery and printing	24,587	21,613
Recruitment expense	38,089	39,889
Depreciation of property and equipment	118,914	106,577
Amortization of right of use	30,440	46,849
Security and sentry	62,472	83,713
Maintenance	179,404	218,980
Professional fees and consulting	77,210	53,611
Insurance	232,533	190,017
Provision for contingent liabilities	275,005	300,000
Advertisements and subscriptions	55,696	29,547
Postage and telephone	40,702	39,213
Legal fees	35,531	45,069
Employees' vacation expenses	42,001	19,786
Other	297,182	280,674
	<u>2,985,602</u>	<u>2,925,719</u>

21. Other Revenue - Net

This item consists of the following:

	2022	2021
	JD	JD
Rents	214,140	195,566
Car parking income	72,052	63,968
Interest Revenue	42,087	56,642
	<u>328,270</u>	<u>316,176</u>

22. Earnings per Share - Basic and Diluted

This item consists of the following:

	For the Year Ended December 31,	
	2022	2021
	JD	JD
Income for the year	883,024	827,221
	Share	Share
Weighted average number of shares	20,000,000	20,000,000
	JD/Share	JD/Share
Earnings per share for the year relating to the Company's shareholders-Basic and diluted	-/044	-/041

- The weighted average number of shares relates to the Company's shareholders and has been calculated based on the number of authorized shares for the year 2022.

23. Cash and Cash Equivalent

This item consists of the following:

	2022	2021
	JD	JD
Cash on hand and at banks	174,919	729,063
<u>Less:</u> Deposit maturing after more than three months	-	(557,748)
	174,919	171,315

24. Related Party Transactions and Balances

The following are the details of balances and transactions with related parties (Companies and institutions represented by the Board of Directors):

<u>Consolidated Statement of profit or loss Items:</u>	For the Year Ended December 31,	
	2022	2021
	JD	JD
Executive management's salaries and benefits	186,000	186,000

25. Operating Sectors

a. Information about the Company's Activities

The Company conducts one type of activity such as provision of medical care.

b. Geographical Distribution

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

26. Lawsuits against the Company

Lawsuits against the Company amounted to JD 117,467 as of December 31, 2022 (as of December 31, 2021 JD 130,765). In the opinion of the Company's management and its legal advisor, most of these lawsuits are going to be adjusted in favor of the Company.

- There are lawsuits filed by the Company against others of JD 9,921,130 as of December 31, 2022 (JD 10,065,084 December 31, 2021). The lawsuits are still pending at the courts.

27. Contingent Liabilities

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

- Performance guarantees of JD 25,586 with cash margins of JD 3,637.
- Mortgage against loan obligations of JD 2,189,000.
- JD 2.3 Million against pending amounts with the income and sales tax department related to the initial decision regarding tax audit for the years 2016, 2017 and 2018. The Company submitted an objection list for the decision.
- Main hospital building expansion with a total cost JD 2/2 million as of December 31, 2021.
- Contingent liabilities against expansion contracts under construction amount to 2.2 million as of December 31, 2022.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd of JD 30,000.
- Deferred letter of credit amounted to JD 130,421.

28. Contra Accounts

Doctors' fees amounted to JD 5,2 million as of December 31, 2022 (4,5 million JD as of 31 December ,2021) including an amount of 2,3 million related to old debts for doctors, in this respect, the Hospital, under no legal obligation, collects these fees on behalf of the doctors. Consequently, this amount is shown as a contra account in the consolidated financial statements.

29. Risk Management

a. Capital Risk Management

The Company manages its risk to make sure it is able to continually maximize the return to stakeholders by achieving an optimal balance between liabilities and shareholders' equity.

The Company follows a policy of maintaining a safe debt-equity ratio for the shareholders (calculates by evaluating the total liabilities to the total shareholder's equity rights) so that total liabilities do not exceed the Company's capital, as follows:

	December 31,	
	2022	2021
	JD	JD
Total liabilities	16,330,122	13,236,500
Total shareholders' equity	21,225,146	20,342,122
Ratio of liabilities to shareholder's equity	77%	65%

b. Liquidity Risk

Liquidity risk, also known as financing risk, is the risk representing the difficulty the Company faces in making available the necessary funds to meet its financial obligations. Moreover, the Company manages liquidity risk by maintaining reserves, continuously monitoring the actual cash flows, and matching the maturities of financial assets with those of financial liabilities as follows:

	December 31,	
	2022	2021
	JD	JD
Current assets	6,949,082	7,133,401
<u>Less:</u> Current liabilities	(7,938,252)	(8,300,253)
Net (deficit) in working capital	(989,170)	(1,166,852)

The Company manages liquidity risk through diversifying its sources of finance, managing assets and liabilities and monitoring their maturities, securing a suitable source of finance at the proper time to match the liabilities.

c. Credit Risk

Credit risk relates to the failure of other parties to fulfill their contractual obligations, thus causing losses to the Company. Moreover, the Company follows a policy of dealing with credit worthy parties to minimize the risk of financial loss arising from defaults.

The Company's assets are mainly receivables, checks under collection, and cash and deposits at banks. They do not represent an important concentration in credit risk. Debtors are also widely distributed among customers and over geographical locations, and strict credit control is directly maintained over the credit limits of each client separately. Note that the receivables of the largest nine customers amounted to 3,6 million, equivalent to 52% of the total receivables as of December 31, 2022 (Nine clients represented about 3.6 million, which is equivalent to 51% of the total receivables as on December 31, 2021).

d. Market Risk

Market risk relates to losses due to market price fluctuations, including interest rates and foreign currency exchange rates, and consequently, the fair value of cash flow of financial instruments off-and on-the consolidation statement of financial position.

1. Foreign Currency Risk

Foreign currency transactions are recorded in Jordanian Dinar at the exchange rate prevailing on the transaction date. Assets and liabilities denominated in foreign currencies are translated into Jordanian Dinar at the exchange rates prevailing at the statement of financial position date, and the exchange difference arising therefrom is taken to the consolidation statement of profit or loss and comprehensive income.

2. Interest Rate Risk

Interest rate risk relates to the change in the value of the financial instrument as a result of changes in market interest rates.

The Company monitors its interest rate risk, and various matters, such as financing and renewing current financial positions are evaluated.

The below mentioned analysis is determined according to the exposure to interest rate risk relating to the Loans and deposits at banks as of the financial statements date. Furthermore, the analysis has been prepared assuming that the obligation amount at the financial statement date was outstanding during the whole year. An increase or decrease of 1% is used.

Loans and obligation against financial leasing contracts

	2022		2021	
	+1%	- (1) %	+1%	- (1) %
	JD	JD	JD	JD
Profit	97,090	(97,090)	60,037	(60,037)
<u>Deposits</u>				
	2022		2021	
	+1%	- (1) %	+1%	- (1) %
	JD	JD	JD	JD
Profit	-	-	5,577	(5,577)

30. Fair Value Levels

We believe that the book value of financial assets and liabilities stated in the Company's financial statements approximate their fair value due to their short-term maturity or interest rates being repriced during the year.