THE CONSULTANT AND INVESTMENT GROUP COMPANY

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2023

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**INDEPENDENT AUDITOR'S R
EPORT**
To the shareholders of the Consultant and Investment Group Company – Public Shareholding Company
Amman – 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 Shareholding Company (the "Company") and its subsidiary (the "Group") which comprise the consolidated statement of financial position as at 31 December 2023, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements including material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2023, 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 Group in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in Jordan, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matter

The consolidated financial statements for the year ended 31 December 2022 were audited by another auditor who expressed an unqualified opinion on 30 March 2023.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for 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. For each matter below, our description of how our audit addressed the matter provided in that context .

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.

<table>
<tr><td colspan="2">1. Revenue Recognition

Disclosures that relate to revenue recognition are included in note (19) to the consolidated financial statements. Disclosures that relate to material accounting policies of revenue recognition are included in note (2-4) to the consolidated financial statements.</td></tr>
<tr><td>Key audit matter

The Group focuses on revenues as a key performance metric which may create an incentive for revenue to be recognized before the sale is completed and may result in overstating recognized revenues. The Group's revenues amounted to JD 19,331,196 for the year ended 31 December 2023. This was considered as a key audit matter.</td><td>How the key audit matter was addressed

The audit procedures included evaluating the Group's revenue recognition accounting policies in accordance with International Financial Reporting Standard (15). We performed an understanding of the Group's internal control system over revenue recognition, including the main internal control elements within the revenue recognition cycle. We also selected a sample before and after the end of the fiscal year to assess whether revenue was recognized during the correct period. We have also performed detailed analytical procedures for the gross margin on a monthly basis. We also selected and tested a representative sample of journal entries from the revenue accounts. The audit approach was also based on automated internal control systems on revenues, and accordingly, control procedures for information technology systems were designed with the help of our specialized team in information technology.</td></tr>
</table>

2. Recoverability of trade receivables

Disclosures that relate to trade receivables are included in note (9) to the consolidated financial statements. Disclosures that relate to the material accounting policies of trade receivables are included in note (2-4) to the consolidated financial statements.

Key audit matter	How the key audit matter was addressed
The net trade receivables balance amounted to JD 4,708,305 as at 31 December 2023 representing 11.6% of the Group's total assets. The Group has applied the simplified approach of International Financial Reporting Standard (9) (financial instruments) for the recognition of the expected credit losses on the trade receivable and calculating the expected credit losses for the lifetime of the receivables. The Group has performed a detailed study that is based on the Group's historical credit loss experience, adjusted for forward-looking factors and economic environment. Due to the significance of trade receivables and due to the fact that the provisions require a high level of uncertain judgments as required by IFRS (9), this was considered as key audit matter.	Our audit procedures included the following: - Assessing and understanding the Group's policy followed in calculating the provision in comparison with the requirement of International Financial Reporting Standard (9). - Verifying the inputs and information used in the expected credit losses framework. - We assessed the relevancy and reasonableness of estimates and judgements used by management in calculating the provision for expected credit losses.

Other information included in the Group's 2023 annual report

Other information consists of the information included in the Group's 2023 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2023 Annual Report is expected to be made available to us after the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

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

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

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- 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 exist, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on Other Legal and Regulatory Requirements

The Group maintains proper books of accounts which are in agreement with the consolidated financial statements.

The partner in charge of the audit resulting in this auditor's report was Ali Hasan Samara; license number 503.

Amman – Jordan
28 March 2024

ERNST & YOUNG
Amman - Jordan

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

	Notes	2023	2022
Assets		JD	JD
Non-current assets -			
Property and equipment	4	17,722,841	17,846,894
Projects under construction	5	11,026,329	11,310,514
Investment properties	6	2,735,044	-
Right of use assets	7	838,537	751,597
Deferred tax assets	18	548,725	697,181
		32,871,476	30,606,186
Current assets -			
Medicine and medical supplies	8	1,455,679	1,493,039
Trade receivables	9	4,708,305	3,983,593
Other debit balances	10	1,173,183	1,257,042
Checks under collection	11	50,453	61,413
Cash-on-hand and bank balances	12	287,314	153,995
		7,674,934	6,949,082
Total assets		40,546,410	37,555,268
Equity and Liabilities			
Shareholders' equity -			
Paid-in capital	1, 13	20,000,000	20,000,000
Statutory reserve	13	911,074	793,808
Retained earnings		1,150,618	431,338
Total equity		22,061,692	21,225,146
Liabilities -			
Non-current liabilities -			
Long-term lease liabilities	7	550,523	495,922
Long-term liabilities against finance lease contracts	14	9,152,632	7,895,948
Long-term Murabaha facilities	15	96,749	-
		9,799,904	8,391,870
Current liabilities -			
Short-term lease liabilities	7	370,000	246,705
Short-term liabilities against finance lease contracts	14	1,639,306	1,813,055
Short-term Murabaha facilities	15	264,892	-
Contingent liabilities provision	16	1,051,790	751,790
Accounts payable and other credit balances	17	5,134,391	4,598,394
Income tax provision	18	224,435	528,308
		8,684,814	7,938,252
Total liabilities		18,484,718	16,330,122
Total equity and liabilities		40,546,410	37,555,268

The attached notes from 1 to 31 form part of these consolidated financial statements

	Notes	2023	2022
		JD	JD
Operating revenues	19	19,331,196	18,435,632
Cost of operating revenues	20	(14,688,065)	(13,633,327)
Gross profit		4,643,131	4,802,305
General and administrative expenses	21	(3,216,009)	(2,985,602)
Finance and lease liabilities costs		(353,397)	(372,631)
Expected credit losses provision	9	-	(404,804)
Marketing expense		(112,018)	(87,532)
Other income, net	22	211,018	328,270
Profit for the year before income tax		1,172,656	1,280,006
Income tax	18	(336,110)	(396,982)
Profit for the year		836,546	883,024
Other comprehensive income items		-	-
Total comprehensive income for the year		836,546	883,024
		JD/Fils	JD/Fils
Basic and diluted earnings per share for the year	23	0/042	0/044

The attached notes from 1 to 31 form part of these consolidated financial statements

THE CONSULTANT AND INVESTMENT GROUP COMPANY - PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2023

	Paid-in capital	Statutory reserve	Retained earnings	Total
	JD	JD	JD	JD
For the year ended 31 December 2023 -				
Balance as at 1 January 2023	20,000,000	793,808	431,338	21,225,146
Total comprehensive income for the year	-	-	836,546	836,546
Transferred to statutory reserve	-	117,266	(117,266)	-
Balance as at 31 December 2023	20,000,000	911,074	1,150,618	22,061,692
For the year ended 31 December 2022 -				
Balance as at 1 January 2022	20,000,000	665,808	(323,686)	20,342,122
Total comprehensive income for the year	-	-	883,024	883,024
Transferred to statutory reserve	-	128,000	(128,000)	-
Balance as at 31 December 2022	20,000,000	793,808	431,338	21,225,146

The attached notes from 1 to 31 form part of these consolidated financial statements

	Notes	2023	2022
		JD	JD
OPERATING ACTIVITIES			
Profit for the year before tax		1,172,656	1,280,006
Adjustments for:			
Finance and lease liabilities costs		353,397	372,631
Depreciation of property and equipment	4	1,118,877	1,184,770
Depreciation on right-of-use assets	7	306,757	237,657
Contingent liabilities provision	16	300,000	275,005
Expected credit losses provision	9	-	404,804
Employees’ vacations provision	17	41,512	42,001
End-of-service indemnity provision	17	24,036	17,515
Working capital changes:			
Medicine and medical supplies		37,360	(200,069)
Trade receivables		(745,636)	(232,141)
Other debit balances		83,859	(353,303)
Checks under collection		28,127	10,884
Accounts payable and other credit balances		495,349	(449,629)
Paid from income tax provision	18	(491,527)	(227,980)
Paid from employees’ vacations provision	17	(24,900)	(28,669)
Paid from end-of-service indemnity provision	17	-	(8,424)
Paid from contingent liabilities provision		-	(375,000)
Net cash flows from operating activities		2,699,867	1,950,058
INVESTING ACTIVITIES			
Purchases of property and equipment	4	(937,403)	(620,580)
Restricted deposits		-	557,748
Projects under construction	5	(2,508,280)	(4,877,840)
Net cash flows used in investing activities		(3,445,683)	(4,940,672)
FINANCING ACTIVITIES			
Liabilities against finance lease contracts		1,082,935	3,705,278
Murabaha facilities		361,641	-
Finance and lease liabilities costs paid		(282,886)	(353,930)
Lease liabilities paid	7	(286,312)	(357,130)
Net cash flows from financing activities		875,378	2,994,218
Net increase in cash and cash equivalents		129,562	3,604
Cash and cash equivalents at the beginning of the year		174,919	171,315
Cash and cash equivalents at the end of the year	12	304,481	174,919

The attached notes from 1 to 31 form part of these consolidated financial statements

(1) GENERAL

The Consultant and Investments Group Company (Istishari Hospital) was established and registered on 7 November 1995, as a Public Shareholding Company number (299). The Company's paid-in capital was JD 8,000,000. It was increased during the prior years in phases to become JD 20,000,000. The Company's offices are located in Wadi Saqra, P.O Box 840431 Amman 11184 The Hashemite Kingdom of Jordan.

The principal activities of the Company are industrial construction, commercial agencies, investment in commercial and financial projects, establishment and management of health and construction projects, real estate, residential, urban or industrial, commercial markets of all kinds and related services.

The consolidated financial statements were approved by the Board of Directors on 27 March 2024.

(2) BASIS OF PREPARATION AND MATERIAL ACCOUNTING POLICIES

(2-1) BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS) as issued by the International Accounting Standard Board ("IASB").

The consolidated financial statements have been prepared on a historical cost basis.

The consolidated financial statements are presented in Jordanian Dinars ("JD") which is the functional currency of the Group.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiary (Al Motamaizah for Hospital Management Co.) as of 31 December 2023.

	Capital	Main activity	Ownership Percentage
	JD		%
Al Motamaizah for Hospital Management Co.	15,000	Hospital services and import of medical devices and supplies	100

Control is achieved when a group has rights in variable returns resulting from its association with the investee company and has the ability to influence these returns through its ability to control the investee company. The investee company is controlled only when the following is achieved:

- The Group's control over the investee company (existing rights that give the Group the ability to direct the relevant activities of the investee company).
- Display of the group or its rights in the variable returns resulting from its association with the investee company.
- The ability to exercise control over the investee company and influence its returns.

Where the Group owns less than a majority of voting rights or similar rights in the investee company, the Group shall take into account all relevant facts and circumstances to determine.

whether it has control over the investee company, including:

- Contractual arrangements with other voting rights holders in the investee company.
- Rights resulting from other contractual arrangements.
- Current voting rights and possible voting rights of the group.

The Group reassesses whether it controls the investee company and if there are circumstances or facts indicating a change in one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group losses control of the subsidiary. The assets, liabilities, expenses and revenue of the subsidiary are consolidated into the Group’s consolidated financial statements from the date the Group obtains control over the subsidiaries and ceases when the Group losses control of the subsidiary.

Profit and loss and every other item of comprehensive income is charged to the shareholders' equity in the parent company and the rights of non-controlling parties, even if this results in a deficit in the equity balance of the non-controlling parties. If necessary, the financial statements of subsidiaries are amended to align their accounting policies with the Group's accounting policies. Assets, liabilities, equity, income, expenses, profits and losses relating to transactions between the Group and its subsidiary are eliminated.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognition of assets (including goodwill) and liabilities of the subsidiary
- Derecognition of the rights of non-controlling parties
- Derecognition of foreign currency translation reserves
- Recognition of the fair value of the amounts received
- Recognition of the fair value of the investment held in the subsidiary
- Recognition of profits or losses resulting from the loss of control
- Reclassification of the company's share previously recorded in other comprehensive income items to profit and loss

(2-3) CHANGES IN ACCOUNTING POLICY

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2022 except for the adoption of new amendments on the standards effective as of 1 January 2023 shown below:

IFRS 17 Insurance Contracts

In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 has been applied retrospectively on 1 January 2023. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable to the Group.

Definition of Accounting Estimates - Amendments to IAS 8

In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective from 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group consolidated financial statements.

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group consolidated financial statements.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

In May 2021, the Board issued amendments to IAS 12, which narrow the scope of the initial recognition exception under IAS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied 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 presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations.

The amendments are effective from 1 January 2023. and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

The amendments are not expected to have a material impact on the Group consolidated financial statements.

International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12

The amendments to IAS 12 have been introduced in response to the OECD's BEPS Pillar Two rules and include:

- A mandatory temporary exception to the recognition and disclosure of deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules; and

- Disclosure requirements for affected entities to help users of the financial statements better understand an entity's exposure to Pillar Two income taxes arising from that legislation, particularly before its effective date.

The mandatory temporary exception – the use of which is required to be disclosed – applies immediately. The remaining disclosure requirements apply for annual reporting periods beginning on or after 1 January 2023, but not for any interim periods ending on or before 31 December 2023.

The amendments had no impact on the Group's consolidated financial statements as the Group is not in scope of the Pillar Two model rules as its revenue is less that EUR 750 million/year.

(2-4) MATERIAL ACCOUNTING POLICY INFORMATION

Property and equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation and any impairment value. Maintenance and repair expenses are recognized in the consolidated statement of comprehensive income.

Depreciation (except for land) is computed on a straight-line basis over the estimated useful lives of assets at the following annual rates:

	%
Buildings and main constructions	2
Medical devices and equipment	10-20
Furniture, office equipment, and decorations	12
Computers and electronic devices	12-33
Vehicles	15
Elevators and other buildings	10-20
Solar cells	15

Properties and equipment are depreciated according to the above rates, excluding fully depreciated properties and equipment.

When the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, and the impairment is being recognized in the consolidated statement of comprehensive income.

The useful life and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

Properties and equipment are excluded when they are sold or when there are no future economic benefits from them, and any gains or losses from such exclusion are included in the consolidated statement of comprehensive income.

Projects in progress

Projects in progress are stated at cost. This includes the cost of construction, equipment and direct costs. Projects in progress are not depreciated until they are ready for use.

Investment properties

Investment properties are measured on the date of acquisition at cost less accumulated depreciation and impairment in value (if any).

Leases

Group as a lessee

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities.

The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Unless the Group is reasonably certain to obtain ownership of the leased asset at the end of the lease term, the recognised right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term. Right-of-use assets are subject to impairment testing.

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are recognised as expense in the period on which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses the incremental borrowing rate at the lease commencement date if the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the in-substance fixed lease payments or a change in the assessment to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Significant judgement in determining the lease term of contracts with renewal option.

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised. The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

That is, it considers all relevant factors that create an economic incentive for it to exercise the renewal. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise (or not to exercise) the option to renew (e.g., a change in business strategy).

The Group included the renewal period as part of the lease term for leases of plant and machinery due to the significance of these assets to its operations. These leases have a short non-cancellable period and there will be a significant negative effect on production if a replacement is not readily available.

Group as a lessor

Operating lease revenues are recognized as other income in the consolidated statement of comprehensive income on a straight- line basis over the lease term.

Trade receivables

Trade receivables are stated at original invoice amount less expected credit losses provision. The Group applies the simplified approach and calculates the expected credit losses provision for receivables. According to this approach, the Group does not monitor changes in customers' credit risks, but at the date of the consolidated financial statements it calculates a provision for expected credit losses over the life of the receivables. The Group has prepared a table of expected credit losses ratios according to the historical experience of credit losses, taking into account future factors related to debtors and the economic environment. Receivables are written off when there is no possibility of recovery.

Medicine and medical supplies

Inventories are stated at the lower of cost and net realizable value. Cost is determined by using the weighted-average method for the pharmacy stores and for all other stores. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

Cash and cash equivalents

Cash and cash equivalents consist of cash-on-hand, bank balances, and checks under collection with an original maturity of three months or less with no risk of change in their value.

Accounts payable and accruals

Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) arising from a past event and the costs to settle the obligation are both probable and able to be reliably measured.

Loans

After initial recognition, loans are measured at amortized cost using the effective interest rate method. Gains and losses are recognized in the consolidated statement of comprehensive income when the liabilities are paid as well as through the effective interest rate method (EIR) amortization method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Finance costs are recognized in the consolidated statement of comprehensive income.

Revenue recognition

Revenue is recognized in accordance with the five steps model of IFRS 15 which includes the identification of the contracts, price, and performance obligation within the contract.

Revenue is recognized when the Group satisfies the performance obligation. The Group concludes the revenues from patient treatment services and issuance of the invoices at a point on time. Hence, Medical treatment revenues are recognized as the service is provided in which performance obligation is satisfied.

Other revenues are recognized on an accrual basis.

Finance costs

Direct borrowing costs related to the acquisition, construction or production of an asset that necessarily requires a long period to become ready for its intended use or sale are capitalized as part of the costs of that asset. Other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs incurred by the Group in connection with obtaining loans.

Income tax

The Group provides for income tax in accordance with the Income Tax law No.34 of 2014 and its amendments enacted in the Hashemite Kingdom of Jordan and in accordance with IAS 12 which states that deferred tax is provided for temporary differences, at each reporting date, between tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Impairment of financial assets

The adoption of IFRS 9 has fundamentally changed the Group’s accounting for impairment losses for financial assets by replacing IAS 39’s incurred loss approach with a forward-looking expected credit loss (ECL) approach.

IFRS 9 requires the Group to record an allowance for ECL for all debt instruments measured at amortized cost.

For all debt instruments, the Group has applied the standard’s simplified approach and has calculated ECL based on lifetime expected credit losses. The Group has established a provision matrix that is based on the Group’s historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset.

Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used.

Fair value measurement

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

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

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Current versus non-current classification

The Group presents assets and liabilities in consolidated statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized within twelve months after the reporting period ; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period

Or

- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date. All differences are taken to the consolidated statement of comprehensive income.

Offsetting

Offsetting between financial assets and financial liabilities and presenting the net amount on the consolidated statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

Contingent Assets and Liabilities

Contingent liabilities are not recognized in the consolidated financial statements but are disclosed when the possibility of an outflow of resources is remote.

A contingent asset is not recognized in the consolidated financial statements but are disclosed when an inflow of resources is possible.

(3) SIGNIFICANT ESTIMATES AND ASSUMPTIONS

The preparation of the consolidated financial statements requires management to make estimates and assumptions that affect the reported amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues and expenses and the resultant provisions as well as fair value changes reported in equity. In particular, considerable judgment by management is required in the estimation of the amount and timing of future cash flows when determining the level of provisions required. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

Judgments estimates and assumptions in the consolidated financial statements are detailed below:

- A provision is booked for trade receivables based on basis and assumptions approved by the Group’s management to estimate the required provision in according with International Financial Reporting Standard No. (9).

- International Financial Reporting Standard No. (16) requires the Company to make judgments and estimates that affect the measurement of the right to use assets and lease contract liabilities. The Group's management estimates the factors that affect the measurement of the right to use assets and related liabilities, taking into account all factors related to the option to extend or renew lease contracts. It should be noted that management conducts tests to determine whether the contract involves a lease. Additionally, management uses estimates to determine the appropriate discount rate for measuring lease contract liabilities.

- Income tax expense is calculated and charged for the year in accordance with laws and regulation and IFRS. Deferred tax assets and liabilities and income tax provision is calculated accordingly.

- The management periodically reviews the useful lives of property and equipment in order to calculate the annual depreciation expense on the general conditions of the property and equipment and estimate the future useful lives accordingly. Impairment losses of property and equipment are recognized as expense in the consolidated statement of comprehensive income.

- Management derecognises property and equipment based on estimating the net book value of disposed assets.

- A provision will be established against litigations where the Group is the defendant based on a legal study provided by the Group’s legal consultant which will determine the risk that may occur. These studies are reviewed periodically.

(4) PROPERTY AND EQUIPMENT

	Land*	Buildings and main constructions	Medical Devices and Equipment	Furniture, office Equipment, and decorations	Computers and electronic devices	Vehicles	Elevators and Other Buildings	Solar cells	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
2023									
Cost -									
As at 1 January 2023	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
Additions	-	-	679,532	114,946	142,925	-	-	-	937,403
Transferred from projects under construction (note 5)	-	-	-	57,421	-	-	-	-	57,421
As at 31 December 2023	7,884,731	9,290,533	13,534,261	2,406,939	2,205,836	196,072	1,127,147	2,287,784	38,933,303
Accumulated depreciation -									
As at 1 January 2023	-	2,695,349	10,867,622	1,979,648	1,853,523	196,072	1,114,085	1,385,286	20,091,585
Deprecation charge for the year	-	193,902	445,536	66,318	73,239	-	13,062	326,820	1,118,877
As at 31 December 2023	-	2,889,251	11,313,158	2,045,966	1,926,762	196,072	1,127,147	1,712,106	21,210,462
Net book value -									
As at 31 December 2023	7,884,731	6,401,282	2,221,103	360,973	279,074	-	-	575,678	17,722,841
2022									
Cost -									
As at 1 January 2022	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
As at 31 December 2022	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 -									
As at 1 January 2022	-	2,509,600	10,388,574	1,926,734	1,784,585	196,072	1,042,071	1,059,179	18,906,815
Deprecation charge for the year	-	185,749	479,048	52,914	68,938	-	72,014	326,107	1,184,770
As at 31 December 2022	-	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 at 31 December 2022	7,884,731	6,595,184	1,987,107	254,924	209,388	-	13,062	902,498	17,846,894

* As stated in (note 14), the Group signed a financial lease agreement on 28 July 2016, to finance the purchase of a land - plot number (1284) from the International Islamic Arab Bank. This was done by transferring the plot of land to the International Islamic Arab Bank and then leasing it back with Ijarah Muntahia Bittamleek.

* Fully depreciated property and equipment amounted to JD 12,552,305 as of 31 December 2023 (2022: JD 11,792,762).

Depreciation expense was allocated in the consolidated statement of comprehensive income as follows:

	2023	2022
	JD	JD
Cost of operating revenues (note 20)	994,597	1,065,856
General and administrative expenses (note 21)	124,280	118,914
	1,118,877	1,184,770

(5) PROJECTS UNDER CONSTRUCTION

This item represents the work completed and the amounts due and paid to contractors by the Group as follows:

	2023	2022
	JD	JD
Hospital's main building expansion project *	11,026,329	8,589,133
Istishari building project	-	2,663,960
Kidney department	-	57,421
	11,026,329	11,310,514

* The total estimated cost to complete the Hospital's main building expansion project is JD 3,271,282 as of 31 December 2023 and is expected to be completed during 2024.

Movement on projects under construction as of 31 December is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	11,310,514	6,432,674
Additions	2,508,280	4,877,840
Transferred to investment properties (note 6)	(2,735,044)	-
Transferred to property and equipment (note 4)	(57,421)	-
Balance as at 31 December	11,026,329	11,310,514

(6) INVESTMENT PROPERTIES

Movement on investment properties as of 31 December is as follows:

	2023	2022
	JD	JD
Balance at the beginning of the year	-	-
Transferred from projects under construction (note 5) *	2,735,044	-
Balance at the end of the year	2,735,044	-

*This item represents the amounts transferred from projects under construction, which represent two plots of land no. 1028 and 954 in Wadi Saqra Basin no. 18 through Ijarah Muntahia Bittamleek (note 14) for the purpose of leasing them; therefore, these transferred amounts were reclassified under the investment properties item.

The fair value of investment properties as of 31 December 2023 amounted to JD 2,735,044 based on the valuation received from accredited appraisers.

(7) RIGHT OF USE ASSETS AND LEASE LIABILITIES

The Group has various lease contracts for medical clinics and nurses' housing. The Group's obligations under lease contracts are guaranteed by the lessor's ownership of the leased assets.

Set out below are the carrying amounts of right-of-use assets and lease obligations recognized and the movements during the year:

	Right of use assets	Lease contracts liabilities*
	JD	JD
At 1 January 2023	751,597	742,627
Additions	393,697	393,697
Depreciation for the year	(306,757)	-
Finance costs	-	70,511
Lease payments	-	(286,312)
At 31 December 2023	838,537	920,523

	Right of use assets	Lease contracts liabilities*
	JD	JD
At 1 January 2022	989,254	986,356
Depreciation for the year	(237,657)	-
Finance costs	-	113,401
Lease payments	-	(357,130)
At 31 December 2022	751,597	742,627

* Details of lease contracts liabilities as at 31 December were as follows:

	Short term	Long term	Total
	JD	JD	JD
2023	370,000	550,523	920,523
2022	246,705	495,922	742,627

(8) MEDICINE AND MEDICAL SUPPLIES

	2023	2022
	JD	JD
Main medicine warehouse	614,025	527,593
Pharmacy warehouse	151,106	182,973
Medical supplies warehouse	152,931	128,983
Departments and floors’ warehouses	480,766	509,709
Medical spare parts warehouse	35,950	7,501
Other warehouses	20,901	136,280
	1,455,679	1,493,039

(9) TRADE RECEIVABLES

	2023	2022
	JD	JD
Trade receivables	7,598,928	7,173,664
Allowed discount provision *	(277,647)	(598,019)
Excepted credit losses provision **	(2,612,976)	(2,592,052)
	4,708,305	3,983,593

* This item represents the allowed discount provision for insurance companies on the financial claims submitted by the Group. The movement on the allowed discount provision as of 31 December is as follows:

	2023	2022
	JD	JD
Balance at 1 January 2023	598,019	780,806
Reversal for the year, net	(320,372)	(182,787)
Balance at 31 December 2023	277,647	598,019

** Movement on the expected credit losses was as follows:

	2023	2022
	JD	JD
Balance at 1 January	2,592,052	2,187,248
Provision for the year	-	404,804
Transferred from expected credit losses provision for bank balances (note 12)	20,924	-
Balance at 31 December	2,612,976	2,592,052

As of 31 December, the aging of unimpaired trade receivables was as follows:

	Neither past due nor impaired	1-60 days	61 – 90 days	91 – 120 days	> 120 days	Total
	JD	JD	JD	JD	JD	JD
2023	1,416,403	969,026	952,696	153,316	1,216,864	4,708,305
2022	1,816,863	463,999	410,706	453,490	838,535	3,983,593

Based on the Group’s management estimation, unimpaired receivables are expected to be fully recoverable. The Group does not obtain cash margins against these receivables.

(10) OTHER DEBIT BALANCES

	2023	2022
	JD	JD
Payments for the purchase of medical devices	441,186	441,186
Accrued revenues – unissued patients' invoices	337,003	237,512
Advance payments to suppliers	320,808	582,991
Advance payments for the purchase of computer software	284,150	284,150
Claims of patients’ balance differences	127,676	127,676
Advance payments for the purchase of an electric generator	99,229	99,229
Prepaid expenses	70,121	218,127
Refundable deposits	27,501	10,400
Others	417,750	208,012
	2,125,424	2,209,283
Provision of payments for the purchase of medical devices *	(441,186)	(441,186)
Provision of advance payments for the purchase of computer devices	(284,150)	(284,150)
Provision of claims of patients’ balance differences	(127,676)	(127,676)
Provision of advance payments for the purchase of an electric generator	(99,229)	(99,229)
	1,173,183	1,257,042

* During the previous years, the Group has recorded a provision for the entire balance of amounts paid to purchase some medical devices and other devices as they do not meet the required specifications and the management was unable to determine the extent to which they can be utilized.

(11) CHECKS UNDER COLLECTION

	2023	2022
	JD	JD
Short-term checks under collection	50,453	61,413

The maturity of these checks extends at most to 5 October 2024, and the amount of checks under collection due within three months or less is JD 17,167 (2022: Nil).

(12) CASH-ON-HAND AND BANK BALANCES

	2023	2022
	JD	JD
Cash-on-hand	43,651	54,660
Bank balances	243,663	120,259
	287,314	174,919
Provision for excepted credit losses*	-	(20,924)
	287,314	153,995

* Movement on the expected credit losses provision on bank balances as of 31 December was as follows:

	2023	2022
	JD	JD
Balance at 1 January	20,924	20,924
Transferred to expected credit losses (note 9)	(20,924)	-
Balance at 31 December	-	20,924

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2023	2022
	JD	JD
Cash and bank balances	287,314	174,919
Checks under collection with maturity 3-months or less (note 11) *	17,167	-
	304,481	174,919

(13) EQUITY

Paid in Capital -
The authorized and paid-in capital amounted to JD 20,000,000 at par value of JD 1 each.

Statutory reserve -
The accumulated amounts in this account represent appropriations of 10% of annual profit before tax and is not available for distribution to shareholders. Statutory reserve should not exceed 25% of the Company’s paid in capital.

(14) LIABILITIES AGAINST FINANCE LEASE CONTRACTS

This item represents liabilities against finance lease contracts granted to the Group by the International Arab Islamic Bank:

	31 December 2023			31 December 2022		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	JD	JD	JD	JD	JD	JD
Solar energy project *	254,356	807,573	1,061,929	274,212	1,031,028	1,305,240
Hospital expansion project **	1,170,478	3,183,351	4,353,829	851,971	1,831,729	2,683,700
Land purchase ***	261,911	5,182,888	5,444,799	734,311	5,127,588	5,861,899
	1,686,745	9,173,812	10,860,557	1,860,494	7,990,345	9,850,839
Less: Land relinquishment fees***	(47,439)	(21,180)	(68,619)	(47,439)	(94,397)	(141,836)
Total	1,639,306	9,152,632	10,791,938	1,813,055	7,895,948	9,709,003

* The Group signed a financial lease agreement on 18 November 2018 to finance a solar energy project with a total value of JD 2,490,750. The lease yield rate was 2.5% annually, of which to be paid in 109 monthly instalments divided over 9 years of JD 22,851 per month. The financing was rescheduled in 2021 to make the final instalment on 18 August 2028.

** The Group signed manufacturing contracts 5 September 2019 for the expansion of the fourth and fifth floors of the Istishari Hospital with a total value of JD 1,694,812. An annual manufacturing margin of 2.36% was to be repaid in 48 monthly instalments.

*** This item includes liabilities related to financial leasing contracts for the purchase of land as detailed below:

1) The Group signed a financial lease agreement 28 July 2016 to finance the purchase of land no. (1284) from the International Arabic Islamic Bank. The Bank acquired the land and then re-leased it to the Group (note 4). As a result, the Group incurred transfer fees of JD 426,951 which were paid to the Amman Land Registry and recorded as a liability to be amortized over the life of the facility.

   The lease term is set at 108 months over 9 years, paid monthly from 31 August 2017. The monthly instalment was JD 55,931. The financing was rescheduled, and the monthly instalment amounted to JD 50,691 for a year from 31 May 2022. Also, the financing was rescheduled, so the monthly instalment amounted to JD 51,872 for a year from 31 May 2023. The yield rate for the first year was 6.5% of the principal financing amount, while the variable margin for the first year was 1%.

2) During 2022, the Group 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 to be paid monthly starting from 30 November 2023. The rate of the return for the first year was 6.2% of the original financing value (note 6).

The Group's liabilities under the financial lease contracts are secured by the lessor's ownership of the leased assets.

The annual payments of the loan installments and their due dates are as follows:

Year	JD
2024	1,686,745
2025	6,087,319
2026	774,661
2027	803,794
2028 and after	1,508,038
	10,086,557

(15) MURABAHA FACILITIES

	31 December 2023			31 December 2022		
	Short-term	Long-term	Total	Short-term	Long-term	Total
	JD	JD	JD	JD	JD	JD
Murabaha finance facilities	264,892	96,749	361,641	-	-	-
	264,892	96,749	361,641	-	-	-

This item represents facilities granted to the Group from the International Arabic Islamic Bank as the Group signed in 2023 Murabaha financing agreements with the International Arabic Islamic Bank for up to JD 1,000,000 at a Murabaha rate of 6.8% to finance the purchase of medications. These facilities are repaid in monthly instalments. The first payment was due on 1 February 2024, and the final payment is due on 21 May 2025.

(16) CONTINGENT LIABILITIES PROVISION

This item represents a provision to meet contingent future liabilities. The movement on the provision for contingent liabilities as of 31 December is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	751,790	851,785
Provision for the year (note 21)	300,000	275,005
Paid during the year	-	(375,000)
Balance as at 31 December	1,051,790	751,790

(17) ACCOUNT PAYABLES AND OTHER CREDIT BALANCES

	2023	2022
	JD	JD
Trade payables	2,995,656	3,166,473
Shareholder's deposits	208,524	208,999
Provision for employees' vacation *	246,652	230,040
Accrued expenses and salaries	759,323	372,180
Lawsuits provision	21,069	21,069
Contractor retentions for electro-mechanical works	86,550	86,550
Stamps expense	59,490	59,490
Social security contribution	124,861	125,555
End-of-service indemnity provision **	92,461	68,425
Post dated check	4,055	4,048
Income and sales tax deposits	21,916	29,239
Others	513,834	226,326
	5,134,391	4,598,394

* Movement on the employees' vacation provision is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	230,040	216,708
Provision for the year (note 21)	41,512	42,001
Paid during the year	(24,900)	(28,669)
Balance as at 31 December	246,652	230,040

* Movement on the end-of-service indemnity provision is as follows:

	2023	2022
	JD	JD
Balance as at 1 January	68,425	59,334
Provision for the year (note 21)	24,036	17,515
Paid during the year	-	(8,424)
Balance as at 31 December	92,461	68,425

(18) INCOME TAX PROVISION

Deferred tax asset –

The details of this item are as follows:

	2023				31 December	
	Amounts				2023	2022
Included accounts	Balance as at the beginning of the year	Amounts released	Amounts added	Balance as at the end of the year	Deferred Tax	Deferred Tax
	JD	JD	JD	JD	JD	JD
Expected credit losses provision	2,592,052	-	20,924	2,612,976	548,725	544,331
Incentives accrued for others	727,861	(727,861)	-	-	-	152,850
	3,319,913	(727,861)	20,924	2,612,976	548,725	697,181

The movement on deferred tax assets was as follows:

	2023	2022
	JD	JD
Balance as at the beginning of the year	697,181	612,209
Added during the year	4,394	84,972
Released during the year	(152,850)	-
Balance as at the end of the year	548,725	697,181

Income tax provision –

The movement on the income tax provision is as follows:

	2023	2022
	JD	JD
Balance as at the beginning of the year	528,308	274,334
Income tax for the year	187,654	481,954
Paid during the year	(491,527)	(227,980)
Balance as at the end of the year	224,435	528,308

The income tax for the year shown in the consolidated statement of comprehensive income consists of the following:

	2023	2022
	JD	JD
Income tax for the year	187,654	481,954
Released from deferred tax assets	152,850	-
Added from deferred tax assets	(4,394)	(84,972)
	336,110	396,982

The reconciliation between the accounting profit and taxable income:

	2023	2022
	JD	JD
Accounting profit	1,172,656	1,280,006
Less: non-taxable revenues	(735,560)	-
Add: non-deductible expenses	456,504	610,384
Taxable profit	893,600	1,890,390
Income tax expense for the year	187,654	481,954
Add: released from deferred tax assets	152,850	-
Less: added from deferred tax assets	(4,394)	(84,972)
	336,110	396,982
Statutory income tax rate	21%	21%
Effective income tax rate	28,66%	31,01%

Income tax provision for the years ended at 31 December 2023 and 2022 was calculated in accordance with the Income Tax Law No. (34) of 2014 and its amendments. The income tax rate for the Group is 20% in addition to a 1% National Contribution tax.

Tax Returns:

The Consultant and Investment Group Company
The Income Tax and Sales Department audited tax returns for the years between 2016 and 2020 and the Company reached a final settlement with the Income and Sales Tax Department up to the year 2020. During 2021, the Income Tax and Sales Department referred to the declarations for the above-mentioned years and issued a preliminary decision for JD 2.3 million of claims against the Group. The Group's management objected to the decision and filed a lawsuit against the Income and Sales Tax Department, and the judgment in the case is still pending before the Tax Court. The Income and Sales Tax Department is currently auditing the tax returns of the years 2021 and 2022 and did not issue their final decision up to the date of these consolidated financial statements.

Al Motamaizah for Hospital Management Co (Subsidiary)
The Company reached a final settlement with the Income and Sales Tax Department up to the year 2022.

(19) OPERATING REVENUES

	2023	2022
	JD	JD
Medical supplies revenue	4,380,192	4,339,882
Pharmacy revenue	4,238,985	4,307,137
Medical procedures revenue	3,958,031	3,343,491
Residency revenue	1,650,174	1,703,033
Other departments revenue	5,103,814	4,742,089
	19,331,196	18,435,632

(20) COST OF OPERATING REVENUES

	2023	2022
	JD	JD
Salaries, wages and other benefits	5,511,287	5,060,235
Medicines and medical supplies	4,285,951	4,551,789
Consumables	1,052,584	689,612
Depreciation of properties and equipment (note 4)	994,597	1,065,856
Social security	579,277	483,027
Food	381,963	357,522
Electricity and water	321,739	158,820
Cleaning	311,497	290,787
Right-of-use assets depreciation	302,668	207,217
Maintenance	275,890	229,004
Fuel	195,587	235,082
Government fees	157,153	64,240
Cafeteria expenses	116,953	97,053
Property taxes	37,137	13,815
Incinerator expenses	36,134	36,294
Government stamps	8,432	9,636
Others	119,216	83,338
	14,688,065	13,633,327

(21) GENERAL AND ADMINISTRATIVE EXPENSE

	2023	2022
	JD	JD
Salaries, wages and other benefits	1,352,028	1,283,227
Provision for contingent liabilities (note 16)	300,000	275,005
Maintenance	236,733	179,404
Insurance	183,640	232,533
Social security	160,518	157,080
Professional and consulting fees	140,391	77,210
Depreciation of properties and equipment (note 4)	124,280	118,914
Security and protection	65,464	62,472
Advertising and promotions	84,176	55,696
Mail and phone	44,003	40,702
Employees vacations expenses (note 17)	41,512	42,001
Legal fees	38,138	35,531
Recruiting fees	37,774	38,089
Employees end-of-service expenses (note 17)	24,036	17,515
Stationery expenses	24,381	24,587
Computer and software expense	21,302	18,014
Right-of-use assets depreciation	4,089	30,440
Others	369,499	297,182
	3,216,009	2,985,602

(22) OTHER INCOME, NET

	2023	2022
	JD	JD
Clinics' revenues	117,666	214,140
Cars' parking lot revenues	73,181	72,052
Other revenues	20,171	42,078
	211,018	328,270

(23) BASIC AND DILUTED EARNINGS PER SHARE FROM THE PROFIT FOR THE YEAR

	2023	2022
Profit for the year (JD)	836,546	883,024
Weighted average number of outstanding shares during the year (share)	20,000,000	20,000,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share from profit of the year	0/042	0/044

(24) RELATED PARTY TRANSACTIONS AND BALANCES

Related party transactions represent transactions with major shareholders, the subsidiary, directors and key management personnel of the Group. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

The following is a summary of compensations (salaries, allowances and other benefits) of key management personnel of the Group:

	2023	2022
	JD	JD
Salaries and other benefits of key management personal	186,000	186,000

(25) CONTINGENT LIABILITIES

Letters of guarantees –

As at 31 December 2023, the Group has outstanding letters of guarantees with an amount of JD 84,436 as at 31 December 2023 (31 December 2022: JD 25,586) against cash margins with an amount of JD 12,406 (2022: JD 3,637).

Legal claims against the Group –

In addition to what is disclosed in note (18) to the consolidated financial statements regarding the decision to impose an additional income tax on the Group for the years between 2016-2020 and its related litigation where the Group has recorded a provision against this claim, the Group is defendant in a number of lawsuits in the ordinary course of business with an amount of JD 93,382 (2022: JD 117,467). The Group management and its legal counsel believe that the provision taken against these is adequate to meet any obligations that may arise and no need to book additional provision against these lawsuits.

(26) SEGMENT OPERATIONS

Information about the Group's Business segment

The Group operates in a single operational activity, which consists of providing medical care services.

Geographical Distribution Information

The Group primarily operates in the Hashemite Kingdom of Jordan and does not have any activities outside it.

(27) OFFSETTING

There are amounts due to doctors of JD 5.2 million as of 31 December 2023 (JD 5.2 million as of 31 December 2022), of which amounts due for more than two years amounting to around JD 3.2 million. The Hospital pays these amounts to the doctors once collected from the insurance companies on behalf of the doctors, without any legal obligation to do so; thus, the doctors' due amounts appeared as offsetting accounts in the Group's consolidated financial statements.

(28) RISK MANAGEMENT

Interest rate risk –

The Groups is exposed to interest rate risk on its financial liabilities that carry interest such as finance against lease liabilities.

The sensitivity of the consolidated statement of comprehensive income is the effect of the assumed changes in interest rates on the Group's profit for one year, based on the floating rate and financial liabilities.

The following table illustrates the sensitivity of the consolidated statement of comprehensive income to reasonably possible changes in interest rates, with all other variables held constant.

2023 -	Increase in interest rate	Effect on profit for the year
	(Basis points)	JD
JOD	100	(107,919)

2022 -	Increase in interest rate	Effect on profit for the year
	(Basis points)	JD
JOD	100	(97,090)

The effect of decrease in interest rate is expected to be equal and opposite to the effect shown above.

Credit risk -

Credit risk is the risk that debtors and other parties will fail to discharge an obligation towards the Group.

The Group believes it is not exposed to significant credit risk as it sets credit limits to its customer and monitors the outstanding receivable regularly. The Group maintains its balance in reputable financial institutions.

The trade receivable from the top ten customers represents 48% of gross receivables as of 31 December 2023 (2022: 52%). The Group provides its services to a large number of customers.

Liquidity risk -

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due.

The Group limits its liquidity risk by ensuring funding is available through proceeds from bank facilities.

The table below summarizes the maturities of the Group's undiscounted financial liabilities based on contractual payment dates and current market interest rates.

31 December 2023	Less than one year	Over one year	Total
	JD	JD	JD
Accounts payable and other credit balances	4,774,209	-	4,774,209
Liabilities against finance contracts and Murabaha facilities	2,381,187	9,199,894	11,581,081
Lease liabilities	399,600	594,565	994,165
Total	7,554,996	9,794,459	17,349,455

31 December 2022	Less than one year	Over one year	Total
	JD	JD	JD
Accounts payable and other credit balances	4,278,860	-	4,278,860
Liabilities against finance contracts and Murabaha facilities	1,944,047	8,411,693	10,355,740
Lease liabilities	266,441	535,596	802,037
Total	6,489,348	8,947,289	15,436,637

Currency risk -

Most of the Group's transactions are in Jordanian Dinars and U.S. Dollars. The Jordanian Dinar exchange rate is fixed against the U.S. Dollar (USD 1/41 for each 1 JD).

(29) FAIR VALUE MEASUREMENT

Financial instruments consist of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, checks under collection, trade receivable, and some other debit balances. Financial liabilities consist of trade payables and liabilities against finance lease contracts, Murabaha facilities, lease obligation, and some other credit balances.

The fair values of financial instruments are not materially different from their carrying values.

(30) CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise equity.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made to the objectives, policies or processes during the current year and prior year.

Capital comprises of paid in capital, statutory reserve and retained earnings is measured at JD 22,061,692 as at 31 December 2023 (2022: JD 21,225,146).

(31) STANDARDS ISSUED BUT NOT YET EFFECTIVE

The new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these new and amended standards and interpretations, if applicable, when they become effective.

Amendments to IFRS 16: *Lease Liability in a Sale and Leaseback*

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied etrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Amendments to IAS 1: *Classification of Liabilities as Current or Non-current*

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

• What is meant by a right to defer settlement
• That a right to defer must exist at the end of the reporting period
• That classification is unaffected by the likelihood that an entity will exercise its deferral right
• That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted but will need to be disclosed.

The amendments are not expected to have a material impact on the Group's consolidated financial statements.