

موسى صالح
مدير العام

شركة المجموعة الاستشارية
الاستثمارية المساهمة العامة المحدودة

الرقم : 2018/173 /13/5
التاريخ : 2018/10/30

٢٠١٨/١٠/٣٠

السادة هيئة الاوراق المالية المحترمين

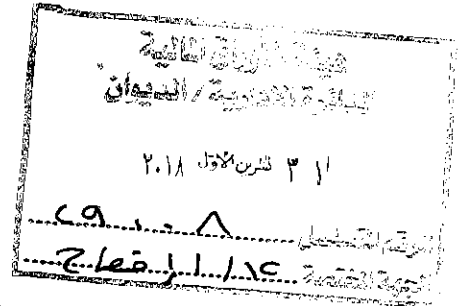
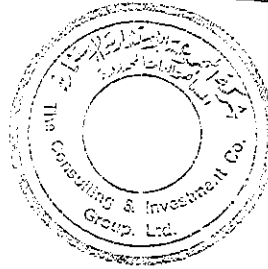
تحية طيبة وبعد

مرفق طيه البيانات المالية للربع الثالث للعام 2018 حتى تاريخ 2018/9/30 لشركة
المجموعة الاستشارية الاستثمارية المساهمة العامة المحدودة.

وتفضلوا بقبول فائق الاحترام

المدير العام

الدكتور موسى صالح



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

CONDENSED INTERIM FINANCIAL
STATEMENTS FOR THE NINE
MONTHS ENDED SEPTEMBER 30, 2018

TOGETHER WITH REVIEW REPORT

THE CONSULTANT AND INVESTMENT GROUP COMPANY
(PUBLIC LIMITED SHAREHOLDING COMPANY)
AMMAN - JORDAN
SEPTEMBER 30, 2018

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Review Report

AM/ 007568

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

Introduction

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

Scope of Review

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

Conclusion

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

Other Matter


The condensed interim financial statements for the period ended September 30, 2017 that are shown for comparison purposes in the condensed interim statement of income and comprehensive income, change in shareholders' equity, and cash flows were reviewed by us to which we issued our qualified conclusion dated October 31, 2017.

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

Explanatory Paragraph

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

Amman - Jordan
October 31, 2018


Deloitte & Touche (M.E.) – Jordan
Deloitte & Touche (M.E.)
ديلويت أند توش (الشرق الأوسط)
010105

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

		September 30, 2018	
	Note	(Reviewed not Audited)	December 31, 2017
<u>NON-CURRENT ASSETS:</u>		JD	JD
Property and equipment - net	5	15,827,522	15,540,821
Investment in unconsolidated subsidiary	6	15,000	15,000
Projects under construction	7	642,074	90,918
Advance payments to purchase medical equipments	8	892,345	1,417,751
Deferred tax assets	23/a	-	2,775
Total Non-Current Assets		<u>17,376,941</u>	<u>17,067,265</u>
<u>CURRENT ASSETS:</u>			
Medicine and medical supplies		1,357,277	1,237,094
Accounts receivable - net	9	2,961,473	2,035,750
Other debit balances	10	571,262	446,260
Checks under collection		56,328	24,965
Cash on hand and at banks	4	1,986,049	3,085,648
Total Current Assets		<u>6,932,389</u>	<u>6,829,717</u>
TOTAL ASSETS		<u><u>24,309,330</u></u>	<u><u>23,896,982</u></u>
<u>SHAREHOLDERS' EQUITY AND LIABILITIES</u>			
<u>SHAREHOLDERS' EQUITY:</u>			
Paid-up capital	18	14,445,000	13,500,000
Statutory reserve		362,012	362,012
Retained earnings		162,360	1,107,360
Profit for the period		721,696	-
Total Shareholders' Equity		<u>15,691,068</u>	<u>14,969,372</u>
<u>LIABILITIES:</u>			
<u>NON-CURRENT LIABILITIES:</u>			
Long-term liabilities against finance lease contract	11	3,134,116	3,402,212
Total Non-Current Liabilities		<u>3,134,116</u>	<u>3,402,212</u>
<u>CURRENT LIABILITIES:</u>			
Accounts payable		1,744,312	1,982,414
Short-term liabilities against finance lease contracts	11	636,357	623,721
Provision for claims		401,785	401,785
Other credit balances	12	2,582,967	2,517,478
Income tax provision	23/b	118,725	-
Total Current Liabilities		<u>5,484,146</u>	<u>5,525,398</u>
TOTAL LIABILITIES		<u>8,618,262</u>	<u>8,927,610</u>
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		<u><u>24,309,330</u></u>	<u><u>23,896,982</u></u>

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

Chairman of the Board of Directors

General Manager

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

	Note	For the Three Months		For the Nine Months	
		Ended September 30,		Ended September 30,	
		2018	2017	2018	2017
		JD	JD	JD	JD
Operating revenue	13	4,308,082	4,123,398	11,868,124	11,754,166
Cost of revenue	14	(3,374,981)	(3,393,956)	(9,026,395)	(9,035,779)
Gross profit		933,101	729,442	2,841,729	2,718,387
General and administrative expenses	15	(616,847)	(492,205)	(1,952,646)	(1,793,813)
Finance costs		(94,846)	(98,215)	(290,482)	(277,646)
Surplus in provision for doubtful debts - net	9	51,345	(70)	1,345	28,365
Other revenue - net	16	35,424	73,845	243,250	203,089
Profit for the period before Tax		308,177	212,797	843,196	878,382
Income tax expense	23/c	-	(68,744)	(121,500)	(190,675)
Profit for the Period / Total Comprehensive Income for the Period		308,177	144,053	721,696	687,707
Earnings per share from the profit for the period - Basic and diluted (JD/Share)	17			0.050	0.061

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Chairman of Board of Directors

General Manager

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

AMMAN - JORDAN

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

Note	Paid-up Capital	Statutory Reserve	Retained Earnings		Profit for the Period	Total
			Realized	Unrealized		
	JD	JD	JD	JD	JD	JD
For the Nine Months Ended September 30, 2018						
Balance at the beginning of the period	13,500,000	362,012	1,104,585	2,775	-	14,969,372
Capital Increase	945,000	-	(945,000)	-	-	-
Gross comprehensive profit for the period	-	-	-	-	721,696	721,696
Balance at the End of the Period	14,445,000	362,012	159,585	2,775	721,696	15,691,068
For the Nine Months Ended September 30, 2017						
Balance at the beginning of the period	9,825,362	275,503	326,009	190,792	-	10,617,666
Capital Increase payments	3,674,638	-	-	-	-	3,674,638
Gross comprehensive profit for the period	-	-	-	-	687,707	687,707
Balance at the End of the Period	13,500,000	275,503	326,009	190,792	687,707	14,980,011

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

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

	Note	For the Nine Months Ended September 30,	
		2018	2017
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit for the period before tax		843,196	878,382
Adjustments:			
(Surplus) in the provision for doubtful debts - net	9	(1,345)	(28,365)
Finance costs		290,482	277,646
Provision for employees' vacations	12	21,562	65,468
Provision for end-of-service indemnity	12	30,431	29,168
Provision for clinics' rent discount	12	61,185	-
Depreciation of property and equipment	5	517,076	448,486
Loss on sale of property and equipment	16	2,288	-
Net Cash Flows from Operating Activities before Changes in Working Capital Items		1,764,875	1,670,785
(Increase) in medicine and medical supplies		(120,183)	(189,191)
(Increase) in accounts receivables		(924,378)	(983,303)
(Increase) decrease in checks under collection		(31,363)	2,138
(Increase) in other debit balances		(125,002)	(155,892)
(Decrease) increase in accounts payable		(238,102)	301,866
Increase in unearned revenue		-	23,253
(Decrease) increase in other credit balances		(12,689)	629,580
Net Cash Flows from Operating Activities before Provision Paid for Employees' Vacation, End of Service Indemnity and Income Tax		313,158	1,299,236
Paid from provision for employees' vacations	12	(17,948)	(29,713)
Paid from provision for end-of-service indemnity	12	(17,052)	(17,001)
Paid from provision for income tax		-	(31,222)
Net Cash Flows from Operating Activities		278,158	1,221,300
CASH FLOWS FROM INVESTING ACTIVITIES:			
(Purchase) of property and equipment	5	(775,115)	(664,427)
Decrease (Increase) in payments for medical equipment		525,406	(100,000)
(Increase) in projects under construction	7	(582,106)	(353,149)
Net Cash Flows (used in) Investing Activities		(831,815)	(1,117,576)
CASH FLOWS FROM FINANCING ACTIVITIES:			
(Decrease) increase in liabilities against finance lease contracts		(255,460)	187,908
Payments for capital increase	18	-	3,674,638
Finance costs paid		(290,482)	(277,646)
Net Cash Flows (used in) from Financing Activities		(545,942)	3,584,900
Net (Decrease) Increase in Cash and Cash Equivalent		(1,099,599)	3,688,624
Cash and cash equivalent - beginning of the year		3,085,648	623,529
Cash on and cash equivalent - End of the Period	4	1,986,049	4,312,153
Non - Cash Transactions:			
Increase in capital through capitalizing retained earnings		945,000	-
Payment for medical equipments in transit		-	515,430
(Increase) in property and equipment from projects under construction	5	(30,950)	-
Transferred from projects under construction to property and equipment	7	30,950	639,050

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

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

1. General

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

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

In its meeting held on July 17, 2016, the Company's Board of Directors approved issuance of 3,674,638 shares of the authorized shares of JD1 each, so that capital would become JD 13.5 million. Moreover, the Company completed the legal procedures for capital increase and obtained the required approvals during the second half of the year 2017. Additionally, the general assembly approved on April 26, 2018 to increase the capital of the Company to become JD 14,445,000 through capitalizing an amount of JD 945,000 of the retained earnings and distributing them as shares to the shareholders based on their owning percentages. Moreover, the Company completed the legal procedures for capital increase procedures on June 12, 2018.

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

- b. The Company's objectives are the following:
- Carrying out industrial constructions, conducting commercial agencies, and investing in commercial and financial projects;
 - Setting up and managing health, real estate, housing, building, and industrial projects as well as constructing commercial markets of all types along with their related services.
- c. The Company is exempted from income tax at a rate of 25% for ten years ending on September 22, 2016 according to Article (27) of the Investment Promotion Law No. (68) for the year 2003. The exemption has been extended to January 28, 2019.
- d. The condensed interim financial statements were approved by the Board of Directors on October 29, 2018.

2. Basis of Preparation of the Condensed Interim Financial Statements

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

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

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

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

Amendments to IFRS 2 Share Based Payment

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

Amendments to IFRS 4 Insurance Contracts

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

IFRIC 22 Foreign Currency Transactions and Advanced Consideration

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

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

Amendments to IAS 40 Investment Property

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

IFRS 15 Revenue from Contracts with Customers

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

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

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

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

Amendments to IFRS 15 *Revenue from Contracts with Customers*

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

Amendments to IFRS 7 *Financial Instruments: Disclosures*

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

IFRS 7 *Financial Instruments: Disclosures*

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

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

IFRS 9 *Financial Instruments*

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

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

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

The implementation was applied retrospectively in compliance with the IFRS (9) furthermore, the Company didn't adjust the comparative figures. The effect of this implementation was recognised in January 1st, 2018 through retained earnings in the statement of changes in equity.

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

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

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

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

3. Using Estimates

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

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

4. Cash on hand and at banks

	September 30, 2018	December 31, 2017
	JD	JD
Cash on hand	18,644	57,455
Current accounts at bank	211,212	28,193
Deposit *	1,756,193	3,000,000
	<u>1,986,049</u>	<u>3,085,648</u>

- * This item represents a deposit with the Arabic Islamic Bank for a period of three months at an annual murabaha rate 3% as of September 30, 2018 and December 31, 2017.

5. Property and Equipment - Net

- Additions to property and equipment were JD 775,115 as of September 30, 2018 (JD 664,427 as of September 30, 2017).
- During the nine month period ended September 30, 2018, the Company disposed property and equipment with a net book value of JD 2,288.

- During the nine months ended September 30, 2018, the Company transferred JD 30,950 from projects under construction (Note 7), representing improvements on the hospital's outpatient clinics.
- The depreciation expense of property and equipment for the nine months ended September 30, 2018 amounted to JD 517,076 (JD 448,486 for the nine months ended September 30, 2017).

6. Investment in Unconsolidated Subsidiary

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

7. Projects under Construction

1. Solar project: The Company incurred an amount of around JD 192 thousand as of September 30, 2018 (JD 41 thousand as of December 31, 2017). The project is expected to be completed during the year 2018 for a total cost of around JD 2.5 million.
2. Expansion of the main building of the hospital project: The project completion percentage was 2% and 1% as of September 30, 2018 and December 31, 2017 respectively, and the Company incurred a total cost of JD 95,721 as of September 30, 2018 (JD 20 thousand as of December 31, 2017). The project is expected to be completed during 2019 for a total costs of around JD 3 million.
3. Improvements on the hospital's buildings and outpatient clinics: The Company incurred a total amount of around JD 354 thousand as of September 30, 2018 (JD 29 thousand as of December 31, 2017), and the project is expected to be completed during the fourth quarter of the year 2018. Noting that an amount of JD 30,950 was transferred from projects under construction representing improvements on the hospital's outpatient clinics during the first half of the year 2018.

8. Advance Payments to Purchase Medical Equipments

This amount represent payments for purchasing medical equipment with an amount of JD 1,417,751, expected to be delivered during the year 2018. An amount of JD 525,406 was paid from the total cost through cash payments and cheques. The remaining amount is paid through post-dated checks.

9. Accounts Receivable – Net

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Accounts Receivable	4,077,358	2,819,159
<u>Less:</u> Provision for allowable discounts *	(643,905)	(310,084)
Provision for doubtful debts **	(471,980)	(473,325)
	<u>2,961,473</u>	<u>2,035,750</u>

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

	For the Nine Months Ended September 30, 2018	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	310,084	-
Additions	333,821	310,084
Balance at the End of the Period / Year	643,905	310,084

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

	For the Nine Months Ended September 30, 2108	For the Year Ended December 31, 2017
	JD	JD
Balance at the beginning of the period / year	473,325	4,334,300
Additions	50,000	-
Debt written off ***	-	(140,044)
Debts settled during the period / year (collected)	(23,928)	(220,450)
Provision no longer needed	(27,417)	-
Transferred to off statement of financial position ****	-	(3,500,481)
Balance at the End of the Period / Year	471,980	473,325

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

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

10. Other Debit Balances

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Earned revenue-unissued patients invoices	268,138	187,369
Claim on patients' deposits*	127,676	127,676
Advance payments for computer purchase	284,150	284,150
Advance payments for purchase of electric generator	99,229	99,229
Prepaid expenses	198,759	148,010
Refundable deposits	40,350	38,850
Outstanding billings	-	17,229
Other	64,014	54,801
	1,082,316	957,314
<u>Less:</u> Provision for Payments on account for purchasing computer programs	(284,150)	(284,150)
Provision for payments on account for purchasing an electric generator	(99,228)	(99,228)
Provision for patients' deposits difference *	(127,676)	(127,676)
	571,262	446,260

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

11. Liabilities against Finance Lease Contract

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Liabilities against short-term finance lease contracts - Islamic Arab Bank	683,796	671,160
Short-term land ownership transfer fees	(47,439)	(47,439)
	<u>636,357</u>	<u>623,721</u>
Liabilities against long-term finance lease contracts - Islamic Arab Bank	3,410,843	3,714,519
Long-term land ownership transfer fees	(276,727)	(312,307)
	<u>3,134,116</u>	<u>3,402,212</u>

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

The lease contract is for 108 months, divided into 9 lease years. Moreover, the lease amount will be paid starting from August 31, 2017 in monthly installments of JD 55,931 each for the first year, and JD 56,983 for the second year.

The lease return for the second year stood at 7% (6.5% for the first year) of the lease principal. Moreover, the varied margin for the first year is 0.5%, and the lease return amount was JD 69,420 for the period ended September 30, 2018.

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

12. Other Credit Balances

This item consists of the following:

	September 30, 2018	December 31, 2017
	JD	JD
Shareholders' deposits-fractional shares	144,717	153,277
Employees' vacation provision *	210,267	206,653
Accrued salaries and expenses	146,743	177,930
Provision for potential claims	62,829	62,829
Electromechanical contractors' retentions	86,550	86,550
Patients' deposits	263,883	68,019
Outstanding billings	1,867	-
Stamp fees deposits	69,495	69,495
Social security deposits	79,888	76,563
End-of-service indemnity provision **	66,973	53,594
Clinics' rent discount provision	61,185	-
Postponed checks	1,271,129	1,464,681
Income tax deposits	23,023	20,735
Other	94,418	77,152
	<u>2,582,967</u>	<u>2,517,478</u>

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

	September 30, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period /year	206,653	182,207
<u>Add:</u> Provided during the period / year	21,562	60,554
<u>Less:</u> Paid during the period / year	(17,948)	(36,108)
Balance at the end of the period /year	<u>210,267</u>	<u>206,653</u>

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

	September 31, 2018	December 31, 2017
	JD	JD
Balance at the beginning of the period / year	53,594	37,256
<u>Add:</u> Additions during the period / year	30,431	33,339
<u>Less:</u> Paid during the period / year	(17,052)	(17,001)
Balance at the End of the Period / Year	<u>66,973</u>	<u>53,594</u>

13. Operating Revenue

This item consists of the following:

	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Room fees	1,259,162	1,348,455
Medical supplies	2,876,150	2,745,703
Medical procedures	2,493,676	2,740,043
Pharmacy	2,418,391	2,304,042
Other departments	2,820,745	2,615,923
	<u>11,868,124</u>	<u>11,754,166</u>

14. Cost of Revenue

This item consists of the following:

	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Salaries, wages and benefits	2,919,552	2,950,582
Social security	371,408	366,079
Medicine and medical supplies	2,656,791	2,725,080
Electricity and water	838,493	786,370
Cleaning	219,198	247,417
Maintenance	145,519	226,975
Food	235,906	193,887
Consumables	632,114	591,844
Cafeteria	45,473	59,821
Fuel	116,746	128,230
Rent	252,757	249,553
Governmental stamps	19,779	15,480
Depreciation of property and equipment	425,355	348,298
Real-estate fees	15,478	20,197
Governmental fees	80,836	61,213
Other	50,990	64,753
	<u>9,026,395</u>	<u>9,035,779</u>

15. General and Administrative Expenses

This item consists of the following:

	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Salaries, wages, and benefits	1,019,468	714,227
Social security	113,131	78,203
End-of-service indemnity	30,431	29,168
Computer and software expenses	8,366	16,978
Stationery and printing	39,682	40,569
Recruitment expenses	21,406	33,515
Security and sentry	43,919	40,883
Maintenance	100,634	219,962
Professional fees	39,797	50,812
Insurance expense	81,466	102,320
Advertisements and subscriptions	61,330	96,542
Postage and telephone	20,427	25,238
Legal expenses	17,121	33,057
Board of directors transportation fees	36,500	31,500
Rent expenses	22,922	22,770
Employees' vacations provision	21,562	65,468
Hospitality and cleanliness	26,300	24,106
International reliability	10,513	13,432
Consumables	19,452	10,904
Depreciation of property and equipment	91,721	100,188
Lawsuits fees	70,277	4,785
Other	56,221	39,186
	<u>1,952,646</u>	<u>1,793,813</u>

16. Other Revenue - Net

This item consists of the following:

	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Rent	127,225	108,090
Car park income	39,841	39,745
(Loss) on sale of property and equipment	(2,288)	-
Other	78,472	55,254
	<u>243,250</u>	<u>203,089</u>

17. Earnings Per Share - Basic and Diluted

This item consists of the following:

	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Profit for the period	<u>721,696</u>	<u>687,707</u>
	Share	Share
Weighted average number of shares	<u>14,445,000</u>	<u>11,363,727</u>
	JD/Share	JD/Share
Earning per share for the period Basic and diluted	<u>0.050</u>	<u>0.061</u>

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

18. Capital

During 2016, the Company decreased its capital to amortize accumulated losses, thus rendering capital at JD 9,825,362, divided into 9,825,362 shares of JD 1 each. Moreover, the Company completed the capital decrease procedures during 2016. In its extraordinary meeting held on July 17, 2016, the Company's General Assembly approved increasing the Company's authorized capital to JD 13,500,000 and covering capital increase of JD 3,674,638 through private subscription to the Company's shareholders.

In this respect, the Company's capital restructuring was approved by the Minister of Industry, Trade, and Supply on November 21, 2016. Moreover, a letter was obtained from the Securities Depository Center on May 23, 2017. In addition, the Company's subscribed capital has been increased to 12,791,693 shares of JD 1 each. Previously unsubscribed shares relating to unexercised subscription rights of 708,307 shares were sold on Amman Stock Exchange on June 19, 2017 for a net amount of approximately JD 865 thousand. This amount includes JD 708 thousand to increase capital and JD 156 thousand, representing shareholders' deposits-fractional shares. In this regard, the Company completed the legal procedures for capital increase and obtained the required approvals for the capital to become JD 13.5 million on July 4, 2017.

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

19. Related Party Transactions and Balances

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

<u>Condensed interim statement of income items:</u>	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Excutive management's salaries	229,500	207,750
Board of Directors' transportation	36,500	31,500

20. Operating Sectors

a. Information about the Company's Activities

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

b. Geographical Distribution

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

21. Lawsuits against the Company

Lawsuits against the Company amounted to JD 113,022 as of September 30, 2018 (JD 124,527 as of December 31, 2017). In the opinion of the Company's management and its legal advisor, most of these lawsuits are going to be ruled in favor of the Company.

- There are lawsuits filed by the Company against others of JD 8,197,896 as of September 30, 2018 (JD 8,278,724 as of December 31, 2017). The lawsuits are still pending at the courts.
- A case was filed by the Company at the Tax Court of First Instance under No. 1176/2017 on October 12, 2017. The case relates to preventing sales tax on patients services of JD 149,668, for the years 2013 and 2014, including service tax, fine twice the tax amount, and penalties. In the opinion of the Company's, management and tax advisor, there is no need to take a provision for this lawsuit because the imposed amount is unlawful and is based on incorrect judgements by the Income Tax and Sales Department.

22. Contingent Liabilities

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

- Performance guarantees of JD 44,000 with cash margins of JD 31,900.
- Solar power projects of JD 2,460,000 related to the Murabaha investment of the International Islamic Arab Bank.
- Main hospital building expansion with a total cost of JD 2,951,000.
- Contingent liabilities against unpaid shares in the capital of Madrid Housing and Real Estate Company Ltd of JD 30,000.

23. Income Tax

a. Deferred tax assets

- A settlement has been reached with the Income and Sales Tax Department for the years from 2012 till 2014 which resulted in accumulated losses in around JD 967,088. The Company recorded deferred tax assets against those losses in the amount of JD 190,792. An amount of JD 188,017 was amortized during the year 2017. Moreover, an amount of JD 2,775 was amortized during the year 2018.
- The Company's income is taxable at 20%.

b. Income tax provision

The movement on the income tax provision is as follows:

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

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

	For the Nine Months Ended September 30,	
	2018	2017
	JD	JD
Income tax for the period	118,725	-
Deferred tax assets amortized for the period	2,775	190,675
	<u>121,500</u>	<u>190,675</u>

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

24. Fair Value Hierarchy

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

25. Contra Accounts

Accounts receivable are stated net after deducting an amount of JD 4,050,127 representing doctors' fees, whereby the hospital collects these fees on behalf of doctors with no legal obligation. Consequently, this amount is shown as a contra account in the condensed interim financial statements.