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الرقم: ٦١٥/٢٠٤/٣٧٢

للاطلاع
عليه
الرجاء
الرجوع
إلى
ملف
٣٧٢

<p>To: Jordan Securities Commission Amman Stock Exchange Subject: Audited Financial Statements for the fiscal year ended 31/12/2018</p>	<p>السادة هيئة الأوراق المالية السادة بورصة عمان الموضوع: البيانات المالية السنوية المدققة للسنة المنتهية في 2018/12/31</p>
<p>Attached the Audited Financial Statements of (AL Bilad Medical Services co) for the fiscal year ended 31/12/2018</p>	<p>مرفق طيه نسخة من البيانات المالية المدققة لشركة البلاد للخدمات الطبية عن السنة المالية المنتهية في 2018/12/31</p>
<p>Kindly accept our high appreciation and respect AL Bilad Medical Services co General Manager's Signature AHAMAD ALAHMAD</p>	<p>وتفضلوا بقبول فائق الاحترام... شركة البلاد للخدمات الطبية المدير العام أحمد الأحمد</p>

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٢٥ آذار ٢٠١٩
الم رقم التسلسل ٣٩٤
الجهة المختصة: إدارة التسجيل

نسخة :-
- الصادر العام
- قسم شؤون المسافرين

١٤٩٣
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**AL BILAD FOR MEDICAL SERVICES COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN**

**CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018**

AL BILAD FOR MEDICAL SERVICES COMPANY
(LIMITED PUBLIC SHAREHOLDING)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT
FOR THE YEAR ENDED 31 DECEMBER 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Consolidated Financial Statements

Opinion

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

- The consolidated statement of financial position as at 31 December 2018.
- The consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity, and consolidated statement of cash flows for the year then ended.
- Notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at 31 December 2018, its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

Key audit matters

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

1 Impairment of trade receivables**Key Audit Matter**

The provision for impairment of trade receivables amounted to JD 15,594,492 as at 31 December 2018 that represent 66% of the account receivables . The determination of the existence of impairment and the estimation of required provision based on expected credit loss model according to the requirements of IFRS (9) which requires a high level of professional judgement .

Related Disclosures

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

Audit Response

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

2 Revenues**Key Audit Matter**

The Group's revenues amounted to JD 12,225,040 and consists of a wide variety of services, including many financial transactions related to various departments.

Related Disclosures

Refer to note [18] of the accompanying consolidated financial statements.

INDEPENDENT AUDITOR'S REPORT (Continued)

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

Audit Response

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

3 Project under construction

Key Audit Matter

The Group's projects under constructions amounted to JD 6,470,519 which represent 17% of total assets as at 31/12/2018, that requires to obtain a point to convert the projects under constructions to the items of property and equipment and start depreciation for them, and stop capitalizing on the borrowing cost of it.

Related Disclosures

Refer to note [6] of the accompanying consolidated financial statements.

Audit Response

We reviewed the contractor summary and the mail correspondence between the Groups and the contractor in charge of the projects. It explains the percentage of achievement and the estimated value to finish the projects .

We verified that the projects under constructions are not ready to use. Furthermore, we verified the additions on projects under constructions during the year, and capitalizing the borrowing cost on the projects under constructions.



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INDEPENDENT AUDITOR'S REPORT (Continued)

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

Other Information

Management is responsible for the other information. The other information comprises the information included in the 2018 annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

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

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

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

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

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

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



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INDEPENDENT AUDITOR'S REPORT (Continued)

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT (Continued)**To the Shareholders of Al Bilad For Medical Services Company
(Limited Public Shareholding)
Amman - Jordan**

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

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

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

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

INDEPENDENT AUDITOR'S REPORT (Continued)

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

Report on Other Legal and Regulatory Requirements

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

Samman & Co.



Ahmad Ramahi
License No. (868)



14 Mar 2019
Amman - Jordan

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

Consolidated statement of financial position
As at 31 December 2018

	<u>Note</u>	<u>2018</u> JD	<u>2017</u> JD
<u>Assets</u>			
<u>Non current assets</u>			
Property and equipment	(6)	19,039,160	18,621,894
Intangible assets	(7)	75,845	76,785
Investment properties	(8)	3,090,609	3,090,609
Investment in equity-accounted associate	(9)	1,934,119	1,876,410
Financial assets at fair value through other comprehensive income	(10)	82,854	243,706
		<u>24,222,587</u>	<u>23,909,404</u>
<u>Current assets</u>			
Inventory	(11)	681,530	791,950
Trade and other receivables	(12)	9,154,973	9,328,707
Cash and cash equivalents	(13)	2,731,107	3,352,573
		<u>12,567,610</u>	<u>13,473,230</u>
Total Assets		<u><u>36,790,197</u></u>	<u><u>37,382,634</u></u>
<u>Equity and Liabilities</u>			
<u>Equity</u>			
	(14)		
Subscribed capital		30,000,000	30,000,000
Statutory reserve		2,253,959	2,234,037
Cumulative change in fair value		(518,631)	(381,600)
Accumulated losses		(6,087,403)	(6,233,635)
Total Equity		<u>25,647,925</u>	<u>25,618,802</u>
<u>Liabilities</u>			
<u>Non current liabilities</u>			
Loans and bank facilities	(16)	-	80,367
<u>Current liabilities</u>			
Trade and other payables	(15)	7,826,845	8,528,585
Loans and bank facilities	(16)	3,283,918	3,154,880
Income tax provision	(17)	31,509	-
		<u>11,142,272</u>	<u>11,683,465</u>
Total liabilities		<u>11,142,272</u>	<u>11,763,832</u>
Total equity and liabilities		<u><u>36,790,197</u></u>	<u><u>37,382,634</u></u>

The consolidated financial statements from page [1] to [32] were approved and authorized for issue by the Board of Directors on 14 March 2019 and were signed on its behalf by:

Chairman

Dr. Nayf Hayel Faleh Alfayez




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

**Consolidated statement of profit or loss and
other comprehensive income for the year ended 31 December 2018**

	Note	2018 JD	2017 JD
Revenues	(18)	12,225,040	11,546,202
Cost of revenues	(19)	<u>(7,839,679)</u>	<u>(7,887,442)</u>
Gross profit		4,385,361	3,658,760
Impairment of trade receivables		-	(8,473,278)
Administrative expenses	(20)	(4,917,350)	(4,594,450)
Other revenues	(22)	<u>750,935</u>	<u>674,499</u>
Profit (loss) from operating		218,946	(8,734,469)
Bank interest	(23)	(53,614)	-
Company's share of equity accounted associates profits	(9)	<u>33,888</u>	<u>(138,533)</u>
Profit (loss) for the year before tax		199,220	(8,873,002)
Income tax	(17)	<u>(33,066)</u>	-
Profit (loss) for the year		166,154	(8,873,002)
Other comprehensive loss			
Company's share of the change in fair value	(9 & 10)	<u>(137,031)</u>	<u>(124,414)</u>
Total comprehensive income (loss)		<u>29,123</u>	<u>(8,997,416)</u>
Basic and diluted gain (loss) per share for the year -JD / share	(24)	<u>0.006</u>	<u>(0.30)</u>

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

Consolidated statement of changes in equity
For the year ended 31 December 2018

	Subscribed capital	Statutory reserve	Cumulative change in fair value	Accumulated losses	Total
	JD	JD	JD	JD	JD
<u>2018</u>					
1 January 2018	30,000,000	2,234,037	(381,600)	(6,233,635)	25,618,802
Profit for the year	-	-	-	166,154	166,154
Statutory reserve	-	19,922	-	(19,922)	-
Change in fair value	-	-	(137,031)	-	(137,031)
31 December 2018	30,000,000	2,253,959	(518,631)	(6,087,403)	25,647,925
<u>2017</u>					
1 January 2017	30,000,000	2,234,037	(257,186)	2,639,367	34,616,218
Loss for the year	-	-	-	(8,873,002)	(8,873,002)
Change in fair value	-	-	(124,414)	-	(124,414)
31 December 2017	30,000,000	2,234,037	(381,600)	(6,233,635)	25,618,802

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

Consolidated statement of cash flows
For the year ended 31 December 2018

	Note	2018 JD	2017 JD
<u>Operating activities</u>			
Profit (loss) for the year before tax		199,220	(8,873,002)
Adjustments for:			
Depreciations and amortizations		1,359,901	1,416,677
Impairment of trade receivables		-	8,473,278
Company's share of equity accounted associates profits	(9)	(33,888)	138,533
Bank interest		53,614	-
(Gain) loss on sale of property, plant and equipment		(23,350)	3,101
		<u>1,555,497</u>	<u>1,158,587</u>
Inventory		110,420	437,042
Trade and other receivables		173,734	(704,161)
Trade and other payables		(701,740)	6,905
Cash generated from operating		<u>1,137,911</u>	<u>898,373</u>
Income tax paid	(17)	(1,557)	(381,310)
Cash flows generated from operating activities		<u>1,136,354</u>	<u>517,063</u>
<u>Investing activities</u>			
Purchase of property, plant and equipment	(6)	(1,753,842)	(3,284,347)
Purchase of intangible assets	(7)	(23,253)	(31,532)
Proceeds from sale of property, plant and equipment		24,218	-
Cash flows used in investing activities		<u>(1,752,877)</u>	<u>(3,315,879)</u>
<u>Financing activities</u>			
Loans and bank facilities		48,671	1,484,039
Interests received	(23)	131,218	156,045
Interests paid	(23)	(184,832)	(156,045)
Cash flows (used) generated from financing activities		<u>(4,943)</u>	<u>1,484,039</u>
Decrease in cash and cash equivalents		(621,466)	(1,314,777)
Cash and cash equivalents at beginning of the year		<u>3,352,573</u>	<u>4,667,350</u>
Cash and cash equivalents at end of the year	(13)	<u><u>2,731,107</u></u>	<u><u>3,352,573</u></u>

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018

1) General

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

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

The company's main address is: Amman - Arjan.

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

<u>Name</u>	<u>Position</u>
H.E Dr. Nayf Hayel Falih Al Fayez	Chairman
Arab General Medical Services Company Ltd. represented by Turki Bin Fahad Mohammed Al Athel	Deputy Chairman
Zuhair Kamal Khamis Jaber	Board Member
Mohammed Tayseer Morshed Al Haj Hassan Abu Rajab	Board Member
Hashem Odeh Al Fadel	Board Member
Mustafa Ahmed Abdulhafeez Salhab	Board Member
Bassam Ahmad Mohammed Jarrar	Board Member
Mohammed Rasheed Diab Hassan	Board Member
Saleh Hasan Saleh Abu Rumoh	Board Member

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

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

2) Basis of preparation

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

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

Amounts are rounded to the nearest JD.

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

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

Basis of measurement

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

Changes in accounting policies

a) New standards, interpretations and amendments effective from 1 January 2018

New standards impacting the Group that will be adopted in the annual financial statements for the year ended 31 December 2018. Accounting policies are:

- IFRS 9 Financial Instruments (IFRS 9); The Group adopted this standard, that changes the accounting policies. The Group reviewed all the financial assets and made an analysis study for the financial assets.

Adopting IFRS 9 has no material effect on the Financial statements, as the Group was conservative in the provision for impairment previously recognized.

- IFRS 15 Revenue from Contracts with Customers (IFRS 15) IASB issued a new standard to recognize the revenue. that will be instead of IAS 18 that cover the contracts of goods and services, and IAS 11 that cover the structural contracts, the new standard focus on the recognition of the revenue when the control of the service moves to the client.

Other new and amended standards and Interpretations issued by the IASB that will apply, which are not expected to impact the Group as they are either not relevant to the Group's activities or require accounting which is consistent with the Group current accounting policies.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

- IFRS (2): Classification and Measurements of Share-Based Payments.
- IAS (40): Clarify Transfers of Investment in Property.
- Annual Improvements to IFRSs 2014 -2016 Cycle - Amendments on IFRS (1) adopting IFRS for the first time and IAS (28) Investment in associate and joint venture (effective on Jan 1st, 2018).
- IFRIC (22) Foreign Currency Transactions and Advance Consideration.
- IFRS (4): Applying IFRS 9 Financial Instruments with IFRS (4) Insurance Contracts (effective on Jan 1st, 2018).

b) New standards, interpretations and amendments not yet effective

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

- IFRS 16 Leases (mandatorily effective for periods beginning on or after 1 January 2019).
- IFRIC 23 uncertainty over income tax positions (effective 1 January 2019).
- Amendments to IAS 28: Long-term Interests in Associates and Joint Ventures (effective 1 January 2019).
- Annual improvements to IFRSs 2015-2017 Cycle (IFRS 3 Business Combinations and IFRS 11 Joint Arrangements, IAS 12 Income Taxes, and IAS 23 Borrowing Costs) (effective 1 January 2019).

In addition, standards and improvements in the above will have no impact on the Group financial statements in the future.

3) Use of estimates and judgments

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

Property and equipment

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

Inventory

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

Legal proceedings

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

Income tax

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

Provision for Impairment of financial asset is measured at amortized cost

The Group recognized the estimated credit losses of the financial assets using the public approach and according to IFRS 9 needs which requires the management to use an important estimates and assumptions, disclosed in the accounting policies that refers to financial tools in note (5) . as appears in note (12).

Financial instruments measured at fair value

Inputs used in fair value measurement are categorized into different levels based on inputs provided and how observable they are (Fair value levels):

level one: observable quoted prices in active markets for assets or liabilities that Group can obtain.

level two: quoted prices are not available but fair value is based on observable market data and inputs are observable directly or indirectly for assets or liabilities.

level three: unobservable inputs for assets or liabilities.

Fair value level for investment property is level two.

4) Summary of significant accounting policies

Revenues

IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaced IAS 18 Revenue, IAS 11 Construction Contracts and related interpretations. Under IFRS 15, revenue is recognized when a customer obtains control of the goods or services. Determining the timing of the transfer of control - at a point in time or over time requires judgement.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

The Group has adopted IFRS 15 from January 1, 2018. Under IAS 18 and IFRS 15 Revenue recognition is recognized based on accrual basis. IFRS 15 introduced a 5-step approach to revenue recognition.

The Group recognizes revenue from contracts with customers based on a five-step model as set out in IFRS 15:

Step 1. Identify contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Group allocates the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the Group satisfies a performance obligation.

Accommodation

Revenue were recognized according the last 5 steps , and that for the amount of the time spent during the year.

Laboratories, anesthesiology and medicines.

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

Basis of consolidation of financial statements

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

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

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

Investment in equity - accounted associate

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

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

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

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

Foreign currencies

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

Financial assets:

The Group adopt application of IFRS 9 that mainly retains the existing requirements in International Accounting standards (IAS) No. (39). for the classification and measurement of financial liabilities, however IFRS 9 eliminates the classification of held-to-maturity financial assets, loans and receivables and available-for-sale assets that fall under the classifications of IAS. (39). According to IFRS (9) financial assets classified when initial recognize in one of these categories :

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

Financial assets at fair value through other comprehensive income

Financial assets at fair value through other comprehensive income are strategic investments in other companies' stocks that are not held for trading.

Financial assets are recognized through other comprehensive income for which there is no market price and the fair value cannot be reliably determined at cost and any impairment loss is recognized in the consolidated statement of profit or loss and other comprehensive income.

Financial assets measured at amortized cost

Financial assets measured at amortized cost if it meets both of the following conditions and is not designated as at fair value through profit or loss:

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

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

Cash and cash equivalents

Cash comprises cash on hand, short term investments, current accounts and short-term deposits at banks with a maturity date of three months or less.

Impairment of financial assets

The Group applies the IFRS (9) simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets.

The expected loss rates are based on the Group's historical credit losses experienced over the prior years to the period end.

Financial liabilities

The adoption of IFRS (9) has no material impact on the Group's accounting policies relating to financial liabilities. IFRS (9) has maintained the requirements of IAS (39) regarding the classification of financial liabilities.

The Group has not classified any financial liabilities in financial liabilities at fair value through profit or loss. Accordingly, there is no impact of applying IFRS (9) to the financial statements. Financial liabilities as listed :

Trades and other payables

Trades and other payables initial recognized in the fair value , and listed later in the impairment value using effective interest rate .

Capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset, The Group's ordinary shares are classified as equity instruments.

Borrowing costs

The interest of the loans used to finance the hospital expansion project is capitalized as part of the cost. All other borrowing costs are recognized in the consolidated profit or loss and other comprehensive income statement and the period in which such costs are incurred.

Employees benefits

The Group's contribution to the defined employees benefit schemes are recognized in the consolidated profit or loss and other comprehensive income in the year to which it relates.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

Leased assets

Where substantially all of the risks and rewards incidental to ownership are not transferred to the Group an "operating lease", the total rentals payable under the lease are charged to the consolidated statement of comprehensive income on a straight-line basis over the lease term.

Investment property

Investment property are stated at cost and any impairment is recognized in the consolidated profit or loss and other comprehensive income statement, the fair values of these investments are disclosed in the consolidated financial statements.

Property and equipment

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

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

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

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

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

Inventory

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

Weighted average cost is used to determine the cost.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

Intangible assets

Externally acquired intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives.

The Group's intangible assets and its useful lives are as follows:

<u>Asset</u>	<u>Useful life</u>
Computer software	5 years

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

Provisions

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

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

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

5) Financial instruments - Risk management

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

- Credit risk
- Market risk
- Liquidity risk

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

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

(1) Principal financial instruments

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

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

(2) Financial instruments by category:

	<u>2018</u> JD	<u>2017</u> JD
Financial assets		
Loans and receivables		
Trade and other receivables	9,006,348	9,098,673
Cash and cash equivalents	<u>2,731,107</u>	<u>3,352,573</u>
Total loans and receivables	11,737,455	12,451,246
Financial assets at fair value through other comprehensive income	<u>82,854</u>	<u>243,706</u>
Total financial assets	<u><u>11,820,309</u></u>	<u><u>12,694,952</u></u>
Financial liabilities		
Financial liabilities at amortized cost		
Trade and other payables	7,212,959	7,869,881
Loans and bank facilities	<u>3,283,918</u>	<u>3,235,247</u>
Total financial liabilities	<u><u>10,496,877</u></u>	<u><u>11,105,128</u></u>

(3) Financial instruments not measured at fair value

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

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

General objectives, policies and procedures

The Board has overall responsibility for the determination of the Group risk management objectives and policies, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group finance function.

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

Credit risk

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

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

Market risk

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

Interest rate risk or fair value

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

Currency risk

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

Other market risk

The Group is exposed to other market price risk due to its investments in financial assets at fair value through other comprehensive income. The maximum amount exposed to fair value fluctuations for those investments is JD 82,854 for year 2018 against JD 243,706 for the year 2017.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

Liquidity risk

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

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

	Up to 3 months JD	Between 3 and 12 months JD	between 1 and 2 year JD	between 2 and 5 years JD	over 5 Years JD
At 31 December 2018					
Loans and bank facilities	93,588	3,375,161	.	.	.
Trade and other payables	2,817,909	3,203,460	100,000	300,000	1,405,476
	<u>2,911,497</u>	<u>6,578,621</u>	<u>100,000</u>	<u>300,000</u>	<u>1,405,476</u>
At 31 December 2017					
Loans and bank facilities	838,242	2,472,683	80,367	.	.
Trade and other payables	2,555,258	2,826,584	382,659	300,000	2,464,084
	<u>3,393,500</u>	<u>5,299,267</u>	<u>463,026</u>	<u>300,000</u>	<u>2,464,084</u>

Capital Management

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

The Group objectives when maintaining capital are :

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

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

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

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

	<u>2018</u>	<u>2017</u>
	JD	JD
Loans and facilities	3,283,918	3,235,247
Less: cash and cash equivalents	<u>(2,731,107)</u>	<u>(3,352,573)</u>
Net debt	<u>552,811</u>	<u>(117,326)</u>
Total equity	<u>25,647,925</u>	<u>25,618,802</u>
Debt to equity ratio	2.15%	-

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

6) Property and equipment

	Lands	Buildings	Medical equipment	Electrical and mechanical works	Other property and equipment	Project under construction	Total
	JD	JD	JD	JD	JD	JD	JD
<u>Cost</u>							
At 1 January 2017	2,028,287	8,909,231	8,455,421	2,929,973	5,317,219	3,857,708	31,497,839
Additions	-	22,350	1,385,824	-	156,763	1,719,410	3,284,347
Disposals	-	-	(7,000)	-	-	-	(7,000)
Transferred to investment property	(202,321)	-	-	-	-	-	(202,321)
At 31 December 2017	1,825,966	8,931,581	9,834,245	2,929,973	5,473,982	5,577,118	34,572,865
Additions	-	83,312	376,999	-	400,130	893,401	1,753,842
Disposals	-	-	(48,496)	-	(36,400)	-	(84,896)
At 31 December 2018	1,825,966	9,014,893	10,162,748	2,929,973	5,837,712	6,470,519	36,241,811
<u>Accumulated depreciation</u>							
At 1 January 2017	-	1,958,630	6,562,020	1,842,888	4,196,380	-	14,559,918
Depreciation of the year	-	178,818	766,512	170,685	278,937	-	1,394,952
Disposals	-	-	(3,899)	-	-	-	(3,899)
At 31 December 2017	-	2,137,448	7,324,633	2,013,573	4,475,317	-	15,950,971
Depreciation of the year	-	175,063	687,539	158,659	314,447	-	1,335,708
Disposals	-	-	(47,628)	-	(36,400)	-	(84,028)
At 31 December 2018	-	2,312,511	7,964,544	2,172,232	4,753,364	-	17,202,651
<u>Net book value</u>							
At 1 January 2017	2,028,287	6,950,601	1,893,401	1,087,085	1,120,839	3,857,708	16,937,921
At 31 December 2017	1,825,966	6,794,133	2,509,612	916,400	998,665	5,577,118	18,621,894
At 31 December 2018	1,825,966	6,702,382	2,198,204	757,741	1,084,348	6,470,519	19,039,160

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

There is a mortgage of the first class on the land of the Group No. 1493, Al Tahtour North Basin No. 7 of the lands of Amman and on the buildings of the Group was constructed with a value of JD 1,825,966, and in return for the bank facilities it was granted to the Group by the Islamic Bank of Jordan Note (16).

Projects under construction will be depreciated when it is operational, as follows:

	Book value	Estimated value to finish the project
	JD	JD
Istiklal Hospital project building block D	5,469,361	190,000
Istiklal Hospital project building A & E	1,001,158	276,000
Total	6,470,519	

The amount of capitalized costs for projects under construction is JD 19,830 During 2018.

7) Intangible assets

	Computer software
	JD
<u>Cost</u>	
At 1 January 2017	553,937
Additions	31,532
At 31 December 2017	585,469
Additions	23,253
At 31 December 2018	608,722
<u>Accumulated amortization</u>	
At 1 January 2017	486,959
Amortization of the year	21,725
At 31 December 2017	508,684
Amortization of the year	24,193
At 31 December 2018	532,877
<u>Net book value</u>	
At 1 January 2017	66,978
At 31 December 2017	76,785
At 31 December 2018	75,845

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

8) Investment properties

Represents investment properties on lands.

The fair value of the investment properties amounted to JD 4,372,080. The lands were valued by an accredited real estate expert in 21 Feb 2019.

9) Investment in equity - accounted associate

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

Legal form	Country of establish	Percentage of ownership	Company's Objective	<u>Balance at 31 December</u>	
				2018 JD	2017 JD
Limited public shareholding company	Jordan	22,31%	Financial Brokerage	<u>1,934,119</u>	<u>1,876,410</u>

The movement on investment during the year is as follows:

	2018 JD	2017 JD
Balance at 1 January	1,876,410	2,139,357
Company's share of equity - accounted associates profit	(18,251)	(138,533)
Adjustments in the prior years	52,139	-
Company's share of the change in fair value	23,821	(124,414)
Balance at 31 December	<u>1,934,119</u>	<u>1,876,410</u>

The market value of Group's investment in associate amounted to JD 2,342,568 as at 31 December 2018.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

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

	2018 JD	2017 JD
As at 31 December		
Current assets	4,201,558	4,629,769
Non current assets	6,500,360	5,923,772
Current liabilities	2,032,626	1,909,214
Equity	8,669,292	8,644,327
For the year ended at 31 December		
Revenues	527,273	722,681
Loss for the year	(81,808)	(620,945)
Other comprehensive income (loss)	106,773	(557,658)
Total comprehensive income (loss)	24,965	(1,178,603)

10) Financial assets at fair value through other comprehensive income

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

				<u>Balance at 31 December</u>	
Legal form	Country of establish	Percentage of ownership	Company's Objective	2018 JD	2017 JD
Limited private shareholding company	Jordan	0,061%	Investment in properties, hotel acquisition	82,854	243,706

	2018 JD	2017 JD
Balance at 1 January	243,706	243,706
Change in fair value	(160,852)	-
Balance at 31 December	82,854	243,706

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

11) Inventory

	2018	2017
	JD	JD
Pharmacy	258,475	331,897
Operations	105,160	139,346
Spare parts	132,757	141,677
Other medical supplies	185,138	179,030
	<u>681,530</u>	<u>791,950</u>

12) Trade and other receivables

	2018	2017
	JD	JD
Trade receivables	23,422,417	23,815,381
Provision for impairment of trade receivables	(15,594,492)	(15,594,492)
Net trade receivables	<u>7,827,925</u>	<u>8,220,889</u>
Accrued revenues	718,187	569,767
Employees receivables	191,313	44,672
Deposits	<u>268,923</u>	<u>263,345</u>
Total financial assets other than cash and cash equivalents classified as amortized cost	<u>9,006,348</u>	<u>9,098,673</u>
Prepaid expenses	142,296	225,262
Income tax deposits	<u>6,329</u>	<u>4,772</u>
	<u>9,154,973</u>	<u>9,328,707</u>

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

The Group has no guarantees against such receivables.

Trade receivables are presented as net amount, after deducting the Doctor's deposits amount of JD 15,262,587 which are contra accounts that doesn't appear in the financial statements, that represent Doctor's fees. Not an obligation of the Group and associated with the collection of these receivables.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

There are trade receivables amounted JD 23,422,417 as at 31 December 2018 against JD 23,815,381 as at 31 December 2017. The aging of receivables are as follows:

	<u>2018</u>
	JD
less than 30 days	784,561
from 31 to 60	1,110,238
from 61 to 90	925,263
from 91 to 120	648,716
from 121 to 180	381,467
from 181 to 270	182,869
from 271 to 360	75,738
More than 360 days	<u>19,313,565</u>
	<u><u>23,422,417</u></u>

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

	<u>2018</u>	<u>2017</u>
	JD	JD
1 January	15,594,492	7,128,468
Increase during the year	-	8,473,278
Decrease during the year	-	(7,254)
31 December	<u><u>15,594,492</u></u>	<u><u>15,594,492</u></u>

13) Cash and cash equivalents

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

	<u>2018</u>	<u>2017</u>
	JD	JD
Cash at banks- Deposit	2,603,049	3,252,409
Cash at banks-Current	78,994	63,632
Cash on hand	49,064	36,532
	<u><u>2,731,107</u></u>	<u><u>3,352,573</u></u>

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

14) Equity

Capital

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

Statutory reserve

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

Cumulative change in fair value

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

Retained earnings

This item contains losses, profits and dividends.

15) Trade and other payables

	2018	2017
	JD	JD
Trade payables	3,590,104	4,252,384
Accrued expenses	1,330,293	2,202,488
Post-dated checks	2,292,562	1,415,009
Total financial liabilities measured at amortized cost	7,212,959	7,869,881
Income tax deposits	92,041	88,228
Social security deposits	72,365	66,439
Unearned revenues	144,505	92,592
Others	304,975	411,445
	7,826,845	8,528,585

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

16) Loans and bank facilities

	<u>2018</u> JD	<u>2017</u> JD
<u>Non current</u>		
Note payables (16-1)	-	80,367
<u>Current</u>		
Note payables (16-1)	95,410	319,020
Bank facilities (16-2)	3,188,508	2,835,860
	<u>3,283,918</u>	<u>3,154,880</u>
Total loans and bank facilities	<u>3,283,918</u>	<u>3,235,247</u>

16-1) Note Payables

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

16-2) Bank facilities

<u>Bank Name</u>	<u>Overdraft ceiling</u> JD	<u>Interest rate</u> %	<u>2018</u> JD	<u>2017</u> JD
Jordan Ahli Bank	500,000	10.75	503,889	614,714
Jordan Kuwait	250,000	11.25	173,437	52,384
BLOM Bank	2,000,000	5.75	2,511,182	2,168,762
			<u>3,188,508</u>	<u>2,835,860</u>

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

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

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

17) Income tax provision

The following is an income tax provision movement:

	<u>2018</u>	<u>2017</u>
	JD	JD
Balance at beginning of the year	-	381,310
Paid during the year	(1,557)	(381,310)
Income tax of the year	<u>33,066</u>	<u>-</u>
	<u><u>31,509</u></u>	<u><u>-</u></u>

The following is an income tax settlement with accounting profit:

	<u>2018</u>	<u>2017</u>
	JD	JD
Accounting profit distributed to		
Accounting loss/gain	199,220	(8,873,002)
Add: Non taxable expenses		8,612,965
Deduct: Non taxable revenues	<u>(33,888)</u>	<u>-</u>
Taxable income	165,332	(260,037)
Tax rate according to Jordanian law	<u>20%</u>	<u>20%</u>
Income tax of the year	<u><u>33,066</u></u>	<u><u>-</u></u>

Income tax

The Group reached settlement with the income and sales tax department until the end of 2014.

Sales tax

The Group reached settlement with the income and sales tax department until the end of 2014.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

18) Revenues

	2018	2017
	JD	JD
Medical supplies and procedures	3,619,761	3,721,254
Medicines	2,524,473	2,525,183
Laboratories and radiology	2,938,036	2,574,571
Other departments	2,129,407	1,161,694
Residence	1,090,603	1,017,984
Anesthesia	481,465	804,041
Operating rooms	220,007	268,928
Total revenues	13,003,752	12,073,655
Discount on claims	(778,712)	(527,453)
Net revenues	12,225,040	11,546,202

19) Cost of revenues

	2018	2017
	JD	JD
Salaries and wages	2,737,374	2,669,913
Medicines	1,583,879	1,655,957
Medical supplies	1,357,988	1,328,482
Depreciations and amortizations	801,858	899,397
Social security	361,529	338,344
Maintenance	252,649	226,367
Kitchen	194,622	187,643
Employee`s rewards and incentives	183,318	184,609
Blood units fees	46,360	68,152
Non-medical supplies	63,433	68,255
Stationery and printings	27,218	22,353
External tests	47,534	40,203
Cleaning and hospitality	12,784	14,313
Others	169,133	183,454
Total cost of revenues	7,839,679	7,887,442

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

20) Administrative expenses

	2018	2017
	JD	JD
Salaries, wages and other benefits	2,044,553	1,795,362
Public utilities	1,026,362	1,150,065
Depreciations and amortizations	558,043	517,280
Social Security	227,208	194,855
Fuel	146,703	122,361
Maintenance	126,706	100,263
Cleaning	112,698	56,084
Subscriptions	99,645	63,161
Non-medical consumables	73,410	52,379
Communications	69,494	68,196
Fees and licenses	60,590	52,114
Professional fees	47,629	77,349
Commissions	47,002	156,881
Training courses	43,247	16,157
Visa commission	34,873	24,543
Insurance and licensing	34,319	28,055
Travel and transportation	28,857	19,481
Board of directors member`s transportation	24,000	24,000
Board of directors member`s rewards	16,615	-
Stationary and printings	23,935	23,487
Others	71,461	52,377
	<u>4,917,350</u>	<u>4,594,450</u>

21) Employees' salaries and benefits

	2018	2017
	JD	JD
Salaries and other benefits	4,781,927	4,465,275
Social security	588,737	533,199
Employees' rewards and incentives	183,318	184,609
	<u>5,553,982</u>	<u>5,183,083</u>
Number of employees'	636	654

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

22) Other revenues

	2018	2017
	JD	JD
Rent of outpatient clinics	270,591	263,014
Rent of fertilization unit	200,000	197,917
Revenue of cafeteria	100,322	83,169
Revenue of continuing education	19,902	9,209
Others	160,120	121,190
	<u>750,935</u>	<u>674,499</u>

23) Bank interest

	2018	2017
	JD	JD
Bank interest income	131,218	156,045
Bank interest expense	(184,832)	(156,045)
	<u>(53,614)</u>	<u>-</u>

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

	2018	2017
	JD	JD
Gain (loss) for the year	166,154	(8,873,002)
Weighted average for number of the shares	<u>30,000,000</u>	<u>30,000,000</u>
	<u>0.006</u>	<u>(0.30)</u>

Al Bilad For Medical Services Company
(Limited Public Shareholding)
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Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

25) Related parties

	Nature of related party	Nature of transactions	Transactions		Balance at 31 December	
			2018	2017	2018	2017
			JD	JD	JD	JD
Due from related parties	Key Management	Financing	125,000	15,684	123,000	1,547
		Share of associate		(138,533)		
	Associate	company	33,888		-	647
					<u>123,000</u>	<u>2,194</u>

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

	2018	2017
	JD	JD
Salaries and other benefits	188,760	170,528
Board of directors member's rewards	16,615	-
Board of directors member's transportation	24,000	24,000
Social security	20,187	9,414
	<u>249,562</u>	<u>203,942</u>

26) Segment reporting

The Group's main activities are to provide medical services within the Hashemite Kingdom of Jordan. Note (18) shows the nature of the medical services provided.

Notes forming part of the consolidated financial statements
for the year ended 31 December 2018 (continued)

27) Contingent liabilities

Electricity invoices

At the date of the consolidated financial position statement there is a contingent liability of amounted to JD 145,058 resulting from the difference between the electricity invoices for the past 6 months of the year and the estimated electricity expense that the Group recognized in their records. Based on attorney electricity the Group objected on the amount of the financial claims there is no attorney letter, therefore the Group objected on the amount of the financial claim. The issue regarding the contingent liabilities is still pending until the end of the year of the financial statements.

Lawsuits

According to the Group's lawyers letter, there are lawsuits against the Group amounting to JD 1,018,968 as at 31 December 2018.

Bank guarantees

The Group has contingent liabilities through bank guarantees amounting to JD 112,700 as a date of the consolidated statement of financial position.

28) Comparative figures

Some of 2017 balances were reclassified to correspond with the consolidated financial statements for the year 2018 presentation, with no effect on the comprehensive income and statement of changes in equity for the year ending 31/12/2017.