للاطلاع
* بورصة عمان
* الدوائر
المختصة

Omar M. Al-karasneh

From:	Jordanian for Managment <jomc@orange.jo>
Sent:	27 حزيران، ٢٠٢٠ ١١:٣٦ ص
To:	Omar M. Al-karasneh
Subject:	Emailing: JOMC ebc٢٠١٩ ميزانية الاردنية للادارة والاستشارت الانجليزي (Con٢.pdf
Attachments:	JOMC ebc٢٠١٩ ميزانية الاردنية للادارة والاستشارت الانجليزي (Con٢.pdf

٢٨/٦

الاخ عمر المحترم
تحية طيبة وبعد
ارفق لكم البيانات المالية الموحدة بالانجليزي عن 31-12-2019 علما بانها مرسلة سابقا مع جزيل الشكر Your message is ready to be sent with the following file or link
attachments:

JOMC ebc2019 ميزانية الاردنية للادارة والاستشارت الانجليزي (Con2.pdf

Note: To protect against computer viruses, e-mail programs may prevent sending or receiving certain types of file attachments. Check your e-mail security settings to determine how attachments are handled.

هيئة الأوراق المالية
الدائرة الإدارية / الديوان
٢٨ حزيران ٢٠٢٠
الرقم المتسلسل ٢٧٧٢
الجهة المختصة

JORDANIAN FOR MANAGEMENT AND CONSULTANCY–

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2019

Ernst & Young Jordan
P.O. Box 1140
300 King Abdulla Street
Amman 11118
Jordan
Tel:00962 6 580 0777 /00962 6552 6111
Fax:00962 6 5538 300
www.ey.com

INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordanian for Management and Consultancy Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordanian for Management and Consultancy Company, a public shareholding company, and its subsidiary ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2019, and the consolidated statement of income, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2019, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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. For each matter below, our description of how our audit addressed the matter provided in that context.

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

<table>
<tr><td colspan="2">Key Audit Matter 1: Revenue recognition

Refer to note (15, 16) on the consolidated financial statements for more details about this matter.</td></tr>
<tr><td>Key Audit Matter
Revenue is a key performance measure for the Group. The Group’s main sources of revenues are from medical claims management, and installment operations.

Revenue recognition has been considered as a key audit matter to our audit due to the risks related to accuracy, timing and measurement of revenues.</td><td>How the key audit matter was addressed in the audit
Our audit procedures included:
- Assessing the appropriateness of the Group’s revenues recognition accounting policies in accordance with International Financial Reporting Standards (IFRS).

- Evaluating the control environment and tested the internal controls over the completeness, measurement and occurrence of revenue recognized.

- Obtaining a sample of transactions and tested proper recording and recognition. In addition to this, we selected a sample of invoices issued before and after the cutoff date to test proper recognition in the related period.

- Performing as well substantive analytical procedures for the gross margin and sales revenues on a monthly basis.</td></tr>
</table>

Key Audit Item 2: Provision for impairment on notes receivable and trade receivables Refer to note (4,7) on the consolidated financial statements for more details about this matter.	
Key Audit Matter The Group has applied the simplified approach of International Financial Reporting Standard (IFRS 9) and has calculated the expected credit losses on notes receivable and trade receivables. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors and economic environment. Due to the significance of notes receivable and trade receivables and due to the fact that impairment provision requires high level of estimation that may be subject to uncertainty as per IFRS 9 requirements , this considered a key audit matter.	**How the key audit matter was addressed in the audit** Our audit procedures included: - Understanding the Group's policy in calculating the provision in comparison with the requirement of International Financial Reporting Standard (IFRS 9). - We verified the inputs and outputs used in the expected credit losses framework. - We assessed the reasonableness of assumptions used by management in calculating the provision for expected credit losses. - We have recalculated the ECL over the notes receivable and trade receivables in addition to understanding the updates on these credit exposures from a cashflow and financial position perspective.

Other information included in the Company's 2019 annual report.

Other information consists of the information included in The Group's 2019 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2019 Annual Report is expected to be made available to us after the date of this auditor's report.

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

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

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

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

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exist, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts and the financial statements are in agreement therewith.

The partner in charge of the audit resulting in this auditor's report was Waddah Issam Barkawi; license number 591.

Amman – Jordan
4 May 2020

Ernst + Young

JORDANIAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

ASSETS	Notes	2019	2018
		JD	JD
Non-current assets			
Property and equipment	3	121,409	114,610
Long term notes receivable	4	2,301,765	2,225,544
Financial assets at fair value through other comprehensive income	5	480,150	223,556
		2,903,324	2,563,710
Current assets			
Due from related parties	18	161,643	948,259
Investments in precious metals		75,120	-
Other current assets	6	100,756	107,633
Trade receivables	7	60,429	124,430
Short term notes receivables	4	2,711,512	2,675,139
Cheques under collection	8	2,467,824	1,272,019
Cash and balances at banks	13	643,068	235,654
		6,220,352	5,363,134
Total Assets		9,123,676	7,926,844
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid in capital	9	2,500,000	2,500,000
Statutory reserve	9	688,708	600,334
Voluntary reserve	9	1,357,165	1,180,416
Fair value reserve	5	(4,067)	7,741
Retained earnings		1,638,014	1,489,632
Total Equity		6,179,820	5,778,123
Non-current liability			
Deferred revenue from long term instalments	11	209,026	216,773
Current liabilities			
Other current liabilities	12	409,510	383,555
Deferred revenue form short term instalments	11	468,135	450,529
Accounts payable		1,216,657	556,253
Loans	10	-	100,000
Due to bank	13	318,903	187,244
Income tax provision	14	321,625	254,367
		2,734,830	1,931,948
Total Liabilities		2,943,856	2,148,721
Total Equity and Liabilities		9,123,676	7,926,844

The attached notes from 1 to 27 form part of these consolidated financial statements

JORDANIAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
Revenues			
Management and medical services revenues	15	1,641,827	1,378,599
Instalments revenues	16	961,641	934,904
Others		109,119	43,550
Total revenues		2,712,587	2,357,053
General and administrative expenses	17	(1,595,422)	(1,341,941)
Interest expense		(43,146)	(58,433)
Provision for incorrect medical coverage	12	(11,787)	(10,230)
Provision for expected credit losses	4,7	(178,488)	(109,531)
Profit for the year before income tax		883,744	836,918
Income tax	14	(295,758)	(227,916)
Profit for the year		587,986	609,002

		JD / Fils	JD / Fils
Basic and diluted earnings per share, from the profit attributable to Company's shareholders	20	0/235	0/244

The attached notes from 1 to 27 form part of these consolidated financial statements

JORDANIAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
	JD	JD
Profit for the year	587,986	609,002
Add: Other comprehensive income not to be reclassified to income in subsequent periods		
Change in fair value for financial assets at fair value through other comprehensive income	(11,289)	3,141
Total comprehensive income for the year	576,697	612,143

The attached notes from 1 to 27 form part of these consolidated financial statements

JORDANIAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total
2019	JD	JD	JD	JD	JD	JD
Balance at 1 January 2019	2,500,000	600,334	1,180,416	7,741	1,489,632	5,778,123
Total comprehensive income for the year	-	-	-	(11,289)	587,986	576,697
Transfers to reserves	-	88,374	176,749	-	(265,123)	-
Dividends (note 9)	-	-	-	-	(175,000)	(175,000)
Gain from selling financial assets at fair value through other comprehensive income	-	-	-	(519)	519	-
Balance at 31 December 2019	2,500,000	688,708	1,357,165	(4,067)	1,638,014	6,179,820
2018						
Balance at 1 January 2018	2,500,000	516,642	1,013,032	4,600	1,381,706	5,415,980
Total comprehensive income for the year	-	-	-	3,141	609,002	612,143
Transfers to reserves	-	83,692	167,384	-	(251,076)	-
Dividends (note 9)	-	-	-	-	(250,000)	(250,000)
Balance at 31 December 2018	2,500,000	600,334	1,180,416	7,741	1,489,632	5,778,123

The attached notes from 1 to 27 form part of these consolidated financial statements

JORDANIAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Notes	2019	2018
		JD	JD
OPERATING ACTIVITIES			
Profit for the year before tax		883,744	836,918
Adjustments for:			
Depreciation	3	31,255	25,590
Interest expense		43,146	58,433
Provision for incorrect medical coverage	12	11,787	10,230
Provision for expected credit losses	7,4	178,488	109,531
Gain from selling and revaluation of precious metals		(8,194)	-
Loss from sale of property and equipment		216	-
Working capital adjustments:			
Trade receivables		(36,192)	32,834
Notes receivable		(190,889)	203,823
Due from related parties		786,616	(849,100)
Other current assets		6,877	65,101
Cheques under collection		(1,195,805)	521,213
Accounts payable		660,404	(8,182)
Deferred revenue from instalments		9,859	(84,552)
Other current liabilities		9,389	79,767
Provision for incorrect medical coverage paid		(7,270)	(4,118)
Net cash flows from operating activities before income tax		1,183,431	997,488
Income tax paid	14	(228,500)	(188,278)
Net cash flows from operating activities		954,931	809,210
INVESTING ACTIVITIES			
Purchases of financial assets at fair value through other comprehensive income		(309,212)	(105,464)
Purchase of investments in precious metals		(66,926)	-
Purchases of property, plant and equipment	3	(38,300)	(73,345)
Proceed from selling property and equipment		30	-
Proceed from selling financial assets at fair value through other comprehensive income		41,329	-
Net cash flows used in investing activities		(373,079)	(178,809)
FINANCING ACTIVITIES			
Proceeds from loan		(100,000)	(300,000)
Interest expenses paid		(43,146)	(58,433)
Dividends		(162,951)	(229,353)
Net cash flows used in financing activities		(306,097)	(587,786)
Net increase in cash and cash equivalents		275,755	42,615
Cash and cash equivalents at the beginning of the year		48,410	5,795
Cash and cash equivalents at the end of the year	13	324,165	48,410

The attached notes from 1 to 27 form part of these consolidated financial statements

(1) GENERAL

Jordanian for Management and Consultancy Company (the "Company") is a Jordanian Public Shareholding Company registered on 26 February 2006 in the Companies General Controller at the Ministry of Trading and Industry under no. (386). The Company obtained the permit to start operations on 3 October 2006 from the Ministry of Industry and Trade and Supply.

The General Assembly resolved to increase the Company's paid in capital several times, the most recent being during its extraordinary meeting held on 30 April 2017, where it was resolved to increase the Company's paid in capital to become JD/Share 2,500,000 through capitalizing JD 200,000 from the retained earnings as share dividends. The capital increase was approved by the Amman Stock exchange on 22 May 2017.

The Company's main activities are represented in establishing, contributing, managing and owning companies with various types and objectives, in addition to purchasing, selling, trading, importing and exporting products and materials such as machines, equipment and vehicles for sale, instalments sales or finance leases.

The main activity of the subsidiary is to provide specialized consultancy in the field of health insurance management, establishing, owning or participating in companies and projects of all types and purposes, management of health insurance for companies, contracting with licensed insurance companies to market and issue health insurance policies, getting into agreements in which it considers achieves its objectives, management of expenses, financial claims and liabilities, payment of the financial claims on behalf of the insurance company or the self-financing funds, management of the insurance programs approved by the insurance company and managing its implementation, proposal of the medical insurance programs and their design and development provided that these programs are marketed only through the insurance company, getting into agreements with medical providers on behalf of the insurance company or self-financed funds, borrow funds from banks and contribute in other companies.

The Company and its subsidiary are based in Amman, Jordan.

The consolidated financial statements were approved by the Board of Directors at its meeting on March 9, 2020.

(2-1) BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention, except for the financial assets at fair value through other comprehensive income and investments in precious metals, which are presented at fair value at the date of the consolidated financial statements.

The consolidated financial statements are prepared in accordance with International Financial Reporting Standards ("IFRS").

The consolidated financial statements are presented in Jordanian Dinars, which represents the functional Currency of the Group.

(2-2) BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries (the “Group”) as at 31 December 2019:

	Activity	Country	Ownership 2019	Ownership 2018
Specialized Medical Insurance administration Company*	Insurance management	Jordan	100%	100%

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The financial statements for the company and its subsidiaries are prepared for the same financial period and using the same standards.

* The subsidiary (The Specialized Medical Insurance Administration Company) owns an additional subsidiary that has been consolidated in the consolidated financial statement of the Group, below are the details of the subsidiary:

	Legal statues	Country of incorporation	Percentage of ownership 2019	Percentage of ownership 2018
Specialized Company for the Management of Medical Insurance – Palestine**	Private Foreign Shareholding Company	Palestine	-	-

** The specialized Company for Management of Medical Insurance – Palestine (Foreign Private Shareholding Company), was established with authorized capital of JD 1,000,000 and paid – in capital of JD 28,400 and was registered in the Palestinian Ministry of National Economy on 8 May 2015, and is fully owned by the Specialized Medical Insurance administration Company.

The General Assembly resolved during its extraordinary meeting held on 6 September 2017 to liquidate The Specialized Company for the Management of Medical Insurance – Palestine registered under No. 562703397 mandatorily in accordance with the companies Law No. 12 of 1964 issued by the Ministry of National Economy – Palestine, the liquidation process was completed on 16 October 2018.

The Company has not carried out any activities since its establishment until liquidation. Therefore, the sale was not disclosed in the discontinued operations disclosure as the disposal of the subsidiary had no impact on the consolidated financial statements.

(2-2) BASIS OF CONSOLIDATION (CONTINUED)

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

- Derecognizes the assets and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interests
- Derecognizes the cumulative translation differences recorded in equity
- Recognizes the fair value of the consideration received
- Recognizes the fair value of any investment retained
- Recognizes any surplus or deficit in profit or loss

(2-3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2018 except for the adoption of new standards effective as of 1 January 2019 shown below:

IFRS 16 Leases
IFRS 16 supersedes IAS 17 Leases, IFRIC 4 Determining whether an Arrangement contains a Lease, SIC-15 Operating Leases-Incentives and SIC-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for most leases under a single on-balance sheet model.
Lessor accounting under IFRS 16 is substantially unchanged from IAS 17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in IAS 17. Therefore, IFRS 16 did not have an impact for leases where the company is the lessor.

The adoption of IFRS 16 had no impact on the Group's consolidated financial statements.

IFRIC Interpretation 23 Uncertainty over Income Tax Treatment
The Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments. An entity determines whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments and uses the approach that better predicts the resolution of the uncertainty.

The Interpretation did not have an impact on the Group's consolidated financial statements.

(2-3) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IFRS 9: Prepayment Features with Negative Compensation

Under IFRS 9, a debt instrument can be measured at amortised cost or at fair value through other comprehensive income, provided that the contractual cash flows are 'solely payments of principal and interest on the principal amount outstanding' (the SPPI criterion) and the instrument is held within the appropriate business model for that classification. The amendments to IFRS 9 clarify that a financial asset passes the SPPI criterion regardless of the event or circumstance that causes the early termination of the contract and irrespective of which party pays or receives reasonable compensation for the early termination of the contract.

The Interpretation did not have an impact on the Group's consolidated financial statements.

Amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and Its Associate or Joint Venture

The amendments address the conflict between IFRS 10 and IAS 28 in dealing with the loss of control of a subsidiary that is sold or contributed to an associate or joint venture. The amendments clarify that the gain or loss resulting from the sale or contribution of assets that constitute a business, as defined in IFRS 3, between an investor and its associate or joint venture, is recognised in full. Any gain or loss resulting from the sale or contribution of assets that do not constitute a business, however, is recognised only to the extent of unrelated investors' interests in the associate or joint venture. The IASB has deferred the effective date of these amendments indefinitely, but an entity that early adopts the amendments must apply them prospectively.

The Interpretation did not have an impact on the Group's consolidated financial statements.

Amendments to IAS 19: Plan Amendment, Curtailment or Settlement

The amendments to IAS 19 address the accounting when a plan amendment, curtailment or settlement occurs during a reporting period. The amendments also clarify that an entity first determines any past service cost, or a gain or loss on settlement, without considering the effect of the asset ceiling. This amount is recognised in profit or loss.

An entity then determines the effect of the asset ceiling after the plan amendment, curtailment or settlement. Any change in that effect, excluding amounts included in the net interest, is recognised in other comprehensive income.

The Interpretation did not have an impact on the Group's consolidated financial statements.

(2-3) CHANGES IN ACCOUNTING POLICIES (CONTINUED)

Amendments to IAS 28: Long-term interests in associates and joint ventures
The amendments clarify that an entity applies IFRS 9 to long-term interests in an associate or joint venture to which the equity method is not applied but that, in substance, form part of the net investment in the associate or joint venture (long-term interests). This clarification is relevant because it implies that the expected credit loss model in IFRS 9 applies to such long-term interests.

The amendments also clarified that, in applying IFRS 9, an entity does not take account of any losses of the associate or joint venture, or any impairment losses on the net investment, recognised as adjustments to the net investment in the associate or joint venture that arise from applying IAS 28 Investments in Associates and Joint Ventures.

The Interpretation did not have an impact on the Group's consolidated financial statements.

(2-4) USE OF ESTIMATES

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

Revenue recognition principal vs. agent
The determination if revenues from management and medical services contracts should be recognized as an agent where the Group arrange for third party to render the service and revenues are recognized net of the amounts transferred to the third party or as a principle where revenues are recognized in gross amounts, requires from the management a high level of judgements and estimates regarding the indicators used in order to determine if the company is acting as a principal or agent which includes assessments if the entity is responsible for rendering the service to the customer or if it is subject to credit risk.
The company concluded that it is acting as an agent in accordance with the insurance management contracts.

Expected Credit Losses
Determining the expected credit loss requires the company's management to issue important judgments to estimate future cash flow amounts, in addition to estimating any significant increase in the credit risk of financial assets after initial recognition and considering future measurement information for the expected credit losses.

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents
Cash and short-term deposits in the consolidated statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value, if original maturity of deposits exceeds three months, they are classified as short-term investments. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

Segment Reporting
A business segment is a group of assets and operations engaged in providing products or services that are subject to risks and returns that are different from those of other business segments.

A geographical segment is engaged in providing products or services within particular economic environment that are subject to risks and returns that are different form those of segments operating in other economic environments.

Property and equipment
Property and equipment are recorded at cost less accumulated depreciation and any impairment in value.

Depreciation is calculated on a straight line basis (except for land). Assets are not depreciated until such time as the relevant assets are completed and put into operational use. The depreciation rates are estimated according to the estimated useful lives of assets as follows:

	%
Furniture and fixtures	10
Office machines & equipment	15
Computers	25
Vehicles	15
Banners	15

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such

indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less costs to sell and their value in use. The impairment loss is recorded in the statement of income.

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

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial assets at fair value through other comprehensive income
These financial instruments represent equity investments being held for sale in the long term.

These financial assets are initially recognized at fair value plus attributable transaction costs and subsequently measured at fair value. The change in fair value of those assets is presented in the consolidated statement of comprehensive income within equity, including the change in fair value resulting from the foreign exchange differences of non-monetary assets. In case those assets – or part of them – were sold, the resultant gain or loss is recorded in the consolidated statement of comprehensive income within equity and the fair value reserve for the sold assets is directly transferred to the retained earnings and not through the consolidated statement of profit or loss.

Fair value measurement
The fair value financial assets trade in active markets is determined by reference to closing prices at the date of the consolidated financial statement.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability in principal market for the assets or liability or in absence of principal market, in the most advantageous market for the assets or liability.

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

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

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

The Group uses the following arrangement of valuation techniques and alternative in determining and presenting fair value of financial instruments:

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair value measurement (CONTINUED)

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

- Level 1 - Quoted market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

Impairment of non-financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

Trade receivables

Trade receivables are stated at original invoice amount less any provision for expected credit loss. The Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Notes receivable

Notes receivables are presented at the amortized cost and the market interest rates are used in determining their value at the recognition date less an allowance for any uncollectable amounts and expected credit loss. The interest revenue is recognized on timely basis.

Provisions

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

Accounts payable and accruals

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

Foreign currencies

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

Income tax

Income tax expense represents current year income tax and deferred income tax.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date. Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, nondeductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Taxes are calculated according to tax rates determined by laws, regulations and instructions.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated statement of financial position date. Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized, or the liability is settled, based on laws that have been enacted at the statement of financial position date.

The carrying values of deferred income tax assets are reviewed at each consolidated statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Investments in precious metals

Investment in precious metals represent investments in Gold. These investments are revaluated at fair value at the date of the consolidated financial statements.

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenues and expenses recognition

The Group provides medical insurance administration services to companies in accordance with the concluded agreements. According to those contracts, revenues related to management and medical services are due in three categories as follows:

(A) Management and medical services

Revenue from medical parties

Revenues from medical parties (hospitals, doctors, pharmacies, etc.) represent the revenues resulting from the discount rate agreed with the medical parties amounting to 5% of the value of the claim.

Revenue from medical parties is recognized when the monthly claims are reviewed. Revenues are recognized on net basis of the amounts transferred to the medical parties. The company doesn't recognize the full amount of the monthly claims as revenues as these amounts are being offset against the payables balance and trade payables are presented on net basis as the company is considered as agent.

Revenue from insurance contracts

The revenues from Insurance Contracts represent the fees charged by the Group for the management of medical claims of all kinds, such as data entry, issuance of cards to all subscribers, medical treatment forms and any other administrative costs.

Revenue from insurance contracts is recognized upon signing contracts and issuing cards and medical treatment forms to all subscribers.

Medical claims audit revenues

Medical claims audit revenues represent the fees related to the audit and follow up of all medical claims related to outpatient and inpatient care.

Medical claims audit revenue is recognized when the monthly claims of medical parties are completed.

(B) Instalments operations

Instalments profit and Instalments commission revenues

Instalments profit and Instalments commission revenues are related to notes receivable are recognized using the effective interest method.

(2-5) Summary of Significant Accounting Policies (Continued)

Revenue and expense recognition (CONTINUED)

(B) Instalments operations (CONTINUED)

Instalments services fees revenues.

Fees for Instalments services are recognized on the date of sale as these revenues are related to the administrative work performed at the time of sale.

(C) Other revenue types

Investment dividends are recognized when approved by the public entities of the investee companies in the consolidated statement of income.

Other income is recognized when the services are rendered.

Expenses

Expenses are recognized on an accrual basis.

Offsetting

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

Discontinued operations

The Group classifies non-current assets and disposal groups as held for sale to equity holders of the parent if their carrying amounts will be recovered principally through a sale or distribution rather than through continuing use.

Such non-current assets and disposal groups classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Costs to sell are the incremental

costs directly attributable to the sale, excluding finance costs and income tax expense.

The criteria for non-current assets held for sale classification is regarded as met only when the sale is highly probable and the asset or disposal group is available for immediate sale in its present condition. Actions required to complete the sale should indicate that it is unlikely that significant changes to the sale will be made or that the decision to sale will be withdrawn.

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) Other revenue types (Continued)

Discontinued operations (Continued)

Management must be committed to the sale expected within one year from the date of the classification.

Property, plant and equipment and intangible assets are not depreciated or amortised once classified as held for sale.

Assets and liabilities classified as held for sale are presented separately as current items in the consolidated statement of financial position.

A disposal group qualifies as discontinued operation if it is a component of an entity that either has been disposed of, or is classified as held for sale, and:

- Represents a separate major line of business or geographical area of operations.
- Is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations or;
- Is a subsidiary acquired exclusively with a view to resale.

Discontinued operations are excluded from the results of continuing operations and are presented as a single amount as profit or loss after tax from discontinued operations in the statement of profit or loss.

Current versus non-current classification

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

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

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(C) Other revenue types (Continued)

Current versus non-current classification (Continued)

All other assets are classified as non-current. A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period Or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non- current assets and liabilities.

Loans

Loans are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any “discount or premium” on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

(3) PROPERTY AND EQUIPMENT

	Furniture and fixtures	Office machines and equipment	Computers	Vehicles	Banners	Total
2019	JD	JD	JD	JD	JD	JD
Cost						
Balance as of 1 January 2019	84,575	94,877	434,879	69,030	15,841	699,202
Additions	21,623	5,465	11,212	-	-	38,300
Disposals	-	(1,223)	-	-	-	(1,223)
Balance as of 31 December 2019	106,198	99,119	446,091	69,030	15,841	736,279
Accumulated depreciation						
Balance as of 1 January 2019	62,582	78,770	411,395	16,004	15,841	584,592
Depreciation	6,737	4,416	9,746	10,356	-	31,255
Disposals	-	(977)	-	-	-	(977)
Balance as of 31 December 2019	69,319	82,209	421,141	26,360	15,841	614,870
Net book value at 31 December 2019	36,879	16,910	24,950	42,670	-	121,409
2018						
Cost						
Balance as of 1 January 2018	85,994	90,329	416,479	25,500	15,841	634,143
Additions	5,244	6,171	18,400	43,530	-	73,345
Disposals	(6,663)	(1,623)	-	-	-	(8,286)
Balance as at of December 2018	84,575	94,877	434,879	69,030	15,841	699,202
Accumulated depreciation						
Balance as of 1 January 2018	63,075	78,174	403,994	6,204	15,841	567,288
Depreciation	6,170	2,219	7,401	9,800	-	25,590
Disposals	(6,663)	(1,623)	-	-	-	(8,286)
Balance as of 31 December 2018	62,582	78,770	411,395	16,004	15,841	584,592
Net book value at 31 December 2018	21,993	16,107	23,484	53,026	-	114,610

(4) NOTES RECEIVABLE

	2019	2018
	JD	JD
Notes receivable	5,638,575	5,447,686
Allowance for impairment in notes receivable*	(625,298)	(547,003)
Total	5,013,277	4,900,683

	2019	2018
	JD	JD
Short term notes receivable	2,711,512	2,675,139
Long term notes receivable	2,301,765	2,225,544
	5,013,277	4,900,683

* The movement on impairment allowance for notes receivable is as follows:

	2019	2018
	JD	JD
Balance as of 1 January	547,003	478,277
Allowance for expected credit loss	78,295	68,726
Balance as of 31 December	625,298	547,003

The Group pledges vehicles sold as guarantee against the notes receivable up to the date of full settlement.

(5) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

This item represents the Group's investment in the shares of companies listed in Amman Stock Exchange. The change in fair value of these shares amounted to JD 4,067 as of 31 December 2019 (2018: JD 7,741 increase)

(6) OTHER CURRENT ASSETS

	2019	2018
	JD	JD
Prepaid expenses	51,036	68,323
Refundable deposits	2,311	1,303
Margins on letters of guarantee	14,550	12,350
Employees' receivables	5,200	2,735
Plastic cards and medical forms	27,659	22,922
	100,756	107,633

(7) TRADE RECEIVABLES

	2019	2018
	JD	JD
Trade receivables	498,429	462,237
Less: Allowance for expected credit losses	(438,000)	(337,807)
	60,429	124,430

* The movement on the allowance for expected credit losses as at 31 December is as follows:

	2019	2018
	JD	JD
Balance at 1 January	337,807	297,002
Provision for the year	100,193	50,000
Recovered from provision for the year	-	(9,195)
Balance at 31 December	438,000	337,807

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

	Undue receivables	1-30 Days	31-90 Days	91-120 Days	More than 120 Days	Total
	JD	JD	JD	JD	JD	JD
2019	-	60,429	-	-	-	60,429
2018	88,204	36,226	-	-	-	124,430

(8) CHEQUES UNDER COLLECTION

This item represents cheques under collection from Jordan French Insurance Company (shareholder) and other customers against insurance management services provided. Maturity dates for the cheques under collection are up to 6 May 2020.

(9) EQUITY

Paid in capital

The authorized paid in capital of the company is JD 2,500,000, divided into 2,500,000 shares, with a nominal value of one dinar per share.

Statutory reserve

This amount represents the appropriations at 10% of net income before tax noting that accumulated balance should not exceed the Company's paid in capital. This reserve is not available for distribution to the shareholders.

Voluntary reserve

This amount represents the appropriations up to 20% of net income before tax noting that accumulated balance should not exceed the Company's paid in capital. This reserve is available for distribution to the shareholders.

Dividends

The General Assembly resolved in its extraordinary meeting held on 25 April 2019, to distribute cash dividends to shareholders amounted to JD 175,000 as of 31 December 2019 (2018: JD 250,000)

(10) LOANS

Invest Bank Loan

During 2015, the Group obtained a revolving loan with a ceiling amounted to JD 600,000 at interest rates ranging between 9%-9.75% to finance 100% of the Group's purchases. The loan is repayable within six months from the withdrawal date. The loan is guaranteed by the notes receivable at 125% of the granted facility ceiling.

(11) DEFERRED REVENUE FROM INSTALMENTS

The details of the deferred revenue from Instalments revenue at 31 December 2019 and 31 December 2018 are as follows:

	31 December 2019		31 December 2018	
	Instalments revenue		Instalments revenue	
	Short term	Long term	Short term	Long term
	JD	JD	JD	JD
Deferred revenues from instalments	468,135	209,026	450,529	216,773

(12) OTHER CURRENT LIABILITIES

	2019	2018
	JD	JD
Accrued expenses	20,879	16,147
Due to social security	10,199	8,119
Due to Income tax	17,132	11,918
Shareholder's deposits	51,202	39,153
Provision for incorrect medical coverage*	15,390	10,873
Other provisions	224,987	210,271
Unearned revenues	50,346	55,866
Others	19,375	31,208
	409,510	383,555

* The movements on the provision for incorrect medical coverage as at 31 December are as follows:

	2019	2018
	JD	JD
Balance as of 1 January	10,873	4,761
Provision for the year	11,787	10,230
Paid during the year	(7,270)	(4,118)
Balance as of 31 December	15,390	10,873

(13) CASH AND BALANCES AT BANKS

Cash and cash equivalents in the consolidated statement of cash flows represents the following balances presented in the consolidated statement of financial position:

	2019	2018
	JD	JD
Cash and cash at banks	643,068	235,654
Due to bank*	(318,903)	(187,244)
	324,165	48,410

* The Group obtained an overdraft facility from Invest Bank with a ceiling of JD 400,000 at interest rates ranging between 9.25% and 10% and commission of 1% paid on monthly basis. The facility is guaranteed by notes receivable at 125% of the loans amount, this percentage should not be less than the facility balance.

(14) INCOME TAX

The movement on income tax provision is as follows:

	2019	2018
	JD	JD
Balance as of 1 January	254,367	214,729
Paid during the year	(228,500)	(188,278)
Provision for the year	295,758	227,916
Balance as of 31 December	321,625	254,367

Income tax presented in the statement of income is as follow:

	2019	2018
	JD	JD
Income tax for the year	295,758	227,916
	295,758	227,916

(14) INCOME TAX (CONTINUED)

Summary of accounting profit and taxable profit for the Parent Company:

	2019	2018
	JD	JD
Accounting profit	761,288	745,080
Add: Non-deductible expenses	117,436	129,038
Less: Non-taxable revenues	(342,510)	(307,126)
Taxable income	536,214	566,992
Income tax	150,140	136,078
Income tax on investment in the subsidiary	23,446	-
Total income tax	173,586	136,078
Statutory income tax rate	28%	24%
Effective income tax rate	19.7%	18.3%

The reconciliation between accounting profit and taxable profit for Specialized Medical Insurance Administration Company (The Subsidiary):

	2019	2018
	JD	JD
Accounting profit	459,700	398,964
Add: Nondeductible expenses for tax purposes	122,069	60,230
Taxable income	581,769	459,194
Income tax	122,172	91,838
Previous year income tax	-	-
Total	122,172	91,838
Statutory income tax rate	21%	20%
Effective income tax rate	26.6%	23%

The Group reached a final settlement with Income and Sales Tax Department until the year 2015.

The Group filed its tax returns for the years 2019 and 2018, which have been accepted by the tax authority without amendments according to sampling method.

(14) INCOME TAX (CONTINUED)

The Group filed its tax returns for the year 2016 which have not been reviewed by the Income and Sales Tax Department up to the date of the consolidated financial statements.

The Group's management has not recorded the deferred tax assets, as it is not material and due to the uncertainty related to benefiting from deferred tax assets in the near future.

The income tax provision for the Group has been calculated for the year ended December 31, 2019 and 2018 in accordance with the Income Tax Law No. (38) for the year 2018 and the Income Tax Law No. (34) for the year 2014 respectively.

The legal tax rate for the company and its subsidiary according to the Income Tax Law No. (38) for the year 2018 and the Tax Law No. (34) for the year 2014 are as follows:

	Income tax law No. (38) of 2018			Income tax law No. (34) of 2014
	Statutory tax rate	National Contribution	Total	Statutory tax rate
Jordanian for Management and Consultancy Ltd.	24%	4%	28%	24%
Specialized Medical Insurance Company	20%	1%	21%	20%

(15) MANAGEMENT AND MEDICAL SERVICES REVENUES

This item represents the revenues from the third party administrator agreements between Specialized Medical Insurance Administration Company (the subsidiary), insured parties and insurance companies. The details of these revenues are as follows:

	2019	2018
	JD	JD
Revenue from medical parties	903,646	739,586
Insurance contracts revenue	383,380	312,906
Revenue from medical claims audit	129,794	82,302
Others	225,007	243,805
	1,641,827	1,378,599

(16) INSTALMENTS REVENUES

The Company's operations are mainly related to the sale of vehicles on instalments, the revenues are deferred and then recognised over the period of the credit term using the effective interest rate except for the instalment service fees, which is recognised on the date of sale since they are related to the administrative work performed on the sale.

	2019	2018
	JD	JD
Instalments profits revenues	692,539	710,335
Instalments commission revenues	75,619	68,207
Instalments service fees revenues	193,483	156,362
	961,641	934,904

(17) GENERAL AND ADMINISTRATIVE EXPENSES

	2019	2018
	JD	JD
Salaries and wages	862,026	699,989
Group's contribution to social security	82,359	70,017
Transportation allowance	8,400	8,925
Insurance	63,399	54,887
Bonuses to employees and Board of Directors	181,277	138,590
Other provisions	39,140	34,363
Depreciation (Note 3)	31,255	25,590
Printing and stationary	15,247	18,907
Rental expenses	50,561	50,153
Mail and telephones	31,760	28,302
License and fees	3,102	2,162
Water and electricity	18,744	18,699
Cleaning	7,498	7,050
Professional fees	36,831	38,577
Hospitality expenses	12,596	11,911
Maintenance	30,088	27,698
Subscriptions	17,505	14,778
Transportation	8,626	8,133
Medical forms	19,965	15,672
Medical insurance cards printing	51,526	43,522
Bank charges	2,261	3,863
General assembly expenses	3,278	3,211
Others	17,978	16,942
	1,595,422	1,341,941

(18) RELATED PARTIES TRANSACTIONS

Related parties are shareholders, senior management of the Group and Companies of which they are principal owners. Pricing and policies and terms of these transactions are approved by the Group's management.

Statement of financial position items:

	2019	2018
	JD	JD
Due to related parties		
Jordan French Insurance Company (Shareholder)	161,643	943,104
Top management receivables	-	5,155
	161,643	948,259
Financial assets at fair value through other comprehensive income		
Jordan French Insurance Company (Shareholder)	15,600	19,000
Cheques under collection		
Jordan French Insurance Company (Shareholder)	2,439,392	1,272,019

Statement of income items:

	2019	2018
	JD	JD
Medical revenues		
Jordan French Insurance Company (Shareholder)	848,607	673,908
Insurance contracts revenues		
Jordan French Insurance Company (Shareholder)	366,562	293,864
	1,215,169	967,772
Rental Expense		
Jordan French insurance Company (Shareholder)	42,000	42,000

(18) RELATED PARTIES TRANSACTIONS (CONTINUED)

The following is a summary of the benefits of the top executive management of the Group:

Compensation of key management personnel

	2019	2018
	JD	JD
Key management salaries, wages and benefits	362,341	321,156

(19) SEGMENT REPORTING

The presentation of main sectors has been determined based on the fact that risks and rewards related to the Group are significantly affected by changing in these sectors products and services. Those sectors are organized and managed separately based on the nature of provided products and services. Each sector is measured separately based on reports used by the chief financial officer and the primary decision maker of the Group.

For managerial purposes, the Group is organized through operational sectors as follows:

- Selling in the form of instalments
- Medial insurance management

The Group monitors operational sectors separately for performance evaluation purposes.

The performance is evaluated based on operational profit or loss for each sector.

Revenues, profits, assets and liabilities according to operational sectors are as follows:

	Instalments sales	Medical insurance management	Total
	JD	JD	JD
As at 31 December 2019-			
Revenues:			
Instalments revenues	961,641	-	961,641
Management and medical services revenue	-	1,641,827	1,641,827
Other income	21,491	87,628	109,119
Business results:			
Profit for the period from continued operations before tax	424,044	459,700	883,744
Profit for the period from continued operations after tax	250,458	337,528	587,986

(19) SEGMENT REPORTING (CONTINUED)

	Instalment sales	Medical insurance management	Total
As at 31 December 2018-	JD	JD	JD
Revenues:			
Instalments revenues	934,904	-	934,904
Management and medical services revenue	-	1,378,599	1,378,599
Other income	7,023	36,527	43,550
Business results:			
Profit for the period from continued operations before tax	437,954	398,964	836,918
Profit for the period from continued operations after tax	301,876	307,126	609,002
As at 31 December 2019-			
Assets and liabilities -			
Sector assets	5,513,428	3,610,248	9,123,676
Sector liabilities	1,495,711	1,448,145	2,943,856
As at 31 December 2018-			
Assets and liabilities -			
Sector assets	5,192,853	2,733,991	7,926,844
Sector liabilities	1,407,597	741,124	2,148,721

(20) BASIC AND DILUTED EARNINGS PER SHARE

	2019	2018
	JD	JD
Profit for the period attributable to the equity holders of the parent company (JD)	587,986	609,002
Weighted average number of shares (share)	2,500,000	2,500,000
	JD/Fils	JD/Fils
Basic and diluted earnings per share from the profit for the period attributable to the equity holders of the parent company	0/235	0/244

(21) RISK MANAGEMENT

Interest Rate Risk

Interest rate risk that results from the fluctuation fair value on future cash flows of financial instruments due to change in interest rates.

The Group is exposed to interest rate risk on its interest bearing assets and liabilities such as bank deposits, bank overdrafts and loans.

The sensitivity of the consolidated statement of profit or loss is the effect of the assumed changes in interest rates on the Company's profit for one year, based on the floating rate financial assets and financial liabilities held at 31 December 2019.

The following table demonstrates the sensitivity of the consolidated statement of profit or loss to reasonably possible changes in interest rates as of 31 December 2019, with all other variables held constant.

	Increase in interest rate	Effect on profit
2019	(Basis points)	JD
Currency		
Jordanian Dinar	25	(797)
2018		
Currency		
Jordanian Dinar	25	(718)

In the case of a negative change in the indicator, the effect would equal the changes in the opposite sign above.

Share Price Risk

The below table illustrates the sensitivity of fair value reserve as a result of changes in shares prices, assuming the stability for other indicators:

2019-

Indicator	Change in the indicator	Effect on equity
	%	JD
Amman Stock Exchange	10	48,015

(21) RISK MANAGEMENT (CONTINUED)

2018-

Indicator	Change in the indicator	Effect on equity
	%	JD
Amman Stock Exchange	10	22,356

In the case of a negative change in the indicator, the effect would equal the changes in the opposite sign above.

Credit Risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss.

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and by setting credit limits for majority of customers and monitoring outstanding receivables.

The Group provides its services to a large number of customers. None of the customers forms 10% of accounts receivables. In addition the group provides through administrative activities and medical service by selling its services to a limited number of customers that forms 98% of Jordan French insurance company account receivable (2018: 95%).

Liquidity Risk

Liquidity risk is the risk that the Company will not meet its obligations under its financial liabilities when it's due.

The Group Limits its liquidity risk by ensuring bank facilities are available.

The table below summarizes the maturities of the Group's (undiscounted) financial liabilities as of 31 December for the years 2019 based on contractual payment dates and current market interest rates:

	Less than 3 months	3 to 12 months	1 to 3 years	Total
Year ended 31 December 2019	JD	JD	JD	JD
Accounts payable	1,216,657	-	-	1,216,657
Loans and due to bank	-	347,604	-	347,604
Other current liabilities	133,321	224,987	51,202	409,510
Total	1,349,978	572,591	51,202	1,973,771

(21) RISK MANAGEMENT (CONTINUED)

	Less than 3 months	*3 to 12 months*	*1 to 3 years*	*Total*
Year ended 31 December 2018	JD	JD	JD	JD
Accounts payable	556,253	-	-	556,253
Loans and bank overdraft	-	357,259	-	357,259
Other current liabilities	134,131	210,271	39,153	383,555
Total	690,384	567,530	39,153	1,297,067

Foreign Currency Risk

Foreign currency risk is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in foreign currency exchange rates.

Most of the Group's transactions is in Jordanian Dinar and U.S. Dollar and do not give rise to foreign currency risk since the Jordanian Dinar is pegged to the U.S. Dollar (USD 1.41 for each one JD), therefore foreign currency risk on the consolidated financial statements is not material.

(22) CONTINGENT LIABILITIES

(A) Letter of guarantees

At the date of consolidated financial statements, the Group has contingent liabilities represented in bank guarantees by an amount of JD 14,550 (2018: JD 12,350).

(B) Lawsuits

The Group has no outstanding litigations as of the date of the financial statements.

(23) FAIR VALUE OF FINANCIAL INSTRUMENTS

The financial instruments are represented by financial assets and financial liabilities.

Financial assets consist of cash on hand and at bank, trade receivables cheques under collection, financial assets, notes receivable and other current assets due from related parties. Financial liabilities consist of accounts payable, bank overdraft, loans and other current liabilities.

The fair values of financial instruments are not materially different from the carrying value of these instruments.

(24) CAPITAL MANAGEMENT

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

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. During the year the Group has adjusted the capital structure and its related polices through increasing the paid in capital as disclosed in note (9) during 2018.

Capital comprises paid in capital, statutory and voluntary reserves, fair value reserve and retained earnings, with a total of JD 6,179,820 as of 31 December 2019 (2018: JD 5,778,123).

(25) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

IFRS 17 Insurance Contracts

IFRS 17 provides a comprehensive model for insurance contracts covering the recognition and measurement and presentation and disclosure of insurance contracts and replaces IFRS 4 - Insurance Contracts. The standard applies to all types of insurance contracts (i.e. life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. The standard general model is supplemented by the variable fee approach and the premium allocation approach.

The new standard will be effective for annual periods beginning on or after 1 January 2021 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

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

(25) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IFRS 3: Definition of a Business

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test.

Since the amendments apply prospectively to transactions or other events that occur on or after the date of first application, the Group will not be affected by these amendments on the date of transition.

Amendments to IAS 1 and IAS 8: Definition of "Material"

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.' The amendments to the definition of material is not expected to have a significant impact on the Group's financial statements.

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument. As a result of interest rate benchmark reform, there may be uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument during the period before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an RFR). This may lead to uncertainty whether a forecast transaction is highly probable and whether prospectively the hedging relationship is expected to be highly effective.

The amendments provide temporary reliefs which enable hedge accounting to continue during the period of uncertainty before the replacement of an existing interest rate benchmark with an alternative risk-free interest rate (an "RFR"). The effective date of the amendments is for annual periods beginning on or after 1 January 2020, with early application permitted. The requirements must be applied retrospectively. However, any hedge relationships that have previously been de-designated cannot be reinstated upon application, nor can any hedge relationships be designated with the benefit of hindsight.

(25) STANDARDS ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

With phase one completed, the IASB is now shifting its focus to consider those issues that could affect financial reporting when an existing interest rate benchmark is replaced with an RFR. This is referred to as phase two of the IASB’s project. The Group has not early adopted the amendments and has concluded that the uncertainty arising from IBOR reform is not affecting its hedge relationships to the extent that the hedge relationships need to be discontinued

(26) COMPARATIVE FIGURES

The 2018 figures have been reclassified in order to conform to the presentations in 2019. Such reclassification does not affect previously reported profit or equity.

During the year 2019, the company reviewed the insurance management contracts with customers and evaluated the indicators used in determining whether the company is operating as a principal or as an agent according to these contracts. Based on this, the company has offseted receivables related to customers with payables related to medical authorities and presented receivables on net basis, since the company is not obligated to pay the payable amounts due to medical parties until they collect these amounts from the customers.

The details of the management's adjustments to the balances of trade receivable, payables and other account balances as of 31 December 2018 as shown below:

Impact on the Group's financial position:

	31 December 2018	Adjustments	31 December 2018
Assets			
Due from related parties	2,635,574	(1,687,315)	948,259
Liabilities			
Accrued medical claims	1,017,308	(1,017,308)	-
Accounts payables	1,226,260	(670,007)	556,253

(27) SUBSEQUENT EVENT

Subsequent to the consolidated financial statements date, and due to Coronavirus (COVID-19), that massively impacted the global economy and different business sectors, along with restrictions and procedures implemented by the Jordanian government, neighbouring countries, and the rest of the world countries, it is possible that the operational activities of Group will be impacted.

The timing and the extent of the impact is still unclear and depends on future developments which are unpredictable at this stage. Accordingly, the Group is unable to measure the extent of the predicted impact on the consolidated financial statements as of the date of issuance, noting that this event may have an impact on the future financial results, future cash flow and financial position of the Group.