JOMC
جومك للتسهيلات
الشـركة الأردنية للإدارة والإستشارات م.ع.م
Jordanian For Management & Consultancy

التاريخ : ٢٠١٨/٠٣/٢٩
إشارة رقم: ٢٠١٨/١١٨

السادة / بورصة عمان المحترمين،،

عمان - الأردن

الموضوع / البيانات المالية السنوية لعام٢٠١٧

تحية طيبة وبعد،،

بالإشارة إلى الموضوع المبين أعلاه ، نرفق لكم نسخة من القوائم المالية الموحدة للشركة الأردنية للإدارة والاستشارات م٠ع٠م وتقرير المحاسب القانوني المستقل للشركة ونسخة القوائم باللغة الانجليزية للسنة المنتهية في ٣١ كانون الاول ٢٠١٧.

وتفضلوا بقبول فائق الاحترام،،

الشركة الأردنية للإدارة والاستشارات

رئيس مجلس الادارة
د٠ وليد وائل زعرب

بورصة عمان
الدائـــرة الإدارية والمالية
الديـــوان
٢٩ آذار ٢٠١٨
الرقم المتسلسل: ١٦٧٧
رقم الملـف: ٧١٢٥٤
الجهة المختصة: إدارة الإدراج

الشميساني - شارع عبدالحميد شرف - بناية العدنان سنتر رقم (٦٥) الطابق الأول
هاتف: ٥٦٨٣٥٦٥ ٦ ٩٦٢ + فاكس: ٥٦٨٣٦٣٣ ٦ ٩٦٢ + ص.ب ٩٣٠١٧١ عمان ١١١٩٣ الأردن
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JORDAN FOR MANAGEMENT AND CONSULTANCY–

PUBLIC SHAREHOLDING COMPANY

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2017

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

Report on the Audit of the Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan for Management and Consultancy Company, a public shareholding company, and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position as at 31 December 2017, and the consolidated statement of profit or loss, 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 2017, 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.

Key Audit Matter 1: Revenue recognition Refer to note (17, 18) on the consolidated financial statements for more details about this matter.	
Key Audit Matter Revenue is a key performance measure at the Group. The Group's main sources of revenue are from medical claims management, and installment revenue.	**How the key audit matter was addressed in the audit** Our audit procedures included, amongst others, considering the appropriateness of the Group's revenue recognition accounting policies and assessing compliance with the policies in terms of International Financial Standards. We have evaluated the control environment and tested the internal controls over the completeness, measurement and occurrence of revenue recognized. We obtained a representative sample of transactions and tested proper recording and recognition. In addition, we selected a sample at the cutoff period to check proper recognition. We performed as well substantive analytical procedures for the gross margin and sales revenues on a monthly basis.

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Key Audit Item 2: Provision for impairment in notes receivable Refer to note (4) on the consolidated financial statements for more details about this matter.	
Key Audit Matter High level of judgement is required to assess the appropriate level of provisioning for outstanding notes receivable. As the Group has large number of borrowers and a significant balance of outstanding notes receivable, which increases the risk related to the adequacy of the provision against doubtful notes receivable.	**How the key audit matter was addressed in the audit** We tested the basis for calculating the provisions for doubtful notes receivable, assessed the basis of provisioning criteria and assumptions used in identifying doubtful notes receivable. In doing so, we selected a sample and tested the payment history of the notes receivable and accuracy of their ageing and evaluated the sufficiency of the provision against doubtful notes receivable.

Other information included in the Company's 2017 annual report.

Other information consists of the information included in The Group's 2017 Annual Report other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. The Group's 2017 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.

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Report on Other Legal and Regulatory Requirements

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

Ernst & Young / Jordan

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Waddah Issam Barkawi
License No. 591

Amman – Jordan
26 March 2018

JORDAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

ASSETS	Notes	2017	2016
		JD	JD
Non-current assets			
Property and equipment	3	66,855	121,795
Long term notes receivable	4	2,551,091	2,472,380
Financial assets at fair value through other comprehensive income	5	114,951	14,200
		2,732,897	2,608,375
Current assets			
Due from related parties	20	1,720,688	1,332,507
Inventory	6	-	10,376
Other current assets	7	172,734	114,599
Accounts receivables	8	198,069	584,976
Short term notes receivables	4	2,622,141	2,278,946
Cheques under collection	9	1,793,232	1,371,190
Cash and balances at banks	14	164,327	319,223
		6,671,191	6,011,817
Total Assets		9,404,088	8,620,192
EQUITY AND LIABILITIES			
Shareholders' equity			
Paid in capital	10	2,500,000	2,300,000
Statutory reserve	10	516,642	446,455
Voluntary reserve	10	1,013,032	872,658
Fair value reserve		4,600	1,005
Retained earnings		1,381,706	1,229,148
		5,415,980	4,849,266
Non-controlling interest		-	(2,965)
		5,415,980	4,846,301
Non-current liability			
Deferred revenue from long term installments	12	251,582	252,613
Current liabilities			
Other current liabilities	13	277,029	328,217
Deferred revenue form short term installments	12	500,272	470,348
Accrued medical claims	16	949,254	690,831
Accounts payable		1,234,442	1,238,014
loans	11	400,000	400,000
Due to bank	14	158,532	171,176
Due to related parties		2,268	14,001
Income tax provision	15	214,729	208,691
		3,736,526	3,521,278
Total Liabilities		3,988,108	3,773,891
Total Equity and Liabilities		9,404,088	8,620,192

The attached notes from 1 to 28 form part of these consolidated financial statements

JORDAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF PROFIT AND LOSS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
Continuous operations		JD	JD
Revenues -			
Management and medical services revenues	17	1,086,253	942,176
Installments revenues	18	930,847	891,105
Others		50,465	109,754
Total revenues		2,067,565	1,943,035
General and administrative expenses	19	(1,223,998)	(1,169,349)
Interest expense		(59,856)	(61,988)
Provision for impairment in notes receivable	4	(75,358)	(73,756)
Provision for incorrect medical coverage	13	(6,485)	(5,368)
Profit for the year from continuing operations before income tax		701,868	632,574
Income tax	15	(196,747)	(187,735)
Profit for the year from continuing operations		505,121	444,839
Discontinued operations			
Profit (loss) for the year after tax from discontinued operations	21	48,001	(109,884)
Profit for the year		553,122	334,955
Profit for the year attributable to:			
Shareholders of the Comapny		563,119	367,920
Non- controlling interests		(9,997)	(32,965)
		553,122	334,955
		Fils / JD	Fils / JD
Basic and diluted earnings per share, from the profit attributable to Company's shareholders	23	0/225	0/147

The attached notes from 1 to 28 form part of these consolidated financial statements

Jordan For Management and Consultancy Public Shareholding Company
Consolidated Statement of Comprehensive Income
For The Year Ended 31 December 2017

	2017	2016
	JD	JD
Profit for the year	553,122	334,955
Add: Other comprehensive income not to be reclassified to profit or loss in subsequent periods		
Change in fair value for financial assets at fair value through other comprehensive income	3,595	4,600
Total comprehensive income for the year	556,717	339,555
Attributable to:		
Shareholders of the Comapny	566,714	372,520
Non- controlling interests	(9,997)	(32,965)
	556,717	339,555

The attached notes from 1 to 28 form part of these consolidated financial statements

JORDAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2017

	Paid in capital	Statutory reserve	Voluntary reserve	Fair value reserve	Retained earnings	Total	Non-controlling interest	Total
2017	JD	JD	JD	JD	JD	JD	JD	JD
Balance at 1 January 2017	2,300,000	446,455	872,658	1,005	1,229,148	4,849,266	(2,965)	4,846,301
Total comprehensive income for the year	-	-	-	3,595	563,119	566,714	(9,997)	556,717
Disposal of a subsidiary (note 21)	-	-	-	-	-	-	12,962	12,962
Capital increase (note 1)	200,000	-	-	-	(200,000)	-	-	-
Transfers to reserves	-	70,187	140,374	-	(210,561)	-	-	-
Balance at 31 December 2017	2,500,000	516,642	1,013,032	4,600	1,381,706	5,415,980	-	5,415,980
2016								
Balance at 1 January 2016	2,300,000	394,186	768,120	(3,595)	1,018,035	4,476,746	-	4,476,746
Non-controlling interest subsidiary's paid in capital	-	-	-	-	-	-	30,000	30,000
Total comprehensive income for the year	-	-	-	4,600	367,920	372,520	(32,965)	339,555
Transfers to reserves	-	52,269	104,538	-	(156,807)	-	-	-
Balance at 31 December 2016	2,300,000	446,455	872,658	1,005	1,229,148	4,849,266	(2,965)	4,846,301

JORDAN FOR MANAGEMENT AND CONSULTANCY PUBLIC SHAREHOLDING COMPANY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Notes	2017	2016
		JD	JD
OPERATING ACTIVITIES			
Profit for the year before tax from continued operations		701,868	632,574
Profit (loss) before income tax from discontinued operations	21	57,998	(109,884)
		759,866	522,690
Adjustments for:			
Depreciation	3	22,607	48,800
Interest expense		59,856	61,988
Provision for impairment in notes receivable	4	75,358	73,756
Provision for incorrect medical coverage	13	6,485	5,368
Gain on disposal of a subsidiary	21	(78,576)	-
Working capital adjustments:			
Trade receivable		336,118	527,933
Notes receivable		(497,264)	(571,569)
Due from related parties		(315,732)	349,158
Due to related parties		(2,398)	16,603
Other current assets		(96,096)	18,739
Cheques under collection		(422,042)	(754,808)
Accounts payable		12,757	(363,179)
Medical claims		258,423	(10,533)
Deferred revenue from installments		28,893	59,913
Other current liabilities		4,545	127,999
Provision for incorrect medical coverage		(7,212)	-
Net cash flows from operating activities before income tax		145,588	112,858
Income tax paid	15	(190,709)	(169,172)
Net cash flows used in operating activities		(45,121)	(56,314)
INVESTING ACTIVITIES			
Purchase financial assets at fair value through other comprehensive income		(97,156)	-
Purchases of property, plant and equipment	3	(13,443)	(90,728)
Proceeds from sale of a subsidiary		73,324	-
Net cash flows used in investing activities		(37,275)	(90,728)
FINANCING ACTIVITIES			
Proceeds from loan		-	100,000
Interest expenses paid		(59,856)	(61,988)
Non-controlling interest in the subsidiary's capital		-	30,000
Net cash flows (used in) from financing activities		(59,856)	68,012
Net decrease in cash and cash equivalents		(142,252)	(79,030)
Cash and cash equivalents at the beginning of the year		148,047	227,077
Cash and cash equivalents at the end of the year	14	5,795	148,047

The attached notes from 1 to 28 form part of these consolidated financial statements

(1) GENERAL

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

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

The Company's main activities are represented in establishing, contributing, managing and owning Company with various types and objectives, in addition to purchasing, selling, trading, importing and exporting products and materials such as machines, equipment and vehicles whether for sale, installment sale or financial leasing. The Company and its subsidiaries are located in Amman.

(2-1) BASIS OF PREPARATION

The consolidated financial statements are prepared under the historical cost convention, expect the financial assets at fair value through other comprehensive income, 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 Company.

(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 2017:

	Activity	Country	Ownership 2017	Ownership 2016
Specialized Medical Insurance Company*	Insurance management	Jordan	100%	100%
Specialized Auto Services Company	Vehicles maintenance	Jordan	-	70%

(2-2) BASIS OF CONSOLIDATION (CONTINUED)

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 subsidiary (the Specialized Company for the Management of Medical Insurance) owns other subsidiary and has been consolidated in the consolidated financial statement of the Group.

	Legal statues	Country of incorporation	Percentage of ownership 2017
Specialized Company for the Management of Medical Insurance – Palestine**	Private foreign shareholding Company	Palestine	100%

** The specialized Company for Management of Medical Insurance – Palestine (Foreign private shareholding Company), was established with unauthorized capital of JD 1,000,000 and paid – up capital of JD 28,400 and was established by the Palestinian Ministry of National Economy on 8 May 2015, and is fully owned by the specialized Company for Management of Medical Insurance, the Company did not exercise its business until the date of preparation of these consolidated financial statement.

The financial statements of the Company and subsidiaries are prepared for the same reporting period and using the same accounting policies.

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 2016 except for the adoption of new standards effective as of 1 January 2017 followings:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative
Limited amendments which require entities to provide disclosures about changes in their liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's financial statements.

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses
Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's 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.

(2-5) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Cash and cash equivalents
For the purpose of the consolidated statement of cash flow, cash and cash equivalents consists of cash on hand and at banks and short-term deposit which matures within three months, net of outstanding bank overdrafts, if any.

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

Segment Reporting

For the purpose of reporting to management and the decision makers in the Group, 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.

For the purpose of reporting to management and the decision makers in the Group, 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 over the estimated useful lives of the assets using the following annual depreciation rates:

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

Property and equipment values are for impairment when there are event or change in circumstance indicating that the carrying amount can not be recovered. Assets are recosted at their recoverable amount in cases where the carrying amount is higher than is recoverable amount.

When the carrying value of property and equipment exceed the estimated recoverable amount, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of profit and losses.

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.

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

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:

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 Company 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.

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

Fair value measurement

For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Impairment of financial assets

The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a Group of financial assets is impaired. An impairment exists if one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event'), has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

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.

Accounts receivable

Accounts receivable are stated at original invoice amount less an allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of any amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Notes receivables

Notes receivables are presented at the amortized cost and the effective interest rate is used in determining their value at the date of the consolidated financial statements. The interest revenue is recognized on timely basis.

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

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 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 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.

Revenue and expense recognition
Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured.

Actual interest income recognize at maturity.

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

Other income is recognized in accordance with the accrual basis.

Medical revenues are recognized when service is rendered and claims are issued.

Expenses are recognized on an accrual basis.

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

Offsetting

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

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. 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.

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

Borrowings

Loans and borrowings are recorded at fair value less directly attributable transaction costs and subsequently measured at amortized cost using the effective interest rate method.

Interest on loans is recognized as an expense in the period in which they are incurred.

Current versus non-current classification

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

–

- Expected to be realised or intended to sold or consumed in 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.

A liability is current when:

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

(3) PROPERTY AND EQUIPMENT

	Furniture and fixtures	Machines and office equipment	Computers	Vehicles	Banners	Total
2017	JD	JD	JD	JD	JD	JD
Cost:						
Balance as of 1 January 2017	86,372	136,765	414,613	25,500	15,841	679,091
Disposals of subsidiary	(4,164)	(49,193)	(5,034)	-	-	(58,391)
Additions	3,786	2,757	6,900	-	-	13,443
Balance as of 31 December 2017	85,994	90,329	416,479	25,500	15,841	634,143
Accumulated depreciation:						
Balance as of 1 January 2017	58,895	83,600	396,581	2,379	15,841	557,296
Disposals of subsidiary	(844)	(11,068)	(703)	-	-	(12,615)
Depreciation	5,024	5,642	8,116	3,825	-	22,607
Balance as of 31 December 2017	63,075	78,174	403,994	6,204	15,841	567,288
Net book value at 31 December 2017	22,919	12,155	12,485	19,296	-	66,855
2016						
Cost:						
Balance as of 1 January 2016	93,241	85,027	441,804	19,000	15,841	654,913
Additions	5,425	51,738	8,065	25,500	-	90,728
Disposals	(12,294)	-	(35,256)	(19,000)	-	(66,550)
Balance as at of December 2016	86,372	136,765	414,613	25,500	15,841	679,091
Accumulated depreciation:						
Balance as of 1 January 2016	65,257	62,734	412,214	19,000	15,841	575,046
Depreciation	5,932	20,866	19,623	2,379	-	48,800
Disposals	(12,294)	-	(35,256)	(19,000)	-	(66,550)
Balance as of 31 December 2016	58,895	83,600	396,581	2,379	15,841	557,296
Net book value at 31 December 2016	27,477	53,165	18,032	23,121	-	121,795

(4) NOTES RECEIVABLE

	2017	2016
	JD	JD
Notes receivable	5,651,509	5,154,245
Allowance for impairment in notes receivable*	(478,277)	(402,919)
Total	5,173,232	4,751,326
Short term notes receivable	2,622,141	2,278,946
Long term notes receivable	2,551,091	2,472,380
Total	5,173,232	4,751,326

* The movement on impairment in notes receivable is as follows:

	2017	2016
	JD	JD
Balance as of 1 January	402,919	329,163
Provision for the year	75,358	73,756
Balance as of 31 December	478,277	402,919

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

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

This item represents the group's investment in the shares of the company listed in Amman stock exchange, amounted to JD 3,595 as of 31 December 2017 (2016: JD 4,600)

(6) INVENTORY

	2017	2016
	JD	JD
Painting and spare parts	-	10,376

(7) OTHER CURRENT ASSETS

	2017	2016
	JD	JD
Prepaid expenses	37,100	71,860
Refundable deposits	1,781	2,700
Margins on letters of guarantee	120,698	24,360
Employees receivables	1,275	167
Plastic cards and medical forms	11,880	15,512
	172,734	114,599

(8) ACCOUNTS RECEIVABLE

	2017	2016
	JD	JD
Accounts receivable	495,071	881,978
Less : Allowance for doubtful debts *	(297,002)	(297,002)
	198,069	584,976

* The movement on the allowance for doubtful debts as at 31 December is as follows:

	2017	2016
	JD	JD
Balance at 1 January	297,002	300,000
Recovered from provision for the year	-	(2,998)
Balance at 31 December	297,002	297,002

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

	Neither past due nor impaired	1-30 Days	31-90 Days	91-120 Days	More than 120 Days	Total
	JD	JD	JD	JD	JD	JD
2017	-	104,085	63,282	30,702	-	198,069
2016	-	95,941	161,835	37,182	290,018	584,976

Based on the Group's management esitmates, unimpaired receivables are fully recoverable.

(9) CHEQUES UNDER COLLECTION

This item represents cheques under collection from the Group's customers. Maturity dates for cheques under collection are up to 3 February 2018, this amount includes cheques under collection from Jordan French Insurance Company (shareholder) amounted to JD 1,793,232 (2016: JD 1,370,640).

(10) EQUITY

Paid in capital

On 30 April 2017, the General assembly in its extraordinary meeting, has approved the increase of the authorised and paid in capital with a total amount of 200,000 from the retained earnings to become JD 2,500,000 shares of a value of one Jordanian Dinar each.

The capital increase has been approved by the Amman Stock exchange on 22 May 2017.

Statutory reserve

This amount represents the appropriations at 10% of net income before tax. 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. This reserve is available for distribution to the shareholders.

(11) LOANS

Invest Bank Loan

During 2015, the Group obtained a revolving loan with a ceiling amounted to JD 600,000 at an interest rate of 8.25% to finance 100% of the Group's purchases. The loan is repayable within six months from the withdrawal date. The loan is guaranteed with the notes receivable at 125% of the granted facility ceiling.

(12) DEFERRED REVENUE FROM INSTALLMENTS

The details of the deferred revenue from installment revenue at 31 December 2017 and 31 December 2016 are as follows:

	31 December 2017		31 December 2016	
	Installment revenue		Installment revenue	
	Short term	Long term	Short term	Long term
	JD	JD	JD	JD
Deferred revenues from installments	500,272	251,582	470,348	252,613

(13) OTHER CURRENT LIABILITIES

	2017	2016
	JD	JD
Accrued expenses	15,847	27,578
Due to sales tax	-	13,941
Due to social security	8,093	5,683
Due to Income tax department	14,800	24,732
Shareholder's deposits	18,605	18,703
Provision for bonuses	-	30,230
Provision for improper medical coverage*	4,761	5,488
Other provisions	172,669	133,605
Postdated cheques	-	59,306
Revenue received in advance	29,858	-
Other	12,396	8,951
	277,029	328,217

* The movement on the provision for incorrect medical coverage as at 31 December is as follows:

	2017	2016
	JD	JD
Balance as of 1 January	5,488	13,283
Provision for the year	6,485	5,368
Paid during the year	(7,212)	(13,163)
Balance as of 31 December	4,761	5,488

(14) CASH AND CASH EQUIVALENT

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

	2017	2016
	JD	JD
Cash and cash at banks	164,327	319,223
Due to bank*	(158,532)	(171,176)
	5,795	148,047

* The Group obtained an overdraft facility from Invest Bank with a ceiling of JD 400,000 at an interest rate of 8.25% and commission of 1% paid on monthly basis and guaranteed by commercial bills at 125% of the loans amount, this percentage should not be less than the loan balance.

(15) INCOME TAX

The movement on income tax provision is as follows:

	2017 JD	2016 JD
Balance as of 1 January	208,691	190,128
Paid during the year	(190,709)	(169,172)
Provision for the year	196,747	187,735
Balance as of 31 December	214,729	208,691

Income tax presented in the statement of profit or loss is as follow:

	2017 JD	2016 JD
Prior years income tax	8,724	-
Income tax for the year	188,023	187,735
	196,747	187,735

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

	2017 JD	2016 JD
Accounting profit	641,263	512,112
Add: Non-deductible expenses	137,225	168,658
Less: Non-taxable revenues	(211,232)	(79,968)
Taxable income	567,256	600,802
Income tax	136,142	144,192
Statuary income tax rate	24%	24%
Effective income tax rate	21.2%	28.1%

(15) INCOME TAX (CONTINUED)

The reconciliation between accounting profit and taxable profit for Med Service Company (The Subsidiary):

	2017	2016
	JD	JD
Accounting profit	252,917	200,430
Add: Nondeductible expenses for tax purposes	6,485	17,285
Taxable income	259,402	217,715
Income tax	60,605	43,543
Statuary income tax rate	20%	20%
Effective income tax rate	24%	21.7%

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

Med Service Limited Liability Company (the subsidiary) reached a final settlement with Income and Sales Tax Department until the year 2015.

The Group filed its tax return for the year 2016 which have not been reviewed by the income and sales tax department for that year.

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.

(16) MEDICAL CLAIMS

This item represents unreceived medical parties claims up to the date of the consolidated financial statements related to December. The Management estimates the amount of those claims as of the financial statements date according to the available information for claims amounts due to the medical parties from the Company's customers.

(17) MANAGEMENT AND MEDICAL SERVICES REVENUES

This item represents the revenues from the third party administrator agreements between Med Service Company (the subsidiary) and the insured parties or insurance companies.

	2017	2016
	JD	JD
Revenue from medical parties	586,939	568,182
Insurance contracts revenue	290,583	230,078
Revenue from medical claims audit	56,378	51,231
Others	152,353	92,685
	1,086,253	942,176

(18) INSTALLMENTS REVENUES

The Company's operation are mainly related to the sale of vehicles on installments, the revenues are deferred and then recognised over the period of the credit term using the effective interest rate except for the installment. Commission is recognised on the date of sale since they are related to the administrative work performed on the sale.

	2017	2016
	JD	JD
Instalment profits revenues	699,688	648,561
Instalment commission revenues	78,124	76,890
Instalment service fees revenues	153,035	165,654
	930,847	891,105

(19) GENERAL AND ADMINISTRATIVE EXPENSES

	2017	2016
	JD	JD
Salaries and wages	633,187	584,608
Company's share in social security	69,346	64,755
Transportation allowance	10,500	10,500
Insurance	51,328	46,995
Bonus	138,710	136,330
Other provisions	37,678	36,876
Depreciation	22,607	36,185
Printing and stationary	16,575	15,078
Rents	49,765	49,395
Mail and telephones	21,110	19,852
License and fees	2,342	4,254
Water and electricity	17,285	17,342
Cleaning	7,169	7,640
Professional fees	43,298	34,261
Hospitality expenses	5,946	5,999
Maintenance	31,001	31,550
Subscriptions	13,959	16,225
Transportation	2,549	4,636
Medical forms	14,984	17,192
Medical insurance cards printing	19,527	14,271
Bank charges	3,649	4,314
General assembly expenses	5,444	2,924
Others	6,039	8,167
	1,223,998	1,169,349

(20) 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 :

	2017	2016
Due to related parties:	JD	JD
Jordan French Insurance Company (Shareholder)*	1,717,369	1,325,774
Med Service Company – Egypt (under inception)	-	1,430
Top management receivables	3,319	5,303
	1,720,688	1,332,507
Financial assets at fair value through other comprehensive income (Jordan French Insurance company)	19,200	14,200
Cheques under collection (Jordan French Insurance Company)	1,793,232	1,370,640

* Jordan French Insurance Company receivable includes an amount of JD 1,001,317 as of 31 December 2017 (2016: JD 845,601) which represents the estimated claim for December.

Statement of profits or losses items :

	2017	2016
	JD	JD
Medical institutions revenue – Jordan French Insurance company (shareholder)	533,735	523,650
Insurance contracts revenues – Jordan French Insurance Company (shareholder)	272,928	226,869
	806,663	750,519

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

Compensation of key management personnel

	2017	2016
	JD	JD
Key management salaries, wages and benefits	288,032	288,717

(21) DISCOUNTED OPERATION

On 1 April 2017, the Group disposed of 100% of its interest in specialized Auto Services for JD 126,000 and has agreed to waive the receivable balance form Specialized Auto Services amounted to JD 47,424 as on the date of the disposal.

The Specialized Auto Services sectors is no longer presented in the operational selectors note.

The results of specialized Auto Services for the period ended on the date of the disposal 1 April 2017 are presented below:

Summary of Income Statement for discontinued operations	1 April 2017	31 December 2016
	JD	JD
Vehicles maintenance revenue	47,461	214,697
Cost of sales and general and administrative expenses	(80,784)	(324,581)
Loss for the period/ year	(33,323)	(109,884)

Adjustment on gain resulting from subsidiary disposals	1 April 2017	31 December 2016
	JD	JD
Gain on disposal of a subsidiary	78,576	-
Group's share of losses in subsidiary	(33,323)	(109,884)
Group's share of net assets resulting from disposal of a subsidiary	2,748	-
Net profit (loss) from discontinued operations	48,001	(109,884)
Non controlling interest	9,997	-
Net gain (loss) from discontinued operations	57,998	(109,884)

The major classes of assets and liabilities of specilaized auto services as at 1 April 2017 are as follows:

	1 April 2017	31 December 2016
	JD	JD
Total Assets	109,591	150,154
Total Liabilities	(113,514)	(160,038)
	(3,923)	(9,884)

Net cash flows resulting from specilaized auto services are as follows:

	1 April 2017	31 December 2016
	JD	JD
Operating activities	(3,155)	(36,357)
Investing activities	(257)	(58,391)
Financing activities	-	100,000
	(3,412)	5,252

(22) 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:

	Discontinued operations	Instalment sales	Medical insurance management	Total
	JD	JD	JD	JD
As at 31 December 2017-				
Revenues:				
Instalments revenues	-	930,847	-	930,847
Management and medical services revenue	-	-	1,086,253	1,086,253
Other income	-	-	50,465	50,465
Business results:				
Profit for the period from continued operations before tax	-	448,951	252,917	701,868
Profit for the period from continued operations after tax	-	312,809	192,312	505,121
Profit from discounted operations	48,001	-	-	48,001

(22) SEGMENT REPORTING (CONTINUED)

	Discontinued operations	Instalment sales	Medical insurance management	Total
As at 31 December 2016-	JD	JD	JD	JD
Revenues:				
Instalments revenues	-	891,105	-	891,105
Management and medical services revenue	-	-	942,176	942,176
Other income	-	-	109,754	109,754
Business results:				
Profit for the period from continued operations before tax	-	432,144	200,430	632,574
Profit for the period from continued operations after tax	-	287,952	156,887	444,839
Loss from discounted operations	(109,884)	-	-	(109,884)
As at 31 December 2017-				
Assets and liabilities -				
Sector assets	-	5,312,345	4,091,743	9,404,088
Sector liabilities	-	1,685,897	2,302,211	3,988,108
As at 31 December 2016-				
Assets and liabilities -				
Sector assets	-	4,951,138	3,669,054	8,620,192
Sector liabilities	-	1,794,149	1,979,742	3,773,891

(23) EARNINGS PER SHARE

	2017	2016
	JD	JD
Profit for the period attributable to the equity holders of the parent company (JD)	563,119	367,920
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	0/225	0/147

(24) 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 2017.

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 2017, with all other variables held constant.

	Increase in interest rate	*Effect on profit*
2017-	*(Basis points)*	*JD*
Currency		
Jordanian Dinar	25	(1,396)

	Increase in interest rate	*Effect on profit*
2016-	*(Basis points)*	*JD*
Currency		
Jordanian Dinar	25	(1,428)

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

(24) RISK MANAGEMENT (CONTINUED)

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:

2017-

Indicator	*Change in the indicator*	Effect on equity
	%	JD
Amman Stock Exchange	10	11,495

2016-

Indicator	*Change in the indicator*	Effect on equity
	%	JD
Amman Stock Exchange	10	1,420

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 95% of Jordan French insurance company account receivable (2016: 83%).

(24) Risk Management (continued)

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 2017 based on contractual payment dates and current market interest rates:

Year ended 31 December 2017	*Less than 3 months* JD	*3 to 12 months* JD	*1 to 3 years* JD	*Total* JD
Accounts payable	1,234,442	-	-	1,234,442
Loans and due to bank	-	597,912	-	597,912
Other credit balances	85,755	172,669	18,605	277,029
Due to related parties	2,268	-	-	2,268
Total	1,322,465	770,581	18,605	2,111,651

Year ended 31 December 2016	*Less than 3 months* JD	*3 to 12 months* JD	*1 to 3 years* JD	*Total* JD
Accounts payable	1,238,014	-	-	1,238,014
Loans and bank overdraft	-	611,447	-	611,447
Other credit balances	148,498	63,895	115,824	328,217
Due to related parties	14,001	-	-	14,001
Total	1,400,513	675,342	115,824	2,191,679

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.

(25) 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 120,698 (2016: JD 24,360).

(B) Lawsuits

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

(26) 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, financial assets and other current assets. 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.

(27) 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 (10).

Capital comprises paid in capital, statutory and voluntary reserves, fair value reserve and retained earnings, totaling JD 5,415,980 as of 31 December 2017 (2016: JD 4,846,301).

(28) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE

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

IFRS 9 Financial Instruments

In July 2014, the IASB issued the final version of IFRS 9 Financial Instruments that replaces IAS 39 Financial Instruments: Recognition and Measurement and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. The Company has implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was 1 January 2011.

The new version of IFRS 9 is effective for annual periods beginning on or after 1 January 2018, with early application permitted. Except for hedge accounting, retrospective application is required; however, the entities are exempted from restating their comparative information.

The Company plans to adopt the remaining phases on the effective date and will not restate comparative information.

(a) Classification and Measurement

The Company does not expect a material impact on its balance sheet or equity on applying the new classification and measurement category of IFRS 9.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. The Company analysed the contractual cash flow characteristics of those instruments and concluded that they meet the criteria for amortised cost measurement under IFRS 9. Therefore, reclassification for these instruments is not required.

(b) Impairment

IFRS 9 requires the Company to record expected credit losses on all of its debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The Company will apply the simplified approach and record lifetime expected losses on all trade receivables. The Company has estimated that the additional provision to be recorded resulting from the expected credit loss from its trade receivables will not be material compared to the current requirements of provisioning for doubtful trade receivables.

(28) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 15 Revenue from Contracts with Customers

IFRS 15 specifies the accounting treatment for all revenue arising from contracts with customers. It applies to all entities that enter into contracts to provide goods or services to their customers, unless the contracts are in the scope of other IFRSs, such as IAS 17 Leases. IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue, IFRIC 13 Customer Loyalty Programmes, IFRIC 15 Agreements for the Construction of Real Estate, IFRIC 18 Transfers of Assets from Customers; and SIC-31 Revenue—Barter Transactions Involving Advertising Services. The standard is effective for annual periods beginning on or after 1 January 2018, and early adoption is permitted.

During 2017, the Company has performed an impact assessment of IFRS 15. This assessment is based on currently available information and may be subject to changes arising from further reasonable and supportable information being made available to the Company in 2018 when the Company adopts IFRS 15, whereas,

The Company does not expect a material impact on its balance sheet or equity on applying the requirements of IFRS 15.

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.

IFRS 2 Classification and Measurement of Share-based Payment Transactions - Amendments to IFRS 2

The IASB issued amendments to IFRS 2 Share-based Payment that address three main areas: the effects of vesting conditions on the measurement of a cash-settled share-based payment transaction; the classification of a share-based payment transaction with net settlement features for withholding tax obligations; and accounting where a modification to the terms and conditions of a share-based payment transaction changes its classification from cash settled to equity settled.
Entities may apply the amendments prospectively and are effective for annual periods beginning on or after 1 January 2018, with early application permitted.

(28) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

IFRS 16 Leases

During January 2016, the IASB issued IFRS 16 "Leases" which sets out the principles for the recognition, measurement, presentation and disclosure of leases.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for those two types of leases differently.

IFRS 16 introduced a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. A lessee is required to recognize a right-of-use asset representing its right to use the underlying leased asset and a lease liability representing its obligation to make lease payments.

The new standard will be effective for annual periods beginning on or after 1 January 2019. Early application is permitted.

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. Early application is permitted.

Transfers of Investment Property (Amendments to IAS 40)

The amendments clarify when an entity should transfer property, including property under construction or development into, or out of investment property. The amendments state that a change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. A mere change in management's intentions for the use of a property does not provide evidence of a change in use.

Entities should apply the amendments prospectively and effective for annual periods beginning on or after 1 January 2018. Early application of the amendments is permitted and must be disclosed.

(28) STANDARDS AND INTERPRETATION ISSUED BUT NOT YET EFFECTIVE (CONTINUED)

Amendments to IFRS 4 Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts

In September 2016, the IASB issued amendments to IFRS 4 to address issues arising from the different effective dates of IFRS 9 and the upcoming new insurance contracts standard (IFRS 17). The amendments introduce two alternative options for entities issuing contracts within the scope of IFRS 4, a temporary exemption from implementing IFRS 9 to annual periods beginning before 1 January 2021 at latest and an overlay approach that allows an entity applying IFRS 9 to reclassify between profit or loss and other comprehensive income an amount that results in the profit or loss

At the end of the reporting period for the designated financial assets being the same as if an entity had applied IAS 39 to these designated financial assets.

IFRIC Interpretation 22 Foreign Currency Transactions and Advance Consideration

The interpretation clarifies that in determining the spot exchange rate to use on initial recognition of the related asset, expense or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which an entity initially recognises the nonmonetary asset or non-monetary liability arising from the advance consideration. Entities may apply the amendments on a fully retrospective or prospective basis. The new interpretation will be effective for annual periods beginning on or after 1 January 2018. Early application of interpretation is permitted and must be disclosed

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 must determine whether to consider each uncertain tax treatment separately or together with one or more other uncertain tax treatments. The interpretation is effective for annual reporting periods beginning on or after 1January 2019, but certain transition reliefs are available.