JORDAN PHOSPHATE MINES COMPANY P.L.C.

ANNUAL REPORT

2020

His Majesty

King Abdullah II Bin Al Hussein

His Royal Highness
Crown Prince
Al Hussein Bin Abdullah II

Jordan Phosphate Mines Company P.L.C.

Headquarters: 7 Al Sharif Al Radi Street - Shmeisani-Amman
P.O.Box (30) Amman 11118
The Hashemite Kingdom of Jordan

The Seventy Sixth Annual Report of the Board of Directors
and The Consolidated Financial Statements for 2020

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BUSINESS
MEDIA
WORLD

Our Vision and Mission

Our Mission:

We aim to become a market leader in phosphate mining, and in mining and marketing of cost-effective fertilizer products while preserving the environment and the safety of our workers so as to benefit our shareholders, employees, local communities, and the national economy.

Our Vision:

Working continuously and ambitiously to maintain JPMC's name and worldwide reputation, and to deliver our customers and shareholders with the best of service.

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The Board of Directors

The term of JPMC Board of Directors has ended on June 3rd, 2020 and a new Board of Directors has been elected on June 3rd, 2020

Representatives of the private sector:

H.E Dr. Mohammad Thneibat	Chairman of the Board
Dr. Eng. Abdelfattah AbuHassan	Member

Representative of Social Security Corporation\ Vice-Chairman of the Board of Directors:

Dr. Adel Al-Sharkas	Vice- Chairman

Representatives of INDIAN POTASH LIMITED:

Dr. U.S. Awasthi	Member
Dr. P.S. Gahlaut	Member

Representatives of Government Investments Management Company P.S.C:

Mr. Mohammad Kreishan	Member
Mr. Salem Al Qudah	Member

Representative of Kisan International Trading FZE:

Mr. Manish Gupta	Member

Representative of Kuwait Investment Authority:

Eng. Mohammad Al Munifi	Member

Chief Executive Officer:

Eng. Abdel Wahab AlRowwad

Auditors:

Messrs. ERNST & YOUNG

Letter to the Shareholders:

Letter to the Shareholders:

By the Name of Allah; the Most Gracious, the Most Merciful

Ladies and Gentlemen Shareholders of Jordan Phosphate Mines Company (JPMC)

In name of the Board of Directors, I welcome you to the sixty seventh annual ordinary general assembly meeting of Jordan Phosphate Mines Company PLC. (JPMC) to discuss the Company activities and consolidated financial statements in its sixty seventh annual report as at 31 December 2020.

Due to Covid-19 Pandemic, the global economy has witnessed unusual conditions, challenges and economic downturn not seen for several decades. The Pandemic hit the whole world and severely affected the global economy during the first half of 2020. However, the economic sectors showed varied levels of resilience and coping with this pandemic. The mining sector witnessed the failure of many companies the profits of which dropped and some other companies left the market as a whole. Jordan Phosphate Mining Company responded to this crisis with further control of production expenses and costs and increasing the exportation volume of phosphate fertilizers – 215 thousand tons and an increase rate of 38% compared to 2019. The exported quantity of fertilizer reached 776 thousand tons against 561 tons in 2019; which enhanced its competitiveness on external markets and reduced sales costs by 5% compared with 2019. In parallel the Company reduced the operational expenses by 66.5 million Dinars by virtue of the reduced production costs for 2020 by JD 65.4 million, approximately. The mining costs dropped at JD 32.8 million as a result of availing competition for the qualified contractors. The mining cost per ton dropped at almost USD 5.6. This has been reflected in a drop in sales cost at approximately JD 52.4 million.

The establishment of natural gas at the Industrial Complex for a cost of JD 8.5 million and shift to natural gas instead of heavy oils will result in reducing the cost of fuels at about 40-50% of cost of fuel used in manufacturing fertilizers; it is a value added that contributes to improving the environment and reducing transmissions.

The Company devised a plan to implement and control the optimal use of the Industrial Complex assets and benchmarks for the use of raw materials after implementing the maintenance processes needed for the production machines and phosphoric acid storage facilities at the Industrial Complex. These processes were aimed at increasing the production and storage of acid to end up with the production of increased fertilizer quantities which reached 707 thousand tons in 2020 marking an increase of 157 thousand tons (28.5%) compared to 2019. As such, the cost of DAP dropped by USD 95, approximately reflected in reducing the production costs at the Industrial Complex and reducing the Industrial Complex loss to become JD 15.5 million in 2020 compared to JD 36.5 million in 2019. In fact, the Industrial Complex could have shifted from loss to profitability if the phosphate fertilizer prices had not dropped by USD 32 compared to 2019.

As a result of the set of procedures taken by the Company to reduce the cost of sales by JD 52 million, the operational profit increased by JD 23.5 million out of which JD 6.5 million was paid in support for the “Himmet Watan Fund” and local community support. In the meantime, net profits increased by JD 7.5 million- 36% compared to 2019 profits.

Profits of associate companies and joint ventures reached JD 12.219 million marking an increase of almost JD 3.699 million compared to 2019. This is by virtue of better sale prices of phosphoric acid and phosphate fertilizers during the last quarter of 2020.

The Company indebtedness dropped by almost JD 43.3 million and despite all the circumstances of 2020, the Company could pay its commitments to suppliers and lenders as a result of its improved liquidity and cash status.

Ladies and Gentlemen

As a large number of the Company staff members benefited from the Death and Compensation Fund Bylaw during (2015 – 2020) 1378 workers and JD 117.2 million, the Fund resources were inadequate to pay these dues. Thus, it had a deficit and could not pay the beneficiaries' dues. Accordingly, the Company had to provide an advance payment since 2017 to 2020 as large numbers voluntarily opted to exit from this bylaw; which necessitated payment of their dues. The auditors' opinion for the past three years was to turn the Fund into a benefit scheme due to the large liabilities incurred thereby and approval of the Company of the applications submitted by the employees to quit service and pay their dues that exceeded the Fund resources. In 2018, actuarial studies were conducted and the present value amount of dues of contributors to the Death and Compensation Fund reached JD 83.8 million. Upon request by the auditors and review of the Death and Compensation Fund Bylaw, a new actuarial study was done for 2019 and 2020 where it was concluded that the appropriation to be accounted for is JD 105.500 million. As such, the accounting process had to be adjusted in the financial records of the Company since 2018. This procedure will enable the Company to, significantly, reduce the annual payroll costs for the forthcoming years. In the meantime, the amounts paid to the Death and Compensation Fund in recent years helped reduce the payroll costs by JD 25 million.

In terms of the corporate performance improvement at the Company, the Investment and Projects Unit and the Performance Development and Quality Assurance Department were launched. The Company labs were upgraded to cope with developments in phosphate industries as well as controlling quality and production standards; we, at JPMC, believe that industries are as universities; they need to be years ahead of their era in order to continue to perform and contribute to others' lives. They cannot stand still until things change to the better; they must change and persistently head forward to the better.

The new extension of the Indo-Jordan Chemicals' Company and which is entirely owned by JPMC was inaugurated and its production capacity increased by more than 24 thousand tons of phosphoric acid for a cost of USD 6 million. This will be a significant profit leverage starting this year.

In the forthcoming three years, we look forward to increasing the manufacturing functions in the phosphate sector after implementing the projects agreed with investment companies for the production of white and yellow phosphorous and aluminum fluoride; these investment companies could not complete the required procedures due to the Corona Pandemic.

The Company is aware of its responsibility towards the local communities where it operates. It, proactively, contributed JD 5 million to the "Himmet Watan Fund"- about one third of its profits for 2019. It provided scholarships for the Southern Badia members to enroll in the specialized domains required for the Company and 17 persons were delegated for this purpose. This support approach will continue to support the Badia members and provide them with technical education. The Company contributed, as well, to the maintenance works of schools there via the initiative called "Let Our Schools Be Proud" under the Logo "Urdun AnNakhwa".

The Company admitted 300 graduates holding intermediate diploma in technical specializations and newly graduate engineers for training in the Company in order to appoint those who successfully complete the training programs in the Company as needed.

Finally, the procedures implemented by the Company to improve performance and control expenses as well as reducing the production costs and sales will show a positive effect on the Company performance, profitability, and resilience to be a dynamic contributor to the national economy and realize returns on investment for its shareholders.

Let me extend thanks and appreciation to my colleagues for their persistent efforts to upgrade and improve the Company business and for their exceptional efforts during the pandemic. Thanks are also extended to the President and members of the Trade Union of Mines and Mining Workers for their kind efforts. May Allah help us to say the truth and be faithful to our work and rational in our approach. May Allah keep our beloved country safe and assured under the leadership of His Majesty King Abdullah II May Allah keep and safeguard him.

May peace, mercy and blessings of Allah be upon you.

Chairman of the Board of Directors

Dr. Mohammad Thneibat

Report of the Board of Directors

Dear Shareholders,

In compliance with Article (171) of the Law of Companies (22) for 1997 and its amendments, in fulfillment of the disclosure requirement for exporting companies, accounting standards, audit standards for 2004 and their amendments, and in line with the provisions of Article (62) of Articles of Association, the Board of Directors of Jordan Phosphate Mines Company P.L.C. (JPMC) submits to you this seventy sixth report including a brief on the Company operations and its deliverables during the fiscal year ending at 31.12.2020. The report reveals business results of the Company and its financial status presented in the financial statements including consolidated financial position statements, consolidated income statement, consolidated comprehensive income statement, consolidated statement of changes in equity, and consolidated statement of cash flows as approved by the Board of Directors on 30th March 2021.

Following is a presentation of the Company's activities in 2020:

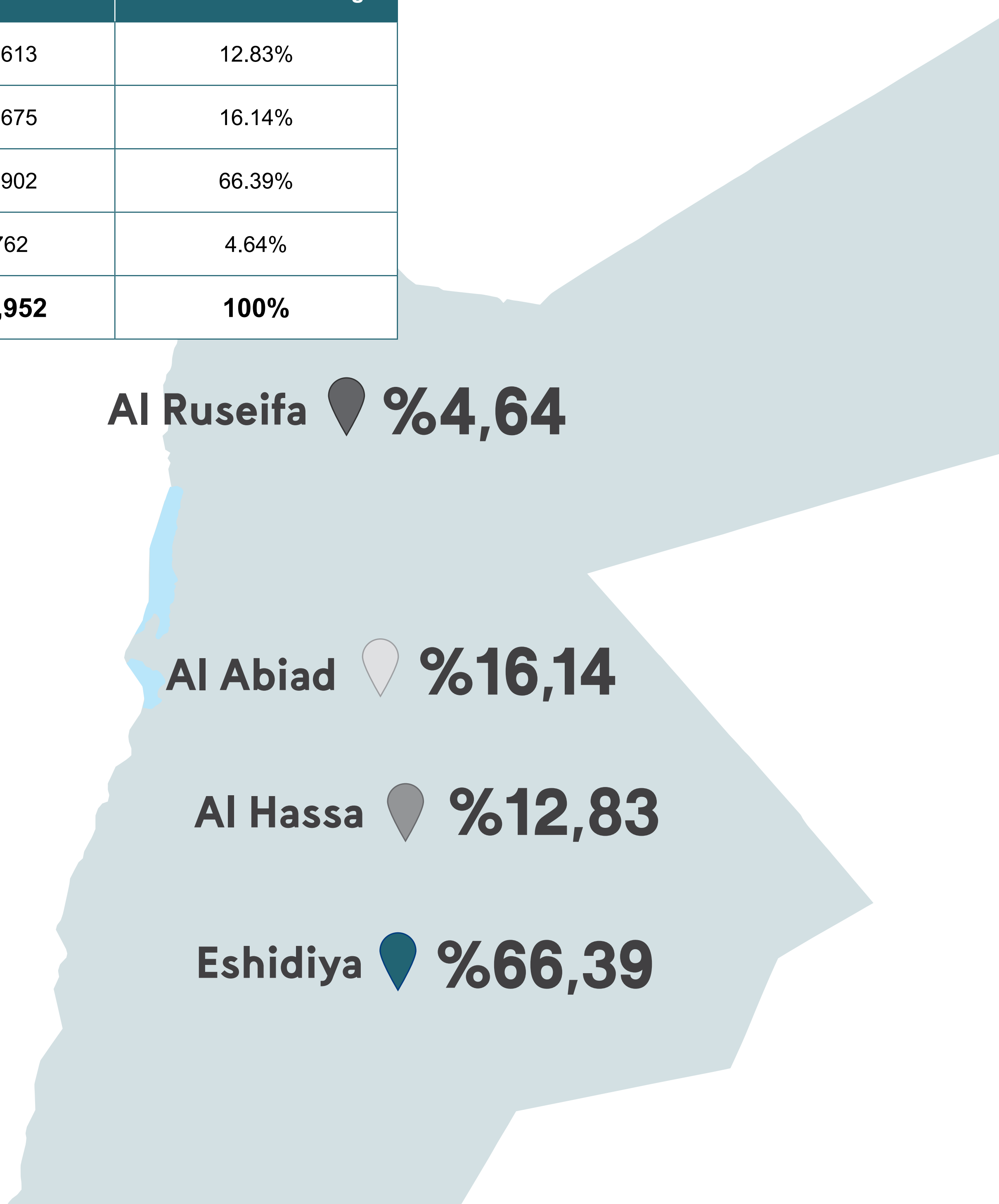
Production:

a. Phosphate:

Ready dry phosphate produced in 2020 from the Company's mines of all grades accounted for 8,937,952 tons vis-à-vis 9,223,346 tons in 2019; which represents a 3,1% decrease compared to 2019.

Quantities of Dry Phosphate Produced in 2020 distributed as follows:

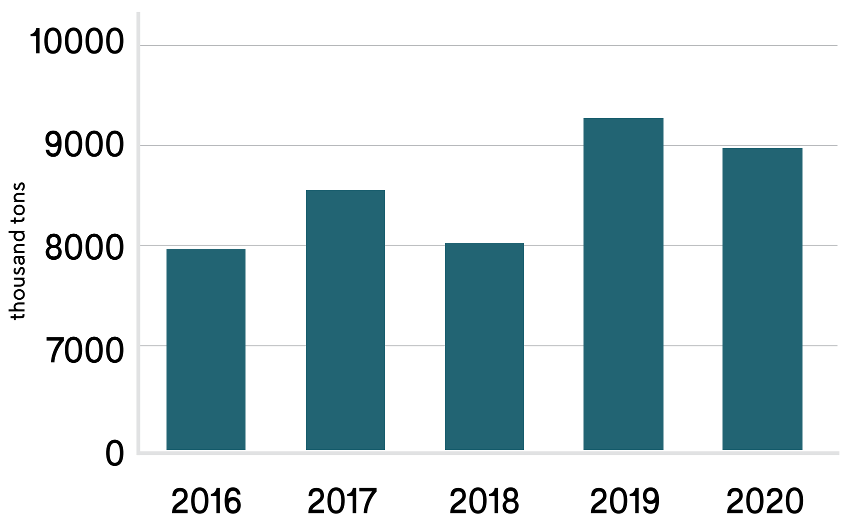
Mine	Quantity in Ton	Production Percentage
Al Hassa	1,146,613	12.83%
Al Abiad	1,442,675	16.14%
Eshidiya	5,933,902	66.39%
Al Ruseifa	414,762	4.64%
Total	**8,937,952**	**100%**



Quantities of Dry Phosphate Produced from the Company Mines for 2016-2020:

(thousand tons)

Mine	2020	2019	2018	2017	2016
Al Hassa	1,146	1,007	799	733	621
Al Abiad	1,443	1,604	1,204	1,602	1,501
Eshidiya	5,934	6,005	5,777	6,353	5,869
Al Ruseifa	415	607	243	-	-
Total	**8,938**	**9,223**	**8,023**	**8,688**	**7,991**



b. Products of Fertilizers at the Industrial Complex:

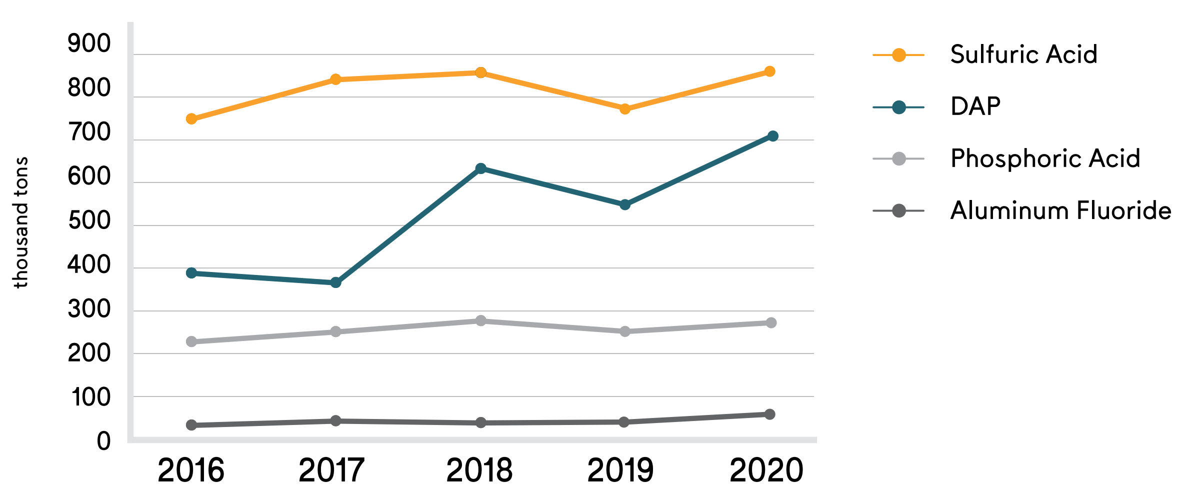
Quantities of Phosphate Fertilizers Produced at the Industrial Complex in Aqaba were as follows in 2020:

Product	Quantity /ton
DAP	706,535
Phosphoric Acid	282,000
Sulfuric Acid	862,932
Aluminum Fluoride	10,353

Quantities Produced at the Industrial Complex in Aqaba for 2016-2020:

(thousand tons)

Product	2020	2019	2018	2017	2016
DAP	707	550	632	379	396
Phosphoric Acid	282	252	281	264	228
Sulfuric Acid	863	780	856	839	738
Aluminum Fluoride	10	6	6	6	4



Exploration:

Despite all the hurdles and obstacles that the Exploration Department was challenged with in 2020 due to the overall circumstances all over the World and in compliance with the Council of Ministers' Resolution in their meeting of 1.7.2019 including the new exploration licenses issued by the Energy and Minerals Regulatory Authority to Jordan Phosphate Mines Company, the Company obtained six new exploration licenses for the several sites of the Company covering a total space of 127.7km^2. Thus, new ores have been identified in the three mines exceeding the geological reserve with approximately 77 million cubic meters at the end of 2019. Following is a breakdown of the (proven, probable, and possible/potential) geological reserve by the end of 2020 at all the mines:

The Geological Reserve (proved, potential, and possible) in all Mines was as follows as at the end of 2020:

(million cubic meters)

Mine	Proved	Possible	Potential	Total
Al Abiad	4,881	8,010	10,000	22,891
Al Hassa	10,018	4,800	10,000	24,818
Eshidiya	272,170	-	50,000	322,170
Total	**287,069**	**12,810**	**70,000**	**369,879**

Transport:

Quantities of phosphate transported from the Company Mines by truck vehicles reached (9,123,528) tons (compared to 8,625,043 tons in 2019) distributed as follows:

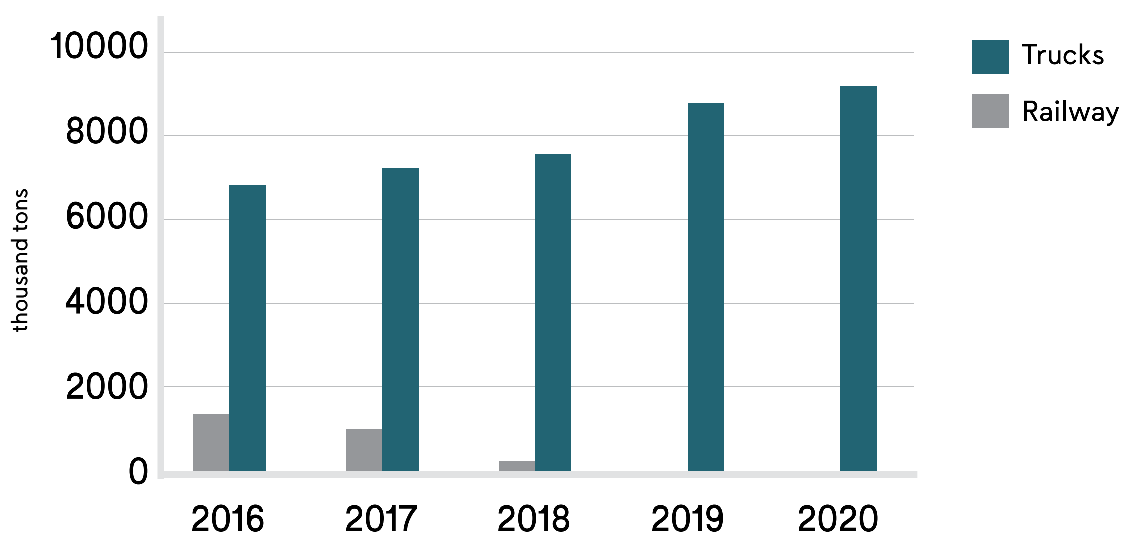
(ton)

Mine	Exportation	Industrial Complex	Indo-Jordan Chemicals Company (IJC)	Jordanian Indian Fertilizer Company (JIFCO)	Other Companies	Eshidiya Mine	Total	Contribution Rate %
Eshidiya	2,318,387	769,105	1,235,246	1,890,249	-		6,212,987	68
Al Hassa	756,730	182,469	-	-	-	163,011	1,102,210	12
Al Abiad	1,193,587	130,237	-	-	-	96,490	1,420,314	16
Al Ruseifa	220,205	43	-	-	900	166,869	388,017	4
Total	4,488,909	1,081,854	1,235,246	1,890,249	900	426,370	9,123,528	100

Quantities of Transported and Unloaded Phosphate from Mines as per Transport Vehicles for 2016-2020:

(thousand tons)

Transport Means	2020	2019	2018	2017	2016
Railway	-	-	275	1,257	1,328
Trucks	9,124	8,625	7,744	7,268	6,569
Total	**9,124**	**8,625**	**8,019**	**8,525**	**7,897**



Marketing:

The year 2020 witnessed a qualitative jump in marketing the phosphate, fertilizer, and aluminum fluoride in terms of diversity and visibility on the international markets. JPMC products were exported to many new markets including the United States of America and Sudan. The share of other markets such as Brazil and others increased in addition to attaining our share on the traditional markets. The sharp drop in phosphoric acid prices and DAP has affected the Company sales to all markets and the pandemic which has had its impact on all international markets.

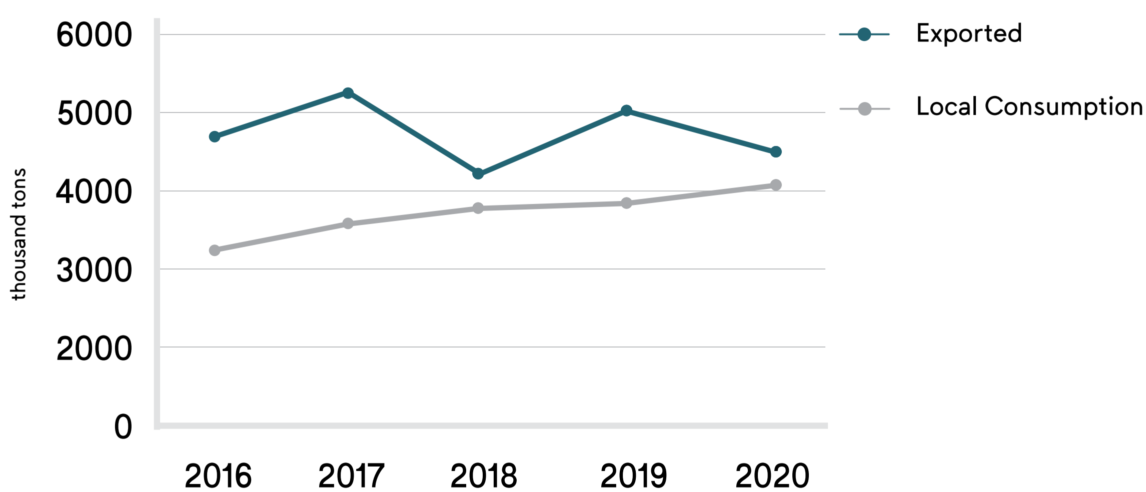
Notwithstanding the circumstances worldwide in 2020 and the inability of some buyers to consume all contracted quantities due to logistic and financial reasons, the Jordan Phosphate Mines Company succeeded in selling 8,552 million tons of phosphate out of which 4,518 million tons exported overseas and 4,034 million tons supplied to the Industrial Complex in Aqaba and to the associate and subsidiary companies. The Indian market share accounted for 68% of total Jordanian exports. In addition, the Company succeeded in achieving 86% of its targeted marketing plan of 2020.

The Company recorded the largest number of phosphate fertilizers' exports for tens of years. It sold 778 thousand tons of DAP; the Company marked a historical milestone when it loaded 70 thousand tons of fertilizers on the largest vessel of its kind where the quantity was exported to the American market. Other 6461 tons of aluminum fluoride was sold and the Company could fulfill its commitments to provide the phosphoric and sulfuric acids to the associate companies and the local market from its own products and those of the associate companies.

First: Sales of Rock Phosphate for 2016-2020:

(thousand tons)

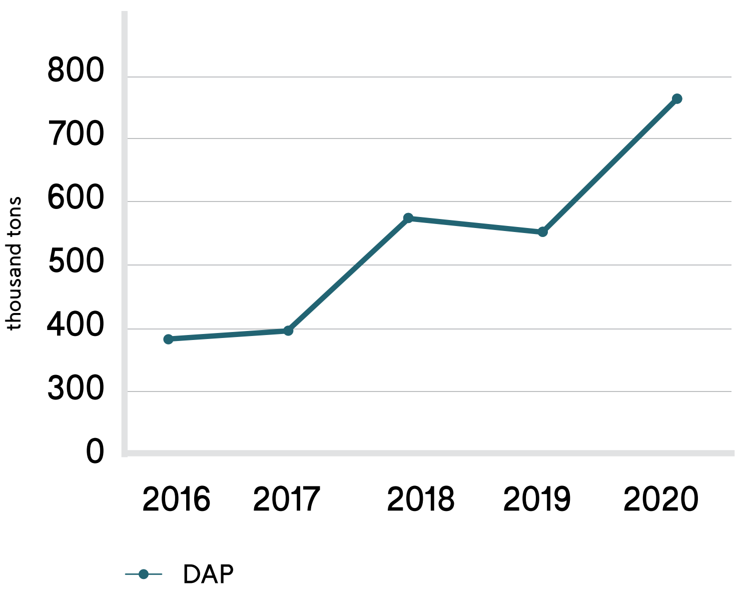
Year	2020	2019	2018	2017	2016
Exported	4,518	5,070	4,163	5,195	4,704
Local Consumption	4,034	3,961	3,900	3,588	3,231
Total	**8,552**	**9,031**	**8,063**	**8,783**	**7,935**

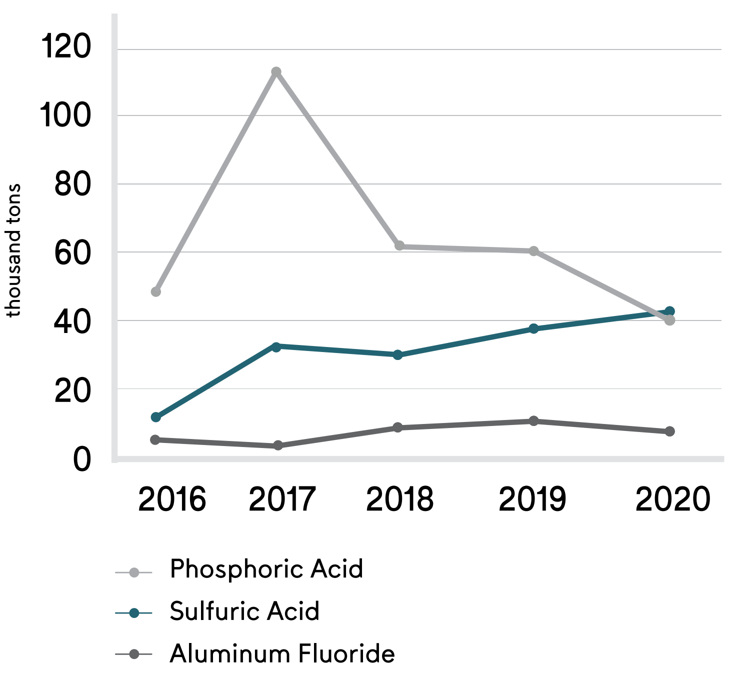


Second: Sales of Chemical Fertilizers from the Industrial Complex Products for 2016-2020:

(thousand tons)

Product	2020	2019	2018	2017	2016
(DAP)	778	563	583	401	392
Phosphoric Acid	40	60	61	111	47
Sulfuric Acid	41	38	30	33	16
Aluminum Fluoride	7	11	8	3	5





Associate Companies

Jordanian-Indian Fertilizer Company (JIFCO):

In 2008, the Jordanian-Indian Fertilizer Company (JIFCO) was established in Jordan in order to produce phosphoric acid in Eshidiya in partnership with the Indian Farmers Fertilizer Cooperative Limited (IFFCO). JPMC owns 48% of JIFCO capital which is USD 524,5 million. About 59% of the startup cost was financed by the shareholders and the remainder (41%) was financed via loans raised from the International Finance Corporation (IFC) and the European Investment Bank (EIB). The Company consumes about 1.8 million tons of phosphate per year.

Jordan Abyad Fertilizers and Chemicals Company (JAFCCO):

In 2007, JAFCCO was established in Al Abiad for the purpose of producing fertilizers and chemicals. It was established in partnership with JAFCCO-Bahrain, the Arab Mining Company, and Venture Capital Bank. The contribution of JPMC is JD 51,1 million representing 27,4% of JAFCCO capital.

PT Petro Jordan Abadi:

In 2010, PT Petro Jordan Abadi was established in Indonesia in partnership with Petrokimia Gresek for the purpose of producing phosphoric acid consuming about 800 thousand tons of phosphate from JPMC per year. The contribution of JPMC to accounts for 50% of its capital which is USD 62 million. This capital, however, was increased to USD 134,8 million.

PT Kaltim Jordan Abadi:

In 2014, PT Kaltim Jordan Abadi was established in Indonesia in partnership with PT Pupuk Kalimatan Timur (PKT) for the purpose of producing phosphoric acid using phosphate supplied by JPMC. The company's capital is USD 2.5 million and the share of JPMC accounts for 40% of it.

Manajim Mining Development Company:

In 2007, Manajim was established in Jordan in a partnership with the Jordan Economic Development and Trading Co. (COMEDAT) with a capital of one million Jordanian Dinars with JPMC contributing by 46% to it.

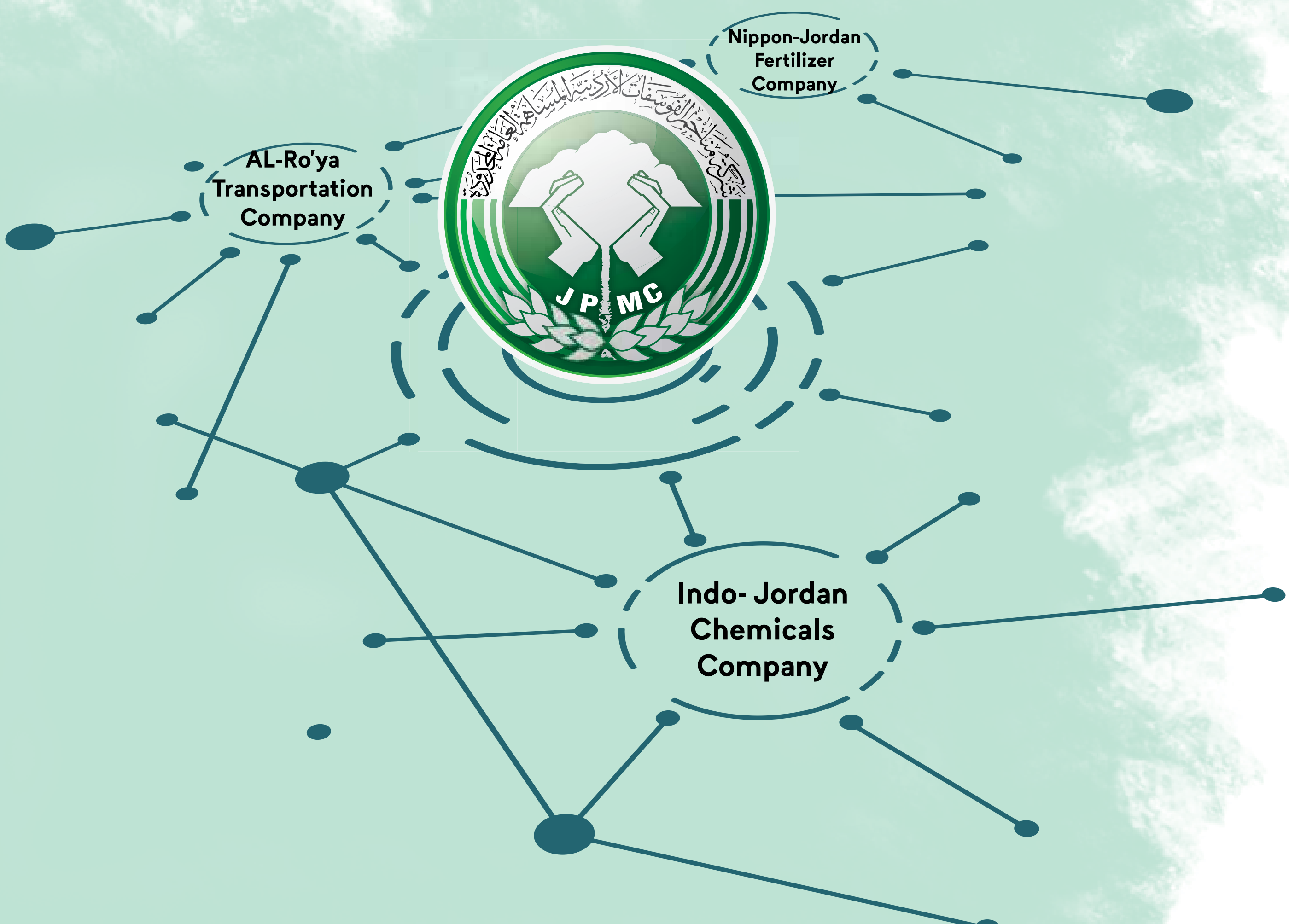
Arkan for Contracting and Construction Company:

In 2011, Arkan was established in Jordan in partnership with Al-Own Group with a capital of JD 25 million with JPMC contributing to 46% of it. Arkan implements phosphate mining works in the phosphate ores of JPMC.

Jordan Industrial Ports Company (JIPC):

JIPC was established in 2009 for the purpose of managing and operating Aqaba Industrial Port with 50/50 contribution by JPMC and Arab Potash Company with a capital of JD 140 million, it was gradually increased in actual cost of project. The Project implementation started directly after signing the management and operation agreement with Aqaba Development Company and JIPC signed an agreement in February 2015 with Tecnicas Reunidas S.A. & PHB weserhtt, S.A. Consortium.

Subsidiaries



A. Indo- Jordan Chemicals Company (IJC):

In 1992, this limited liability company was established with a capital of USD 63.4 million. It produces phosphoric acid at a production capacity of 224 thousand tons per year and it is totally owned by JPMC. The Company upgraded the production capacity via constructing a third filter where it reached 237 thousand tons/year. The new production line was inaugurated on 23.2.2021.

In 2020, the Indo-Jordan Chemicals Company produced 250.482 tons of phosphoric acid (P_2O_5) compared to 259.181 tons in 2019. In 2020, it sold 266.200 tons of P_2O_5 compared to 247,626 tons in 2019.

Manpower:

As at the end of 2020, the Indo-Jordan Chemicals Company had 313 employees classified as follows according to their specializations:

Title	Post Graduate	Diploma	High School/ Lower Grade	Total
Engineer	42	-	-	42
Technician	51	80	42	173
Admin staff	15	6	14	35
Accountant	10	-	-	10
Intermediate Technician	-	12	33	45
Driver	-	-	8	8
Total	118	98	97	313

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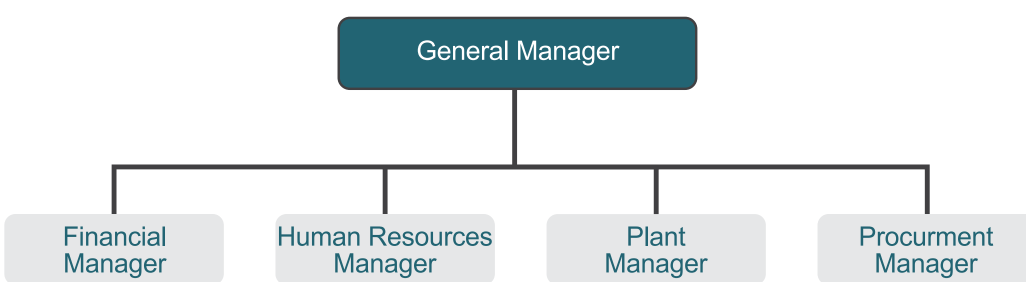
The Organizational Structure



B. AL-Ro'ya Transportation Company:

It is a limited liability company that was established in 2010 with a paid capital of JD 100,000 and it is totally owned by JPMC.

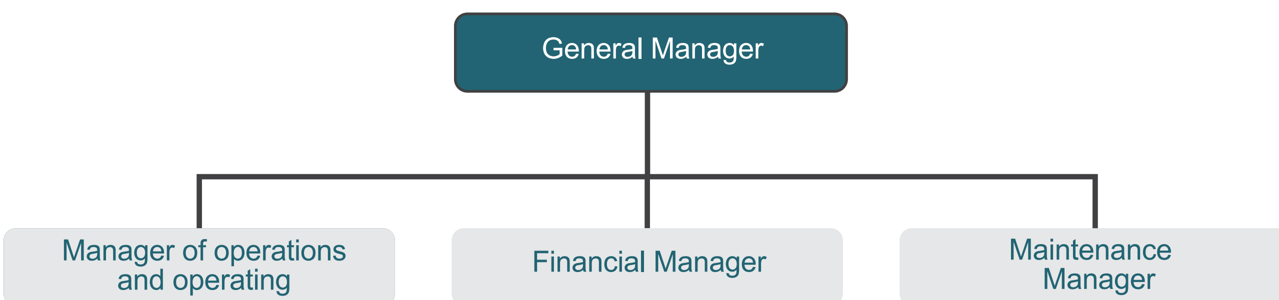
Manpower:

As at the end of 2020, AL-Ro'ya Transportation Company had (17) employees classified as follows according to their specializations:

Title	Post-grad-uate	Diploma	High School/ Lower Grade	Total
Admin Staff	1	-	-	1
Intermediate Technician	-	2	2	4
Driver	-	-	12	12
Total	1	2	14	17

Address: Amman – Telephone 5686293 Fax: 5686294

The Organizational Structure



C. Nippon-Jordan Fertilizer Company (NJFC):

It is a limited liability company established in 1992 with a capital of USD 24 million. It produces compound fertilizers and di-ammonium phosphate (DAP) with a production capacity of 300 thousand tons per year. The share of JPMC in the capital of NJFC is 70%.

The quantities of chemical fertilizers (NPK&DAP) produced in 2020 reached 224.678 tons compared to 197,404 tons in 2019. However, the Company sold 207.667 tons of NPK&DAP in 2020 compared to 176,577 tons sold in 2019.

Manpower:

As at the end of 2020, Nippon-Jordan Fertilizer Company had (98) employees classified as follows according to their specializations:

Title	Post-graduate	Diploma	High School/ Lower Grade	Total
Engineer	16	-	-	16
Technician	12	18	23	53
Admin Staff	7	2	5	14
Accountant	4	-	-	4
Intermediate Technician	-	-	8	8
Driver	-	-	3	3
Total	39	20	39	98

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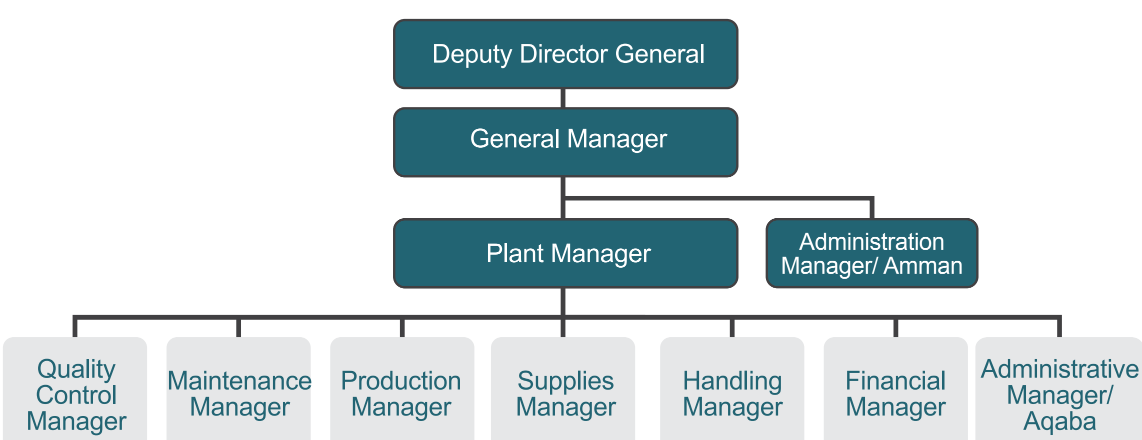
The Organizational Structure



Research, Quality and Environment

As the Company is keen and interested in developing its operations and products. It works to preserve its reputation and visibility on international markets by virtue of its special focus on scientific research, development and product monitoring which directly affect production and its phases. Thus, the specifications that customers request will be achieved.

JPMC Management is keen on doing analyses, studies, research and development as well as delivering technical services on its several sites, or companies or importers of its products of raw phosphate or chemical fertilizers. JPMC conducts studies to evaluate the discovered crudes and studies to increase the pilot laboratory percentage of all types of produced phosphate. These types are evaluated in producing phosphoric acid at the pilot level. Moreover, services are delivered to scientific institutions, companies, and universities by its specialized technical staff members who enjoy and multidiscipline and extensive experience. JPMC also possesses technical equipment, lab sets, and several pilot plants.

The Company is highly concerned with the issue of environment, public safety and occupational health on all its sites and in the surrounding areas. It ensures the application of internationally approved standards to preserve the several environmental elements. It works on verifying the effectiveness of procedures made and on developing the same to control the transmissions of phosphate dust particles and gases in line with the relevant Jordanian legislation frameworks.

Future Plans

Anticipated Projects:

- Jordan Phosphate Mines Company announced in the local and international newspapers the tender to construct new phosphoric acid tanks. Implementation is expected to start mid 2021; cost is estimated at JD 20 million.
- Jordan Phosphate Mines Company announced the tender of the existing phosphoric acid tanks maintenance. Implementation started in mid 2020.
- Jordan Phosphate Mines Company announced the project of maintenance works of the ammonia tank; bids are expected and the project should start in the fourth quarter of 2021.
- On 08.01.2020, Jordan Phosphate Mines Company signed a partnership agreement to establish a joint venture with the Indian Company Alufluoride Limited and the Indo-Jordan Chemicals Company L.L. The purpose of this agreement is to establish an aluminum fluoride plant in Eshidiya to consume the surplus Fluorosilicic Acid and produce 20 thousand tons Aluminum Fluoride per year. The project start was postponed as the experts could not travel during 2020.
- Jordan Phosphate Mines Company signed an agreement with Solar Water PLC to establish a desalination plant on the basis of build, operate and transfer (BOT) to JPMC. All of the produced quantities will be supplied to the Industrial Complex. The project start was postponed as the experts could not travel during 2020.
- Jordan Phosphate Mines Company signed an agreement with AlFajr Egyptian Company and Egypt Gas Company to establish a plant to supply the Industrial Complex with natural gas at the cost of USD 9 million. This agreement entered into force in September 2019. The project was completed on January 2021.

Production and Marketing Plans for 2020:

- The highly-sought plans that JPMC has set for 2021 aim at producing 9.9 million tons of phosphate and 680 thousand tons of DAP.
- The above plans are based on the assumption of selling 10 million tons of phosphate (6 million for exportation and 4 million to be supplied to associate and subsidiary companies in Jordan as well as to the Industrial Complex in Aqaba). The plans target 680 thousand tons of DAP to be sold in addition to securing the needs of associate and subsidiary companies of phosphoric acid and sulfuric acid.
- As per the prevailing prices on the date of budget preparation and the stability of other variables, the Company is expected to realize an estimated net profits of JD 95 million from its major activities.

Human Resources and Services Delivered to them

As at 31.12.2020, there were 2307 employees at service in the Company classified as follows according to their specializations and job sites:

Site	Sex	Engineer	Post-graduate Technician	Post-graduate Admin Staff	Intermediate Technician	Intermediate Admin	High School/ Lower Grade Technician	High School/ Lower Grade Admin	Total	Percentage upon site
Headquarters		29	11	100	4	13	28	20	205	8.9%
	Male	15	6	68	3	8	26	17	143	
	Female	14	5	32	1	5	2	3	62	
Al Hassa Mine		25	7	17	25	2	114	138	328	14.2%
	Male	25	6	17	24	1	114	132	319	
	Female	0	1	0	1	1	0	6	9	
Al Abiad Mine		23	5	14	29	4	88	101	264	11.4%
	Male	22	5	14	29	4	88	101	263	
	Female	1	0	0	0	0	0	0	1	
Eshidiya Mine		35	18	61	75	8	479	116	792	34.3%
	Male	35	18	61	75	8	479	116	792	
	Female	0	0	0	0	0	0	0	0	
The Industrial Complex		61	11	35	120	18	276	79	600	26.0%
	Male	57	9	28	118	13	272	76	573	
	Female	4	2	7	2	5	4	3	27	
Research Department		5	3	8	9	0	5	4	34	1.5%
	Male	2	3	8	8	0	5	4	30	
	Female	3	0	0	1	0	0	0	4	
The New Port		10	1	13	14	2	21	23	84	3.6%
	Male	8	1	12	14	2	21	23	81	
	Female	2	0	1	0	0	0	0	3	
Total		188	56	248	276	47	1011	481	2307	100%
Percentage upon qualification		8,2%	2,4%	10,7%	12%	2%	43,8%	20,9%	100%	

The Services of 5 workers ended on 31.12.2020

Housing Loans:

Total loans to employees of the Company since the establishment of the Fund till the end of 2020 totaled JD 40,621,574 with 2037 employees on all sites of the Company benefiting from these loans. The loan is 150 times the basic salary with a ceiling of JD 30,000. Beneficiaries of such loans in 2020 were 43 employees with a total cost of about JD 1,285,000.

Training and Development:

With the support of its Board of Directors, Jordan Phosphate Mines Company targets its efforts to the development of human resources to help them acquire further skills and potentials. In 2020, it participated in some specialized training programs and conferences related to phosphate and fertilizer industry. This participation was via audio-visual communication platforms in addition to face-to-face attendance as per the number permitted by the competent authorities.

The Company continued since 2006 as well to grant one university scholarship to one of the children of each employee in addition to 10 scholarships for children of pensioners of the Company in line with the Bylaw of University Scholarships applied at the Company since 2006. The number of students benefiting from scholarships was 713 students as at the end of 2020 and there are 322 students who are still studying, and to cover the cost of the scholarships in 2020 the Company was paid around JD 626 thousand.

Medical and Health Services

The Company provides distinctive and comprehensive medical care for more than 12 thousand beneficiaries including employees and their families via the clinics of the Medical Service Department on the several sites of the Company. In addition, the Company has accredited a medical network with distinguished specialties in order to add to its list of doctors accredited all over the Kingdom.

Since 2015, the Company computerized the medical services with an on-line access to medical entities. This has helped build up an information system revealing the medical history of each beneficiary in order to avoid repetitive medication and medical procedures in the same period of time. As such, the medical expenses were reduced. The prices are according to those approved by all medical entities in line with the price list approved by the Ministry of Health, the Associations of Doctors, Dentists and Laboratories. The Company has been always keen on providing the best medical services to employees and their families and to its retirees.

Costs of Medical Treatment for Employees and their Families during 2016-2020:

(Thousand Dinars)

Item	2020	2019	2018	2017	2016
A. Cost of Treatment of Employees of the Company	1,622	2,483	2,688	2,761	2,803
B. Costs of Medical Treatment of the Employees' of the Company Families	1,995	3,160	2,999	3,230	3,220
Grand Total (A+B)	3,617	5,643	5,687	5,991	6,023

Post-retirement Medical Insurance:

The Company provides medical insurance for its retirees whether because of old-age or early retirement upon a bylaw applied for this purpose. Each year, the Company contributes with 50% of the amount of costs incurred from implementing this bylaw. The Company has been managing the post-retirement medical insurance since 2017. The post-retirement medical insurance costs were as follows during 2016-2020:

(Thousand Dinars)

Item	2020	2019	2018	2017	2016
Expenditures of the Post-retirement Medical Insurance (Retirees, their spouses and children)	6,770	7,173	7,285	4,038	3,754
Number of Beneficiaries	6,907	7,388	6,662	7,710	5,961

Data Related to the Disclosure Regulations Issued by the Board of Commissioners of the Jordan Securities Commission:

Following are some information related to the disclosure regulations:

A. An Outlook:

- Jordan Phosphate Mines Company was founded in 1949 and transformed into a public shareholding company in 1953. It is registered under No. (16) at the Companies' Controller. Its purposes include phosphate prospecting, mining and marketing as well as manufacturing fertilizers and participate in establishing industries as relevant. The chemical fertilizers are produced at the Industrial Complex in Aqaba. Phosphate is mainly extracted from Eshidiya, Al Abiad and Al Hassa mines.
- JPMC obtained the right to mine phosphate on the several sites of production all over the Kingdom including the mines of Al Hassa, Al Abiad, Al Rusaifa, and Eshidiya. These rights are issued upon official resolutions issued by the Authority of Natural Resources according to the Law of the Natural Resource Affairs Regulation No. (12) for 1968 (Mining Rights 1 & 2 in Al Hassa and Eshidiya); the mining leasehold contract for Al Rusaifa Mine signed with the Government of the Hashemite Kingdom of Jordan/the Ministry of National Economy at that date. The Council Ministers resolved on 13.11.2001 to renew the contract of the mining right in Al Hassa and Al Abiad Mines for other twenty years.
- Upon a resolution by the Council of Ministers in its meeting of 1.7.2019, JPMC obtained new prospecting licenses in compliance with the Law of Natural Resources No. (19) for 2018.
- On 17.4.2013, the Council of Ministers endorsed a bylaw amending the Bylaw of Phosphate Mining Proceeds for 2013 and that would enter into force starting 7.3.2013. This amended bylaw imposes mining fees (proceeds) of 5% on phosphate out of the total sales of JPMC or an amount of JD 1.420 per ton (which is higher) whether exported from the Kingdom or sold inside it or even consumed by JPMC. These proceeds must be paid on a monthly basis during the month following the date they were incurred on.
- On 12.7.2012, the Council of Ministers endorsed an amended bylaw of the Bylaw of Quarries and Mining Fees for 2012. Accordingly, the annual fees for the mining right granted would become JD 500/Km^2 or any part thereof. The regulation was published in the official Gazette.
- The Industrial Complex in Aqaba obtained the ISO Certificate in the Environmental Management System No. ISO 14001:2015; the Accreditation Certificate of Occupation Health and Safety Management System No. ISO 45001:2018; and the ISO of Quality Management System ISO 9001:2015 issued by (Lloyd's Register Quality Assurance).
- Jordan Phosphate Mines Company was registered as a registered company licensed to practice economic/industrial activities at Aqaba Special Economic Zone (ASEZA) in 2001 under No. (1101031410). As such, the Industrial Complex enjoys the benefits and exemptions provided for in ASEZA Law.
- Jordan Phosphate Mines Company was registered again at the Income and Sales Tax Department under No. 49918 as from 1.1.2001.
- Neither JPMC nor any of its associate or subsidiary companies enjoys governmental protection or prerogatives for any of its products.

B. Auditors' Fees

The fees of the External Auditor of the Group Messrs Ernst & Young for 2020:

(Jordanian Dinar)

Company/Item	Annual Fees	Sales Tax 16%	Total
Jordan Phosphate Mines Company	70,000	11,200	81,200
Indo-Jordanian Chemicals Company	16,000	-	16,000
Nippon Jordan Fertilizer Company	5,500	-	5,500
Al - Ro'ya Transportation Company	3,450	552	4,002

C. Statement of Major Customers of the Company Sales for 2020:

Country	Phosphate Sales		Fertilizer Sales		Ratio of Raw Material Trading (%)
	Ratio of total Exports (%)	Ratio of Total Sales (%)	Ratio of total Exports (%)	Ratio of Total Sales (%)	
India	66.12	47.03	57.31	56.57	-
Indonesia	25.91	18.43	--	--	-
USA	-	-	17.45	17.23	-
Sudan	-	-	5.19	5.13	-
Brazil	3.85	2.73	-	-	-
Bangladesh	1.66	1.18	-	-	-
Taiwan	1.58	1.13	-	-	-
Japan	0.85	0.61	-	-	-
Associate companies, subsidiaries and the Local Market	-	28.87	-	1.29	100

D. Statement of the Company's Activities as per the Geographic Sites and Capital Investment Volume in each for 2020:

(Thousand JD)

Site	Activity/Process	Capital Investment Volume
Al Rusaifa Mine	Re-screening of Stock	4,569
Al Hassa Mine	Production of regular washed phosphate	64,768
Al Abiad Mine	Production of regular washed phosphate	30,656
Eshidiya Mine	Production of regular washed and floated phosphate	284,257
Industrial Complex/Aqaba	Production of fertilizers, phosphoric acid, and Aluminum Fluoride	321,898
Other Sites		13,092
Total		**719,240**

E. Statement of Major Contractors and Suppliers of Local Purchases of the Company for 2020:

(Thousand JD)

Item	Amount	Ratio of Total Purchases
Contractors of Phosphate Excavations	137,922	34.98%
Contractors of Transport	58,059	14.73%
Electricity Companies	15,833	4.02%
Jordan Petroleum Refinery	9,332	2.37%
The Water Authority, Aqaba Water Company and Miyahuna Company	9,991	2.53%

F. Shareholdings of members of the Board of Directors, Senior Management Staff or their Relatives in Capital of the Company and the Companies it Controls in 2020 - 2019:

Name of the Member	Nationality	Shares	
		2020	2019
- Member of the Board of Director:			
H.E. Dr. Mohammad Thneibat\ Chairman of the Board	Jordanian	70,000	44,000
H.E. Dr. Eng. AbdelFattah Abu Hassan\ Member of the BOD	Jordanian	5,628	5,628
- Senior Management:			
Dr. Shafik Ashkar\ CEO till 17.11.2019	Jordanian	-	1,848

Other than the above, Chairman and members of the BOD, the Senior Management Staff and their relatives do not hold shares in the Company capital and the controlled companies in 2020-2019.

G. Contracts, Projects and Obligations Concluded by the Company with the Subsidiary, Sister, and Associate Companies or with Chairman of the BOD, members of the BOD, the CEO, or any other Employee and their Relatives:

Jordan Phosphate Mines Company does not have any contracts, projects or obligations with Chairman of the BOD, members of the BOD, the CEO or any other employee in the Company or their relatives.

H. The Company Contribution to the Local Community Development and Service:

Being aware of its corporate social responsibility to develop local communities geographically situated in its operation and production areas, the Company has opted for implementing and actualizing the principles of (Sustainable Development). A fixed strategy and a plan of action have been basically devised on a participatory approach to curb poverty and unemployment by means of maximizing the use of available resources especially the non-renewable ones as well as innovating technologies mainly aimed at reaching the maximum production rate and stimulating the role of local communities. These efforts must help improve the social and local conditions in these areas by virtue of implementing a package of social, cultural, economic and environmental projects.

I. Donations:

The donations made by the Jordan Phosphate Mines Company in 2020 amounted to JD 6,4 million as a contribution to the development of the local community and support for various activities and events. The following table shows the donations details and for whom paid.

Company Contribution to the Local Community Development and various activates paid in 2020:

(Jordanian Dinars)

Details	Amount
Himmet Wattan Fund	5,000,000
Support to Health Ministry to face Corona pandemic	300,000
Support of Public institutes Unions	720,176
Supporting to Crown Prince Foundation Mubadarah	100,000
Support of Welfares Organization and Pockets of Poverty	99,064
Support of Charity Packages Campaign	78,050
Supporting Schools, Scientific Institutes and Universities	57,825
Support Religious, Culture And Health Activities	56,300
Support to Hospitals and urgent treatments	54,000
Supporting Sports Activities	4,000
Total	6,469,415

Donations Paid by the Company in 2016-2020:

(Thousand JD)

2020	2019	2018	2017	2016
6,469	972	349	160	1,859

J. Members of the BOD:

The term of JPMC Board of Directors has ended on June 3rd, 2020 and a new Board of Directors has been elected on June 3rd, 2020

Representatives of the Private Sector:

H.E. Dr. Mohammad Thneibat\ Chairman of the Board:

H.E. Dr. Thneibat assumed the chairmanship of the Jordan Phosphate Mines Company as of March 28th, 2017 representing the private sector.

Currently serves as the Chairman of the Board of Trustees of Al Hussein bin Talal University

He Previously held several official positions, most recently as Deputy Prime Minister for Services and Minister of Education – and the Chairman of the Board of Trustees of the University of Science & Technology

Dr. Thneibat is a Professor possessing the following academic degrees:

Ph.D. in Administrative Sciences

Master of Political Science

Bachelor’s degree in Economics & Administrative Sciences

Date of Election: June 3rd, 2020 Date of Birth: Januray 1st, 1950

Dr. Eng. Abdelfattah AbuHassan:

Ph.D. in Science of Mining Engineering

Consultant in Mining Engineering

Previously he was hold the post of: Board of Directors member at the Jordan Phosphate Mines Company (2004-2012), Advisor to the Executive Investment Committee at the Jordan Phosphate Mines Company and Acting General Manager at the Jordan Phosphate Mines Company.

Date of Election: June 3rd, 2020 Date of Birth: January 1st, 1942

Representative of Social Security Corporation\ Vice-Chairman of the Board of Directors:

Dr. Adel Al-Sharkas:

Ph.D. in Financial Economics, MA in Economics\ Statistics, BSS in Applied Statistics

Current position: Deputy Governor of the Central Bank of Jordan

Date of Appointment: June 3rd, 2020 Date of Birth: July 10th, 1966

Representatives of INDIAN POTASH LIMITED:

Dr. U.S. Awasthi:

Ph.D. in Chemical Engineering

Current Position: Managing Director of Indian Farmers Fertilizer Cooperative limited (IFFCO)

Date of Appointment: June 3rd, 2020 Date of Birth: July 12th, 1945

Dr. P.S. Gahlaut:

Ph.D. in Business Management, B.Sc. in Chemistry

Current Position: Managing Director of Indian Potash Limited (IPL)

Date of Appointment: June 3rd, 2020 Date of Birth: July 27th, 1947

Representatives of Government Investments Management Company P.S.C:

H.E. Mr. Mohammad Kreishan:

B.Sc. in Law

Licensed Lawyer

Previously: Occupied multiple senior public position including: Member of the 25th Senate, General prosecutor and Judge at first and appeal courts.

Date of Appointment: June 3rd, 2020 Date of Birth: December 12th, 1951

Mr. Salem Al Qudah:

B.A. in Business Administration

Current position : Assistant of Secretary General for Financial Affairs - Ministry of Finance

Date of Appointment: June 3rd, 2020 Date of Birth: September 7th, 1961

Representative of Kisan International Trading FZE:

Mr. Manish Gupta:

Bachelor of Technology - Civil Engineering, Diploma in Management - Development, Marketing, Bachelor of Laws (LLB) - Taxation, Commercial Laws

Current Position: Director, Strategy and Joint Ventures, Indian Farmers' Fertilizer Cooperative Ltd (IFFCO)

Date of Appointment: June 3rd, 2020 Date of Birth: April 20th, 1967

Representative of Kuwait Investment Authority:

Eng. Mohammad Al-Munaifi:

B.Sc. in Industrial Engineering

Current position: Director of the Department of development and institutions\ Kuwait Investment Authority

Date of Appointment: June 3rd, 2020 Date of Birth: July 17th, 1959

k- Remuneration amount paid to the chairman and members of the Board of Directors in 2020:

(Jordanian Dinars)

Board of Director Member	Position	Salaries	Transport Remuneration	Annual remuneration for the year 2019	Travel Perdiem	Other Remuneration
Representatives of the Private Sector:						
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	160000	18000	5000		45000
Dr. Eng. Abdelfattah AbuHassan	Member		18000	5000		
Representative of Social Security Corporation\ Vice-Chairman of the Board of Directors(1):						
Dr. Adel Al-Sharkas	Vice-Chairman of the BOD		18000	5000		
Representatives of INDIAN POTASH LIMITED:						
Dr. U.S. Awasthi	Member		18000	5000	2700	
Dr. P.S. Gahlaut	Member		18000	5000	2700	
Representatives of Government Investments Management Company P.S.C (2):						
H.E. Mr. Mohammad Kreishan	Member		18000	5000		
Mr. Salem Al Qudah	Member		18000	5000		
Representative of Kisan International Trading FZE:						
Mr. Manish Gupta	Member		18000	5000	4500	
Representative of Kuwait Investment Authority (3):						
Eng. Mohammad Al-Munaifi	Member		18000	5000	2700	

Chairman and Members of Board of Directors don’t not benefit from the unpaid housing and vehicles.

(1) All amounts Paid to the Social Security Corporation.
(2) All amounts Paid to Ministry of Finance at the Central Bank of Jordan.
(3) All amounts Paid to the Kuwait Investment Authority except the Travel Perdiem paid to the board member.

L. 1. Senior Management Staff Info:

Name	Job	Nationality	Date of Appointment	Date of Job	Specialization	Academic Degree
Eng. Abdel Wahab Al Rowwad	CEO	Jordanian	18.11.2019	18.11.2019	Chemical Engineering	B.Sc.

L.2.Executive Management Staff Info:

Name	Job	Nationality	Date of Ap-pointment	Date of Job	Specialization	Academic Degree
Ms. Sana Qarain	Director of Finance	Jordanian	21.7.1984	11.5.2007	Accountant	M.Sc.
Eng. Nasser Abuoleam	Director of Marketing and Sales till 29.02.2020	Jordanian	4.4.1989	19.11.2017	Chemical Engineering	B.Sc.
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines till 31.01.2021	Jordanian	5.6.1995	1.1.2017	Geology	B.Sc.
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement	Jordanian	16.8.1998	1.4.2019	Chemical Engineering Engineering project Management	B.Sc. M.Sc.
Dr. Saleh Kasasbeh	Director of Performance Development and Quality Assurance in the Company Director of HR till 14.12.2020	Jordanian	19.10.1996	14.12.2020 22.11.2018	Business Administration	Ph.D.
Dr. Fadwa Shabsough	Director of HR Account manager saving fund	Jordanian	19.3.1997	14.12.2020 6.10.2008	Business Administration	Ph.D.
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit	Jordanian	20.9.2020	20.9.2020	Geology	Ph.D.
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex	Jordanian	1.9.2019	1.9.2019	Chemical Engineering	B.Sc.
Eng. Mahmoud Al-Jaradin	Manager of Mines Manager of Eshidiya Mine	Jordanian	22.6.1998	15.4.2020 14.1.2020	Mining Engineering	B.Sc.
Dr. Hussein Labboun	Manager of the Research and Business Development Unit till 5.8.2020	Jordanian	1.10.2019	1.10.2019	Chemical Engineering	Ph.D.
Eng. Aref Samawi	Director of Investment and Project Unit till 30.6.2020	Jordanian	6.10.2019	6.10.2019	Mechanical Engineering	B.Sc.

M.1. Salaries and Travel Assignments Paid to the Senior Management in 2020:

(Jordanian Dinars)

Name	Job	Salaries	Per Diems of Official Assignments
Eng. Abdel Wahab Al Rowwad (*)	CEO	144,550	-

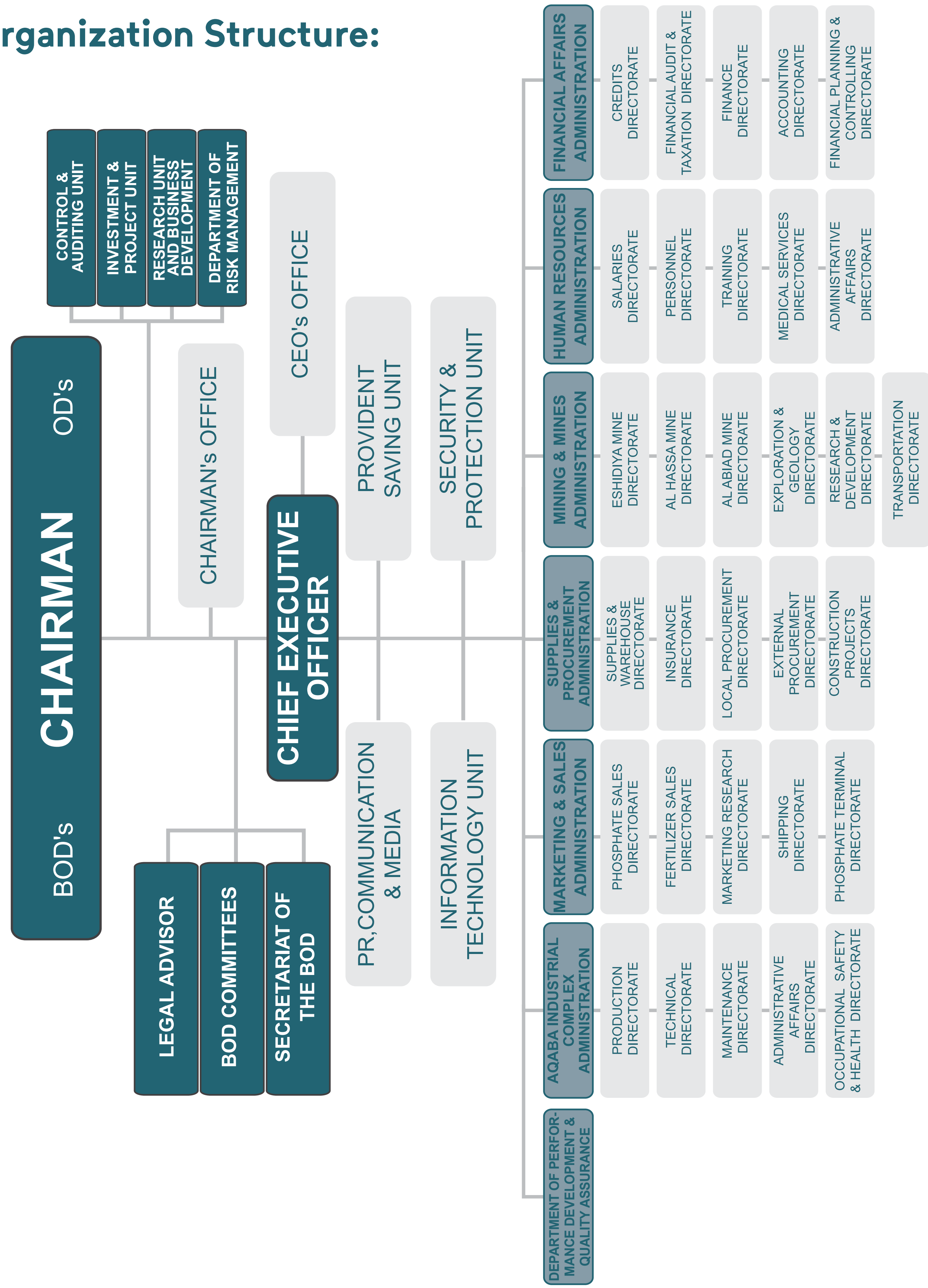
(*) Uses the Company's car

M.2. Salaries and Travel Assignments Paid to the Executive Management Staff in 2020:

(Jordanian Dinars)

Name	Job	Salaries	Per Diems of Official Assignments
Ms. Sana Qarain	Director of Finance	62,640	-
Eng. Nasser Abuoleam	Director of Marketing and Sales till 29.02.2020	9,140	2,045
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines till 31.01.2021	42,777	-
Eng. Rima AbdulHaleem	Acting Director of Supply & Procurement	31,106	90
Dr. Saleh Kasasbeh	Director of Performance Development and Quality Assurance in the Company since 14.12.2020 Director of HR till 14.12.2020	35,703	90
Dr. Fadwa Shabsough	Director of HR since 14.12.2020 Account manager saving fund	47,762	-
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit since 20.9.2020	13,280	810
Eng. Abdelaziz Al Ara-kzeh	Manager of Industrial Complex	54,840	-
Eng. Mahmoud Al-Jaradin	Manager of Mines since 15.4.2020 Manager of Eshidiya Mine since 14.1.2020	39,953	-
Dr. Hussein Labboun	Manager of the Research and Business Development Unit till 5.8.2020	47,170	360
Eng. Aref Samawi	Director of Investment and Project Unit till 30.6.2020	27,875	180

N. Organization Structure:



The Financial Position as at 31.12.2020:

1. Capital of the Company (82.5 million shares/Dinar)

The authorized subscribed and paid up capital of the Company is 82.5 million shares with a nominal value of one Dinar per share distributed as per the following table:

Shareholders and their Shareholding Percentage

Shareholder	2020		2019	
	No. of Shares	Shareholding Percentage%	No. of Shares	Shareholding Percentage%
Indian Potash Limited	22,588,500	27.380	22,588,500	27.380
Government Investments Management Company P.S.C	21,165,569	25.655	21,165,569	25.655
Social Security Corporation	13,634,798	16.527	13,634,798	16.527
Kisan International Trading FZE	7,936,500	9.620	7,936,500	9.620
Government of Kuwait	7,700,000	9.333	7,700,000	9.333
Other Shareholders	9,474,633	11.485	9,474,633	11.485
TOTAL	82,500,000	100.000	82,500,000	100.000

2. Assets and Equipment (JD 835.345 million at cost value and JD 218.984 million after subtracting accumulated depreciation):

The value of assets and equipment accounted for JD 835.345 million (against JD 828.064 million in 2019) marking an increase of JD 7.281 million compared to 2019. Machines and equipment, buildings and constructions, water and electric power networks, vehicles and spare parts have been added for JD 7.562 million. These newly possessed assets were via purchasing fixed assets for JD 6.939 million and capitalizing projects in progress into fixed assets for JD 0.623 million. However, machines and equipment, spare parts, vehicles, buildings and constructions, furniture and office equipment for JD 0.281 million were excluded.

3. Receivable Accounts before Subtracting Provisions for Doubtful Debts (JD 148.377 million):

The balance of receivable accounts reached JD 148.377 million and the balance of such accounts reached JD 129.808 million after subtracting JD 18.569 million being the provision for doubtful debts. The accounts resulting from the phosphate industry activity reached JD 89.874 million and accounts resulting from the fertilizer industry activity reached JD 28.133 million whereas the accounts resulting from subsidiaries' activities reached JD 11.801 million.

The following table shows details of the Receivable Accounts:

Item	As at 31 December	
	2020 Amount/ Dinar	2019 Amount/ Dinar
Trading Accounts	53,485,737	55,142,895
Accounts of Associate Companies	79,923,592	57,841,124
Other Receivable Accounts	14,968,411	13,168,810
Total	**148,377,740**	**126,152,829**
Minus: Provision for expected credit losses	(18,569,831)	(16,432,574)
Receivable accounts after the provision	**129,807,909**	**109,720,255**

A. Receivable Accounts of Sales of Finished Products (JD 53.486 million):

The receivable accounts of sales of finished products reached JD 53.486 million (against JD 55.143 million in 2019) out of which JD 15.074 million are receivable accounts of phosphate sales; JD 27.824 million are receivable accounts of manufactured fertilizers and JD 10.588 million are receivable accounts of subsidiary companies, which will be collected on maturity dates during 2021.

B. Receivable Accounts of Associate Companies (JD 79.924 million):

The Receivable Accounts of Associate Companies reached JD 79.924 million (against JD 57.841 million in 2019) out of which JD 34.067 million are the receivable accounts of JIFCO; JD 5.076 million of Al Abyad For Fertilizers and Chemicals Company (JAFCCO); JD 15.449 million of PT Petro Jordan Abadi\ Indonesia; JD 25.300 million of Manajim mining development and JD 0.032 million of Kaltim Company\ Indonesia and Jordan industrial ports. The Company accounted for expected credit losses for subsidiary companies of JD 11.044 million in compliance with the International Accounting Standard No. (9).

4. Stock (JD 57.023 million) :

As at 31 December 2020, the stock totaled JD 57.023 million (JD 91.495 million as at 31 December 2019) as follows:

Details	As at 31 December	
	2020	2019
A. Stock of Finished Products	Amount/Dinar	Amount/Dinar
Stock of Finished Phosphate Products	6,644,967	9,826,803
Stock of Finished Fertilizer Products	6,291,174	19,048,658
Stock of Finished Products of Subsidiaries	16,103,075	21,006,547
Total Stock of Finished Products	**29,039,216**	**49,882,008**
B. Stock of Work in Progress	Amount/Dinar	Amount/Dinar
Stock of work in progress Phosphate Product	3,230,990	13,738,569
Stock of work in progress Fertilizer Product	944,096	955,111
Stock of work in progress of Subsidiaries Product	1,474,230	1,512,657
Total Stock of work in progress Products	**5,649,316**	**16,206,337**
C. Raw Materials	**22,334,061**	**25,406,193**
Grand Total (A+B+C)	**57,022,593**	**91,494,538**

5. Credit Loans (JD 77.931 million):

The balance of credit loans totaled JD (77.931) million shown in the balance sheet on the basis of long-term loans for JD (52.959) million and short term loans maturing in 2020 for JD (24.972) million. It is worth mentioning here that the Group raised new loans for JD (7.080) in 2020 and repaid JD (32.361) million for the loans given to the Company where JD (27.942) million are installments of loans and JD (4.419) million are interests due for those installments.

6. Salaries/Wages and Benefits for the Company Employees (JD 86.344 million):

Salaries/wages and benefits given to the employees of the Group in 2020 reached JD 86.344 million (against JD 87.607 million in 2019); which marks a decrease of 1.44% compared to 2019. The following table shows a breakdown of these amounts:

A. Salaries/Allowances/Bonuses/Wages Given to Employees of the Company for 2020-2019:

Item	Amount/Dinar	
	2020	2019
Salaries & Allowances	45,296,339	46,169,633
Other Bonuses	1,037,812	682,307
Total of (A)	46,334,151	46,851,940

B. Benefits Provided to Employees of the Company for 2020-2019:

Item	Amount/Dinar	
	2020	2019
Provident Fund	1,718,789	1,692,800
Social Security	6,244,616	5,829,204
Expenses of Employees' Medical Treatment	1,621,904	2,482,625
Coverage of Medical Insurance Expenses for the Families of Employees	1,994,526	3,160,123
Subsidy of food meals	620,000	465,000
Expenses of Paid End of Service Compensation	1,436,756	1,408,294
Death and Compensation Fund for 2015	9,546,434	9,684,761
The Current Amount of End of Service compensation	200,000	200,000
Total (B)	23,383,025	24,922,807
Total (A+B)	69,717,176	71,774,747

C. Salaries/Wages and Benefits (JD 16.627 million) Paid to Employees of Subsidiary Companies:

Item	Amount /Dinar	
	2020	2019
Salaries & Allowances	16,626,713	15,832,413

7. Financial Position for 2020 Compared to 2019:

- Net consolidated sales reached JD 606.611 million (JD 296.780 million sales of phosphate and JD 177.240 million sales of fertilizers in addition to JD 126.135 million sales of subsidiary companies and JD 6.456 million trading with raw materials). In 2019, the net consolidated sales reached JD 640.793 million (JD 339.317 million sales of phosphate and JD 144.792 million sales of fertilizers in addition to JD 149.402 million sales of subsidiary companies and JD 7.282 million trading with raw materials).
- Consolidated expenses reached JD 570.087 million (JD 255.848 million for the phosphate unit; JD 193.761 million for the fertilizers' unit; JD 115.089 million for subsidiary company; and JD 5.389 million for trading with raw materials) vis-à-vis JD 598,591 million (JD 272.813 million for the phosphate units; JD 183.141 million for the fertilizers' units; JD 135.824 million for subsidiary companies; and JD 6.813 million for cost of trading with raw materials) in 2019.
- The income tax expense for the accumulated income of 2020 reached JD 8.451 million against (JD 21.612 million in 2019).
- Net accumulated profits reached JD 28.073 million in 2020 against (JD 20.590 million in 2019).
- Equity reached JD 609.576 million in 2020 against (JD 595.270 million in 2019) with an increase about of 2.4% compared to 2019.

8. Some Financial Information and Indicators:

A. Details of the most Significant Financial Indicators for 2016-2020:

(Thousand Dinars)

Details	2020	2019	2018	2017	2016
Net Revenues of Sales	606,611	640,793	674,439	586,666	549,697
Total Expenses	(578,538)	(620,203)	(626,895)	(633,319)	(639,837)
Net Accumulated Profits (Losses)	28,073	20,590	47,544	(46,653)	(90,140)
Interests of Loans	3,802	6,143	6,947	4,755	4,216
Net Fixed Assets	218,984	222,921	234,843	228,979	247,197
Current Assets	327,842	330,194	379,313	336,933	362,199
Total Assets	1,144,196	1,173,205	1,146,786	1,077,663	1,136,295
Net Equity	609,576	595,270	596,164	678,152	724,844
Long term credit loans	52,959	63,776	82,161	72,971	83,912
Current Liabilities	291,636	320,937	336,651	309,783	302,426
Debt Ratio	11:89	14:86	16:84	15:85	14:86
Debt Service Ratio\ Once	1,63	2,6	2,15	0,70	0,71
Current Ratio\ Once	1,12	1,03	1,12	1,09	1,20
Net Profit (Loss) per Share\ Dinar	0,352	0,265	0,573	(0,576)	(1,077)
Closing Price per Share\ Dinar	3,51	2,77	2,84	2,55	2,14

B. Profits (Losses) Realized, Distributed Dividends, Net Shareholders' Equity, and Prices of Financial Securities Issued for 2016-2020:

(Thousand Dinars)

Year	Net Accumulated Profits (Losses)	Property Rights	Distributed
2020	28,073	609,576	16,500
2019	20,590	595,270	8,250
2018	47,544	596,164	16,500
2017	(46,653)	678,152	--
2016	(90,140)	724,844	--

Prices of Issued Securities	
Year	Shares (Dinar/Share)
2020	3,51
2019	2,77
2018	2,84
2017	2,55
2016	2,14

C. Dealings with the Treasury and Public Institutions in 2020 and 2019:

(Thousand Dinars)

	Year	
	2020	2019
Ministry of Finance:		
Mining Revenues	15,740	17,784
Customs Duties	641	734
Revenue Stamp Fees	86	83
Dividends Distributed for one year	2,120	4,252
Department of Land and Survey	5,937	5,845
Tax on Income and Overseas Payments & Sales	17,419	15,277
Income Tax on Employees' Salaries	1,267	1,127
The Company's and Employees' Contribution to Social Security	9,573	9,662
Aqaba Development Company	2,411	2,197
Public Security Directorate/In lieu of Security Guards for the Production Sites	1,110	1,819
Economic and Social Corporation of Military Retirees/ Security Guards	1,142	1,239
The Rock Security and Gendarmerie Directorate	1,399	776
Water Authority - Water companies	9,749	9,474
Electricity Companies	16,231	25,881
Aqaba Special Economic Zone/Income Tax	680	266
Regulatory Commission of Energy and Minerals Sector	84	516
TOTAL	**85,589**	**96,932**

D. Brief Data on the Position of the Company for 2016-2020:

Year	Total Assets (thousand Dinar)	Nominal Capital (thousand Dinars	Total Equity (thousand Dinars)	Net Profits (Losses) (Thousand Dinars)	Production (thousand tons)			Sales (thousand tons)			Distributed Dividends (%)	Staff as at 31 December
					Phosphate	DAP	Phosphoric Acid	Phosphate	DAP	Phosphoric Acid		
2020	1,144,196	82,500	609,576	28,073	8,938	706	532	8,552	778	306	20	2307
2019	1,173,205	82,500	595,270	20,590	9,223	550	511	9,031	561	308	10	2411
2018	1,146,786	82,500	596,164	47,544	8,023	632	519	8,063	582	295	20	2570
2017	1,077,663	82,500	678,152	(46,653)	8,688	379	469	8,793	401	319	-	2871
2016	1,136,295	82,500	724,844	(90,140)	7,991	396	344	7,935	392	162	-	3293

E. Risks that the Company is Exposed to:

In 2020, the Company suffered from deeply decreased of the international prices of chemical fertilizers. In spite of reduction of the production cost of producing chemical fertilizers at the Industrial Complex in Aqaba are still restricting the Company's competitiveness in this industry in addition to the limited storage capacity for the finished products.

F. Impacts:

F\1- In 2019, the ICC issued its resolution with regard to the disagreement with the Contractor who did the construction works in the new phosphate port and it is found in the financial statements for 2019 and 2020.

F\2- In 2020 the Jordanian Courts issued its judgment regarding the disagreement with the KHD the Contractor who did the constructions works Beneficiation and flotation plant project in Eshidiya phase 1 resulting the contractor not committed with the contract terms and it is found in the financial statements for 2020.

Otherwise, there are not operations of a non-recurrent and materiality nature that do not fall into the major activity of the Company during the fiscal year of 2020.

G. Governmental Protection or Prerogatives that the Company or any of its Products Enjoy and Patents Description:

The Jordan Phosphate Mines Company, its associate and subsidiary companies do not enjoy any governmental safeguard; their products are not covered with any prerogatives but they have licenses of mining rights that are renewed upon approval of the Ministry of Energy and Mineral Resources. The Company and its associates and subsidiaries do not possess any patents that were not disclosed in the past.

H. Acknowledgment by the Board of Directors:

H\1- The BOD of JPMC acknowledge their full responsibility for the preparation of the consolidated financial statements enclosed herein and approved by the BOD on 30th March 2021, and the availability of an effective control system at the Company.

H\2- The BOD of JPMC acknowledges, to the best of their knowledge and belief, that there are no other substantial issues that can affect the continuity of the Company in the fiscal year of 2021.

Chairman of the BOD Dr. Mohammad Thneibat	Dr. Adel Al-Sharkas Vice-chairman of the BOD	Dr. U.S. Awasthi Member
Dr. P.S. Gahlaut Member	Mr. Manish Gupta Member	Dr. Eng. AbdelFattah AbuHassan Member
Advocate Mohammad Kreishan Member	Mr. Salem Al Qudah Member	Eng. Mohammad Al-Munaifi Member

H\3- Chairman of the BOD of JPMC, the CEO, and Director of Finance acknowledge that the information and data in this annual report for 2020 are true, accurate and complete.

Chairman of the BOD Dr. Mohammad Thneibat	Eng. Abdel Wahab Al Rowwad CEO	Sana Qarain Director of Finance


ENTITY'S PERSON
INTERNAL
BEHAVIOR AGENT
REPORTING LENDERS
INFLUENTIAL
VARIOUS
CORPORATE
IMPACT
CONCERNED
MECHANISMS
MANAGEMENT
ENTITY
PERSONNEL
SUPPLIERS
EFFICIENCY
POLICIES
CUSTOMERS
INFORMATION
BUSINESS
LARGE FIRM
GOODS
EXAMPLE
COMPENSATION
EMPLOYEES
RELATED
RECEIVE
CORPORATIONS
CONTROL
PROCEDURES
SERVICES
INTEREST
PARTICULAR
OBJECTIVES
CORPORATION'S
CONFLICTS
EXISTENCE
CONSTITUTION
STAKEHOLDERS
GOVERNANCE
STATUTORY
INTERESTS
COMPANY
REGULATIONS
PERFORMANCE
LEGAL
PARTIES
DIRECTORS
PROVIDE
CORPORATION
RELATIONSHIPS
ARISES
SHAREHOLDER
COUNTRIES
REGULATORY
VARY
EXECUTIVE
FINANCIAL
SHAREHOLDERS
EXTERNAL
INCLUDE
MONITORING
GENERAL
POLICY
BOARD
CONTEMPORARY
ARISE
ALSO
LAWS
AUDITORS
STRONG
JURISDICTIONS
STATUTE
EXECUTIVES
SYSTEM
INVESTORS
COMPANIES
RETURNS
JURISDICTION
STOCK
CREDITORS
MANY
CONTROLLED
FIRMS
CAPITAL
SYSTEMS
REGULATION
GOALS
CASE

Governance Report:

Implementing the regulations of the enlisted public shareholding companies' governance for 2017 and issued in compliance with the provisions of Articles (12/n) and (118/b) of the Law of Financial Securities No. (18) for 2017 and approved upon a resolution by the Council of Commissioners of Financial Securities Commission No. (146/2017) of 22.5.2017 as these regulations have become mandatory and applicable as from the date of being approved by the Council of Commissioners of the Financial Securities Commission according to the best practices.

Introduction

Under the emerging economic developments worldwide, the need has risen for good governance in many developed and developing economies during the few past decades after the economic collapses and financial crises in several countries.

Based on its mission and in recognition of its role in enhancing the national economy of Jordan, JPMC considers good governance as a key to good management that effectively contributes to achieving strategic objectives and enhancing the level of confidence and assurance for shareholders. It connotes the ability of the Company to control risks that face the Company. Corporate governance is a major issue for all public shareholding companies at present especially that the financial crises that the international economy has suffered have turned the corporate governance a priority. The laws and regulations of governance worldwide are focused on controlling the use of administrative powers in a manner that abuses the rights of shareholders. Good governance urges the BOD to perform and enhances the internal control as well as monitoring the implementation of strategies and identifying the management and powers for shareholders, the BOD, the Executive Management, and stakeholders as transparency and disclosure are imperatives under good governance.

1. The BOD Composition:

The Company is managed by a nine-member BOD representing shareholders of the Company in compliance with the Articles of Association of the Company and valid bylaws and regulations. The BOD members are elected via a general assembly vote. The BOD represents all shareholders and practices professional due diligence in managing the Company. The BOD operates in compliance with integrity and transparency requirements in order to achieve the Company's interests, goals and objectives. All members of the BOD are qualified with academic degrees and well experienced with administrative and financial issues and the industry as well as being familiar with the rights and duties of a board of directors.

2. Tasks and Responsibilities of the BOD:

The BOD of JPMC is committed to the governance criteria of the public shareholding companies according to the best practices including strategy, policy, plan and procedure making to the best interest of the Company and achievement of its goals as well as maximizing the shareholders' rights and service of the local community. The Company adopts the policy of disclosure and transparency of the Company and monitors its implementation in compliance with the requirements of supervisory agencies and valid legislation.

- **Governance Liaison Officer:**
  As the appointment of a governance liaison officer falls within the scope of work and responsibility of the BOD, Dr. Saleh Kasasbeh was appointed on 11.07.2018 as the Corporate Governance Liaison Officer in order to liaise with the Securities Commission with regard to issues related to corporate governance and its implementation at the Company till 29.12.2020. Ms. Sana Qarain\ Secretary of the Board was appointed as the Corporate Governance Liaison Officer from 29.12.2020.
- **Meetings of the BOD:**
  The BOD convenes in compliance with the Law of Companies which requires the BOD to hold at least (6) Annual report 2020 meetings per year. The BOD issues resolutions by absolute majority of the present embers. If the votes are equal, that of the meeting chairman will be preponderant. In 2020, the BOD held 8 meetings.
- **Secretary of the BOD:**
  Secretary of the BOD records the minutes of meetings held by the BOD in a special register with serial numbering and lists the present members as well as any reservations they express.

3. Names of the BOD Members and Description (Executive\Non-executive; Independent or not)

a. The following table lists the present and resigned BOD members in 2020:

Members	Shareholder	Position	Independence	Membership
H.E. Dr. Mohammad Thneibat	Representative to the Private Sector	Chairman of the BOD	Independent	Executive
Dr. Adel Al-Sharkas	Representative to the Social Security Corporation	Vice-chairman of the BOD	Not independent	Non-executive
Dr. U.S. Awasthi	Representative to INDIAN POTASH LIMITED	Member	Not independent	Non-executive
Dr. P.S. Gahlaut	Representative to INDIAN POTASH LIMITED	Member	Not independent	Non-executive
Mr. Manish Gupta	Representative to Kisan International Trading FZE	Member	Not independent	Non-executive
Dr. Eng. AbdelFattah AbuHassan	Representative to the Private Sector	Member	Independent	Non-executive
H.E. Advocate Mohammad Kreishan	Representative to Government Investments Management Company P.S.C	Member	Not independent	Non-executive
Mr. Salem Al Qudah	Representative to Government Investments Management Company P.S.C	Member	Not independent	Non-executive
Eng. Mohammad Al-Munaifi	Representative to the Kuwait Investment Authority\Kuwait	Member	Not independent	Non-executive

Chairman of the BOD cannot occupy any other executive position in the Company and none of his relatives can be the CEO (Director General) of the Company.

b. Number of meetings held by JPMC BOD in 2020 and the members who attended:

Name	Number and Date of Meeting								Grand Total	
	No. (1) 8/1	No. (2) 4/3	No. (3) 3/6	No. (4) 4/8	No. (5) 29/9	No. (6) 3/11	No. (7) 26/11	No. (8) 29/12	Present	Absent upon Excuse
H.E. Dr. Mohammad Thneibat	P	P	P	P	P	P	P	P	8	-
Dr. Adel Al-Sharkas	P	P	P	P	P	P	P	P	8	-
Dr. U.S. Awasthi	P	P	P	P	P	P	P	P	8	-
Dr. P.S. Gahlaut	P	P	P	P	P	P	P	P	8	-
Mr. Manish Gupta	P	P	P	P	P	P	P	P	8	-
Dr. Eng. AbdelFattah AbuHassan	P	P	P	P	P	P	P	P	8	-
H.E. Advocate Mohammad Kreishan	P	P	P	P	P	P	P	P	8	-
Mr. Salem Al Qudah	P	P	P	P	P	P	P	P	8	-
Eng. Mohammad Al-Munaifi	P	P	P	A	P	A	P	A	5	3

P= Present A= Absent

c. Percentage of Presence of Members of the BOD Meetings in 2020:

Members of the BOD	Position	Presence at the BOD Meetings during the Membership Period	Percentage of Presence
H.E. Dr. Mohammad Thneibat	Chairman of the BOD	8/8	100%
Dr. Adel Al-Sharkas	Vice-chairman	8/8	100%
Dr. U.S. Awasthi	Member	8/8	100%
Dr. P.S. Gahlaut	Member	8/8	100%
Mr. Manish Gupta	Member	8/8	100%
Dr. Eng. AbdelFattah AbuHassan	Member	8/8	100%
H.E. Advocate Mohammad Kreishan	Member	8/8	100%
Mr. Salem Al Qudah	Member	8/8	100%
Eng. Mohammad Al-Munaifi	Member	5/8	62.5%

4- Membership of BOD members in BOD of Public Shareholding Companies:

H.E. Dr. Mohammad\ Chairman of the Boar in:

A. Jordan Petroleum Refinery

Dr. Adel Al-Sharkas\ Vice-chairman of the board Member in:

A. The Public Shareholding Industrial Estates Company.

B. The Public Shareholding Jordan Real Estate Mortgage Company

Otherwise, none the current members of the BOD of JPMC is a member in other public shareholding companies.

5- Executive positions and Names of those Occupying them:

Name	Job
H.E. Dr. Mohammad Thneibat	Chairman of the BOD
Eng. Abdel Wahab Al Rowwad	CEO
Ms. Sana Qarain	Director of Finance & Secretary of the BOD
Eng. Nasser Abuoleam	Director of Marketing and Sales till 29.02.2020
Geologist Mohammad Abu Hazeem	Acting Director of Mining and Mines till 31.01.2021
Eng. Rima AbdulHalim	Acting Director of Supply & Procurement
Dr. Saleh Kasasbeh	Director of Performance Development and Quality Assurance in the Company since 14.12.2020 Director of HR till 14.12.2020
Dr. Fadwa Shabsough	Director of HR since 14.12.2020 Account manager saving fund
Dr. Muhammad Huwaiti	Manager of the Research and Business Development Unit since 20.09.2020
Eng. Abdelaziz Al Arakzeh	Manager of Industrial Complex
Eng. Mahmoud Al-Jaradin	Manager of Mines since 15.04.2020 Manager of Eshidiya Mine since 14.01.2020
Dr. Hussein Labboun	Manager of the Research and Business Development Unit till 05.08.2020
Eng. Aref Samawi	Director of Investment and Project Unit till 30.06.2020

6- Committees Under the BOD:

a. Audit Committee:

a\1. Members of the Audit Committee:

- Dr. Adel Al Sharkas\ Vice-Chairman of the Board\ Head of the Committee
  Ph.D. in Financial Economy, M.Sc. in Economics/Statistics, B.Sc. in Applied Statistics. Currently, Deputy Governor of the Central Bank of Jordan

- Mr. Salem Al Qudah\ Vice-Head of the Committee
  B.Sc. Business Administration; Assistant Secretary General for Financial Affairs\ Ministry of Finance

- Dr. Eng. AbdelFattah AbuHassan\ Member
  Ph.D. In Mines and Mining Engineering\ Consultant of Mines and Mining Engineering. Used to be a BOD member at JPMC in 2004 – 2012; Consultant to the Executive Committee for Investment\ JPMC, Acting Director General \JPMC

- Mr. Manish Gupta\ Member
  B.Sc. in Technology- Civil Engineering, Post-graduate Diploma in Administration\Development and Marketing; B.A. in Law\ Taxes and Commercial Law, Mr. Gupta is the Director of Strategic Planning and Joint Ventures\IFFCO

On 29.12.2020, the Audit Committee was re-formed as follows:
- Dr. Adel Al Sharkas\ Vice-Chairman of the Board\ Head of the Committee
- Mr. Salem Al Qudah\ Vice-Head of the Committee
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Mr. Manish Gupta\ Member

a\2. The Following Table Lists Presence and Absence of the Audit Committee Members in 2020:

Meeting No.	Date	Dr. Adel Al Sharkas\ Vice-Chariman of the Board\ Head of the Committee	Mr.Salem Al Qudah\ Vice-head of Committee	Dr. Eng. AbdulFattah AbuHassan\ Member	Mr. Manish Gupta\ Member
1\2020	06.01.2020	P	P	P	P
2\2020	03.03.2020	P	P	P	P
3\2020	12.07.2020	P	P	P	P
4\2020	05.08.2020	P	P	A	P
5\2020	28.10.2020	P	P	P	P
6\2020	25.11.2020	P	P	P	P
7\2020	24.12.2020	P	P	P	P

P= Present A= Absent

a\3. The Audit Committee Held Four Meetings with the External Auditor in 2020:

a\4. Tasks of the Audit Committee:

The Audit Committee Supervises the accounting, control, and audit operations in the Company including:

- Discuss issues related to nominating the external auditor and ensure his fulfillment of terms and conditions provided for and that there is nothing to affect his independence.
- Discussing all issues related to the external auditor work including his notes, suggestions, and reservations; and follow up the extent to which the Management of the Company responds thereto and submit recommendations as relevant to the BOD.
- Follow up compliance of the Company with the application of provisions and valid legislation as well as requirements of supervisory agencies.
- Consider periodical reports prior to submitting them to the BOD and provide recommendations as relevant.
- Considering the audit plan of the external auditor and ensure that the Company provides all facilities necessary for the auditor in order to perform his work.
- Considering and evaluating of internal control and audit procedures.
- Reviewing evaluation by the external auditor of the internal control and audit procedures.
- Review reports of internal control and audit and recommend to the BOD with regard to this function and set policies and strategies including enhancement of internal control of the Company.
- Devising mechanisms needed to ensure that the Company provides adequate (sufficient) number of human resources qualified to assume the function of internal control so that they can be trained and rewarded as relevant.
- Considering and evaluating any additional tasks beyond the audit scope that the external auditor does including provision of administrative and technical advice. It must be ensured that such tasks do not jeopardize his independence. Then, recommendations must be submitted to the BOD for decision.

Following are other items that the Audit Committee is authorized with:

1. Invite the external auditor to come if the Committee considers that certain issues related to the Company's business need to be discussed with him.
2. Recommend to the BOD to nominate the external auditor to be elected by the General Assembly.
3. Recommend to the BOD to appoint the internal auditor of the Company.

b. Nominations and Compensations Committee:

b\1. Members of the Nominations and Compensations Committee:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al Sharkas\ Vice-chairman of the Board\ Vice-head of the Committee
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

On 29.12.2020, the Nominations and Compensations Committee was re-formed as follows:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al Sharkas\ Vice-chairman of the Board\ Vice-head of the Committee
- Dr. P.S. Gahlaut\ Member
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

b\2. The following table shows presence and absence of the Nominations and Compensations Committee Members in 2020:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Dr. Adel Al Sharkas\ Vice-chairman of the Board\ Vice-head of the Committee	Dr. Eng. AbdelFattah AbuHassan\ Member	Eng. Mohammad Al-Munaifi\ Member
1\2020	08.01.2020	P	P	P	P
2\2020	04.03.2020	P	P	P	P
3\2020	06.09.2020	P	P	P	A
4\2020	24.11.2020	P	P	P	A

P= Present A= Absent

b\3. Tasks of the Nominations and Compensations Committee:

- The Committee drafts and reviews policies related to compensations (bonuses), benefits, incentives and salaries in the Company.
- The Committee identifies the Company needs for competencies at the level of senior executive management and employees and their selection criteria.
- Devising the policy of succession plan (staff replacement) and policies related to human resources in the Company and reviewing the same on a regular basis.

c. The Risk Management Committee:

c\1. Members of the Risk Management Committee:

***The Composition of the Risk Management Committee of Members of the board:**

H.E. Dr. Mohammad Thneibat
Dr. Adel Al-Sharkas
Dr. U.S. Awasthi
Dr. P.S. Gahlaut
Mr. Manish Gupta
Dr. Eng. AbdelFattah AbuHassan
H.E. Advocate Mohammad Kreishan
Mr. Salem Al Qudah
Eng. Mohammad Al-Munaifi

*On 29.12.2020, the Risk Management Committee was re-formed of above Members of the board.

c\2. The following table shows presence and absence of the Risk Management Committee Members in 2020:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat	Dr. Adel Al-Sharkas	Dr. U.S. Awasthi	Dr. P.S. Gahlaut	Mr. Manish Gupta	Dr. Eng. AbdelFattah AbuHassan	H.E. Advocate Mohammad Kreishan	Mr. Salem Al Qudah	Eng. Mohammad Al-Munaifi
1\2020	14.10.2020	P	P	A	A	A	P	P	P	A
2\2020	24.11.2020	P	P	A	A	P	P	P	A	A

P= Present A= Absent

c\3. Tasks of the Risk Management Committee:

Responsibilities of the Risk Management Committee comprise of monitoring and assessing all types of risks that the Company might be exposed to; these risks have been identified and reviewed with all departments in the Company. The Committee drafts, as well, the risk management policy at the Company and regularly revies it. Written operational procedures are drafted to regulate operations of the Committee and identifies its commitments. The Committee submits its recommendations to the BOD.

d. The Governance Committee:

d\1. Members of the Governance Committee:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al Sharkas\ Vice-chairman of the Board\ Vice-head of the Committee
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

On 29.12.2020, the Governance Committee was re-formed as follows:

- H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee
- Dr. Adel Al Sharkas\ Vice-chairman of the Board\ Vice-head of the Committee
- Dr. P.S. Gahlaut\ Member
- Dr. Eng. AbdelFattah AbuHassan\ Member
- Eng. Mohammad Al-Munaifi\ Member

d\2. The following table shows the presence and absence of the Governance Committee in 2020:

Meeting No.	Date	H.E. Dr. Mohammad Thneibat\ Chairman of the Board\ Head of the Committee	Dr. Adel Al Sharkas\ Vice-chairman of the Board\ Vice- head of the Committee	Dr. Eng. AbdelFattah AbuHassan\ Member	Eng. Mohammad Al-Munaifi\ Member
1\2020	14.10.2020	P	P	P	A
2\2020	24.11.2020	P	P	P	A

P= Present A= Absent

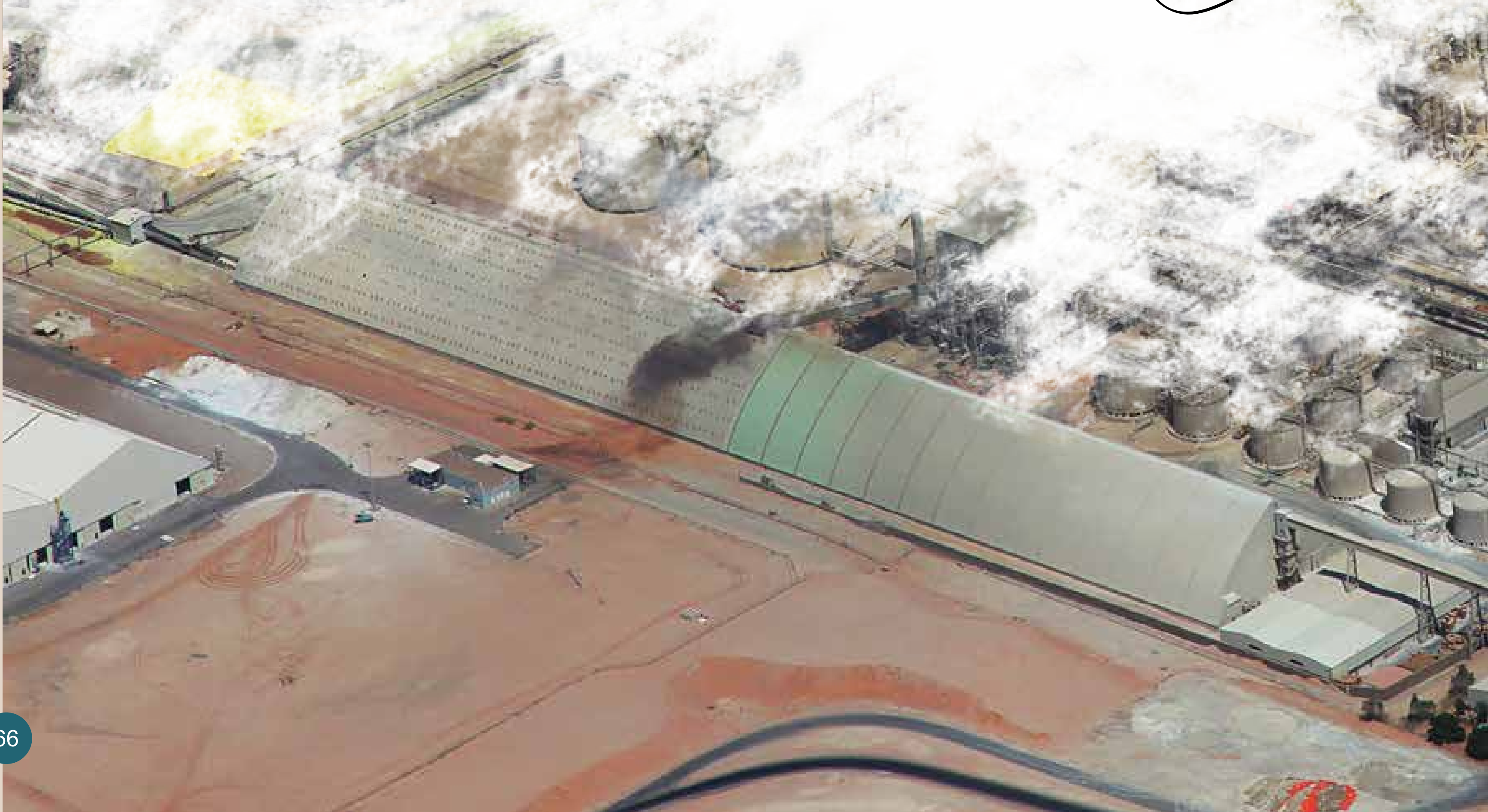
d\3. Tasks of the Governance Committee:

The Governance Committee is tasked with the following:

1. Draft written procedures of operation to implement the provisions of Corporate Governance Regulations and review them regularly as well as annually evaluating compliance therewith in the Company.
2. The Governance Committee is responsible for ensuring compliance of the Company with the Corporate Governance Regulations.
3. Draft the Governance Report of the Company and incorporate it in the annual report.
4. Monitor operations of the BOD and committees under it and their fulfillment of governance regulations.
5. The Governance Committee considers any feedback from the Securities Commission with regard to implementation of governance principles in the Company.
6. The Governance Committee considers proposals from shareholders who hold at least 5% of the Company capital and submit the same to the BOD.

Chairman of the Board

Dr. Mohammad Thneibat



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INDEPENDENT AUDITOR'S REPORT
To the Shareholders of Jordan Phosphate Mines Company – Public Shareholding Company
Amman - Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of **Jordan Phosphate Mines Company – Public Shareholding Company** (the "Company") and its Subsidiaries (together the "Group"), which comprise the consolidated statement of financial position as at 31 December 2020, 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 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements 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.

1. **Revenue recognition** Refer to note 23 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
The Group focuses on revenue as one of its main performance measures, and given the importance of the amounts and the geographical diversity of the Group's operations and the ease with which these revenues are exposed to the risks of overstatement in value and fraud, we consider the revenue recognition as a key audit matter. Revenues are recognized when the Group meets the performance obligations in accordance with the contracts signed with customers when the goods are sold to customers and the invoice is issued, which usually occurred at a specific point in time.	The audit procedures included an assessment of the Group's accounting policies for revenue recognition in accordance with the International Financial Reporting Standards. We also tested the Group's controls around revenue recognition and key controls within the revenue cycle. We have tested the accuracy of revenue recognition by selecting a sample of sales invoices and match them with contracts and selling prices agreed upon. We have tested a sample of revenues journal entries recorded during the year based on predetermined standards. We have selected a sample of revenues before and after year-end to ensure proper recording in the proper period. We have also performed detailed revenue analysis using financial and non-financial information.

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2. **Impairment in goodwill** Refer to note 6 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
In compliance with International Financial Reporting Standards (IFRS), the Group is required to annually test goodwill for impairment. The annual impairment test is important for our audit, as the balance of JD 15,680 thousand as of 31 December 2020, is material to the consolidated financial statements. In addition, management's assessment process is complex and highly judgmental, and is based on assumptions, specifically the discount rate and the growth rate estimates which are affected by expected future market and economic conditions. Any changes in assumptions could result in impairment of the goodwill. Accordingly, we consider impairment testing of goodwill to be a key audit matter.	We used valuation experts to assist us in evaluating the assumptions and methodologies used by the Group, in particular, those relating to discount rates, forecasted revenue growth and profit margins for the cash generating units; and we have focused on the adequacy of the group's disclosures about those assumptions to which the outcome of the impairment test is most sensitive, that is, those that have the most significant effect on the determination of the recoverable amount of goodwill.

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3. **Provisions for employees' benefits** Refer to note 17 on the consolidated financial statements	
Key audit matter	**How the key audit matter was addressed in the audit**
As disclosed in note 45 on the consolidated financial statements, the Group changed the accounting treatment for the Death and Compensation fund from defined contribution plan to defined benefit plan as a result of the Group reconsideration of the assumptions used to estimate the Death and Compensation fund's ability to meets its obligations which resulted in contractual obligations on the Group, accordingly prior years were restated. The Group has different employee benefit plans such as defined contribution plans whereas the Group's financial obligations are limited to the Company's share of contribution or defined benefit plans "Death and Compensation fund". The measurement of the Death and Compensation fund provision is considered a key audit matter because the balance as of 31 December 2020 amounting to JD 105,520 thousand is material to the consolidated financial statements. Furthermore, measuring the defined benefit obligations plans liability using the projected unit credit method requires used certain assumptions related to the present value of future expected payments and the actuarial assumptions related to the resignation rates, salary increase rates and discount rates. Whereas the calculation of the defined benefit obligations plans liability is performed in accordance with actuarial studies as required by International Accounting Standards (IAS 19) "Employees benefits".	The audit procedures included an assessment of the accounting policies followed by the Group to recognize liabilities. Moreover, we involved our valuation experts to assist us in evaluating the assumptions and methodologies used by the actuarial expert, specifically those related to discount rates, resignation rates, salary increase rates and mortality rates. Nevertheless, we have assessed the extent of the independence and the qualification of the actuarial expert. We tested the accuracy of the assumptions and information used in the calculation of the employees' benefits liabilities by taking a sample of employees' contracts and payroll slips. We evaluated the sufficiency of disclosures made by the Group regarding assumptions used in the measurement of these liabilities in accordance with International Accounting Standards (IAS 19). Furthermore, we evaluated whether the accounting treatments for the prior year restatements and related disclosures are in accordance with International Accounting Standards (IAS 8).

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Other information included in the Group's 2020 annual report.

Other information consists of the information included in the annual report, other than the consolidated financial statements and our auditor's report thereon. Management is responsible for the other information. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

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

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

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

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

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

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

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

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

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

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

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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

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evidence obtained up to the date of our auditor's report. However future events or conditions may cause the Group to cease to continue as a going concern.

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

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

The partner in charge of the audit resulting in this auditor's report was Bishr Ibrahim Baker; license number 592.

Amman – Jordan
31 March 2021

Ernst + Young

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020
(In Thousands of Jordanian Dinars)

ASSETS	Notes	2020	2019 (Restated Note 45)	1 January 2019 (Restated Note 45)
Non-current assets				
Property, plant and equipment	3A	218,984	222,921	234,843
Projects in progress	4	13,690	6,588	4,861
Investments in associates and joint ventures	5	292,264	306,675	273,088
Intangible assets	6	136,509	142,868	149,227
Deferred tax assets	22	42,596	39,885	43,394
Employees' housing loans	7	3,886	4,567	4,850
Financial Assets at fair value through other comprehensive income	8	387	365	389
Long term loans receivable	9	11,997	12,370	22,510
Long term accounts receivable	12	26,245	26,245	16,376
Long term other current assets	13	7,256	7,256	1,313
Production and development stripping cost	10	-	7,172	16,622
Right-of-use assets	3B	62,540	66,099	-
		816,354	843,011	767,473
Current assets				
Inventories, spare parts and supplies	11	129,595	171,611	193,008
Short term accounts receivable	12	103,563	83,475	119,214
Other short term current assets	13	51,585	44,777	39,407
Short term loans receivable	9	-	-	2,817
Financial assets at fair value through profit and loss		212	214	197
Cash on hand and at banks	14	42,887	30,117	24,670
		327,842	330,194	379,313
TOTAL ASSETS		1,144,196	1,173,205	1,146,786
Equity and Liabilities				
Equity				
Paid-in-capital	15	82,500	82,500	82,500
Statutory reserve	15	75,000	75,000	75,000
Voluntary reserve	15	75,000	75,000	75,000
Special reserve	15	75,000	75,000	75,000
Fair value reserve		(274)	(314)	(290)
Retained earnings		297,954	282,753	282,092
Equity attributable to Company’s shareholders		605,180	589,939	589,302
Non – controlling interests	38	4,396	5,330	6,862
Total Equity		609,576	595,269	596,164
Non-current liabilities				
Long-term loans	16	52,959	63,776	82,161
Provisions for employees’ benefits	17	83,706	86,137	86,515
Assets deferral provision	6	16,748	16,031	15,295
Other long-term credit provisions	36	30,000	30,000	30,000
Long-term lease liabilities	3B	59,571	61,054	-
		242,984	256,998	213,971
Current liabilities				
Accounts payable	18	70,937	98,880	106,949
Accrued expenses	19	42,835	38,551	40,596
Other current liabilities	20	33,858	29,417	42,764
Due to banks	21	76,388	82,256	85,677
Current portion of long-term loans	16	24,972	35,017	35,017
Income tax provision	22	9,984	14,293	11,337
Short-term lease liabilities	3B	7,125	7,033	-
Provisions for employees’ benefits	17	25,537	15,491	14,311
		291,636	320,938	336,651
Total Liabilities		534,620	577,936	550,622
TOTAL EQUITY AND LIABILITIES		1,144,196	1,173,205	1,146,786

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2020
(In Thousands of Jordanian Dinars)

	Notes	2020	2019
Net Sales	23	606,611	640,793
Cost of sales	23	(453,657)	(506,024)
Gross profit		152,954	134,769
Selling and marketing expenses	24	(7,551)	(7,873)
New phosphate port terminal expenses	35	(11,100)	(11,260)
Aqaba port fees		(5,119)	(4,163)
Transportation expenses		(50,601)	(55,498)
Administrative expenses	25	(24,351)	(23,366)
Russiefah mine expenses	26	(1,020)	(1,188)
Mining fees costs	27	(16,775)	(18,956)
Provision for slow-moving spare parts	11	(1,636)	(634)
Other provisions	17	(816)	(430)
Provision for expected credit losses	12,9	(2,510)	(1,520)
Himmet wattan fund donations		(5,000)	-
Other income, net	28	10,115	38,413
Foreign currency exchange differences		612	268
Operating profit		37,202	48,562
Finance costs	29	(14,474)	(17,044)
Finance income	30	1,624	2,192
Group's share of profit from associates and joint ventures	5	12,219	8,520
Other fees		(45)	(45)
(Loss) gain from revaluation of financial assets at fair value through profit and loss		(2)	17
Profit before income tax		36,524	42,202
Income tax expense	22	(8,451)	(21,612)
Profit for the year		28,073	20,590
Profit Attributable to:			
Equity holders		29,007	21,867
Non – controlling interests	38	(934)	(1,277)
Profit for the year		28,073	20,590
		JD/Fils	JD/Fils
Basic and diluted profit per share attributable to the equity holders	31	0/352	0/265

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 DECEMBER 2020
(In Thousands of Jordanian Dinars)

	Note	2020	2019 (Restated Note 45)
Profit for the year		28,073	20,590
Add: Other comprehensive income not to be reclassified to profit or loss in subsequent periods (net of tax)			
Changes in fair value of financial assets at fair value through other comprehensive income	8	40	(24)
Actuarial losses resulted from revaluation of defined benefit obligation plan	17	(5,556)	(4,706)
Total comprehensive income attributable to:		22,557	15,860
Equity holders		23,491	17,137
Non – controlling interests		(934)	(1,277)
Total comprehensive income for the year		22,557	15,860

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

JORDAN PHOSPHATE MINES COMPANY PLC
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2020
(In Thousands of Jordanian Dinars)

	Paid-in capital	Reserves			Fair value reserve	Retained earnings		Non - controlling interest	Total equity
		Statutory	Voluntary	Special		Unrealized*	Realized**		
For the year ended 31 December 2020									
Balance at 1 January 2020	82,500	75,000	75,000	75,000	(314)	25,985	256,768	5,330	595,269
Profit for the year	-	-	-	-	-	(2)	29,009	(934)	28,073
Total comprehensive income items	-	-	-	-	40	-	(5,556)	-	(5,516)
Dividends payments (Note 42)	-	-	-	-	-	-	(8,250)	-	(8,250)
Balance at 31 December 2020	82,500	75,000	75,000	75,000	(274)	25,983	271,971	4,396	609,576
For the year ended 31 December 2019									
Balance as of 1 January 2019 before restatement	82,500	75,000	75,000	75,000	(290)	25,968	342,619	6,862	682,659
Prior year restatement (Note 45)	-	-	-	-	-	-	(86,495)	-	(86,495)
Restated balance as of 1 January 2019	82,500	75,000	75,000	75,000	(290)	25,968	256,124	6,862	596,164
Profit for the year	-	-	-	-	-	17	21,850	(1,277)	20,590
Total comprehensive income items	-	-	-	-	(24)	-	(4,706)	-	(4,730)
Dividends payments (Note 42)	-	-	-	-	-	-	(16,500)	(255)	(16,755)
Balance at 31 December 2019	82,500	75,000	75,000	75,000	(314)	25,985	256,768	5,330	595,269

* An amount of JD 26,179 thousand is restricted and represents the unrealized gain from the revaluation of investment and acquisition of Indo-Jordan Chemical Co, and Nippon Jordan Fertilizer Co, during 2010 and 2011,

** Included in retained earnings an amount of JD 43,066 thousands which are restricted, it includes JD 42,596 thousands which represents deferred tax assets, an amount of JD 274 thousands restricted against the negative balance of fair value reserve for financial assets at fair value through other comprehensive income, and an amount of JD 196 thousands is restricted against the accumulated negative balance of fair value for financial assets at fair value through profit or loss as of 31 December 2020,

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2020
(In Thousands of Jordanian Dinars)

	Notes	2020	2019
OPERATING ACTIVITIES			
Profit for the year before income tax		36,524	42,202
Adjustments for:			
Depreciation	3A	11,477	24,441
Depreciation of right of use assets	3B	4,936	4,804
Amortization of new phosphate port terminal	6	6,359	6,359
Amortization of production stripping costs	10	7,172	15,497
Provisions for employees' benefits	17	10,283	10,694
Finance costs	29	14,474	17,044
Finance income	30	(1,624)	(2,192)
Mining fees costs	27	18,782	20,940
Group's share of profit from associates and joint ventures	5	(12,219)	(8,520)
Provision for slow-moving spare parts	11	1,636	634
Provision for expected credit losses	12,9	2,510	1,520
Recoveries from provision for expected credit losses	12	-	(12,886)
Other non-cash items		2,505	2,575
Working capital changes:			
Accounts receivable		3,075	12,444
Employees' housing loans		1,062	419
Other current assets		(6,808)	(20,221)
Inventories, spare parts and supplies		40,380	20,763
Production and development stripping costs		-	(6,047)
Accounts payable		(27,943)	(8,069)
Accrued expenses		1,859	(5,242)
Other current liabilities		5,237	2,288
Provisions for employees' benefits paid	17	(10,535)	(16,745)
Mining fees paid		(15,740)	(17,784)
Income tax paid	22	(16,818)	(13,033)
Lease liabilities payments	3B	(7,269)	(7,054)
Net cash flows from operating activities		69,315	64,831
INVESTING ACTIVITIES			
Property, plant and equipment and payments on projects in progress – net		(14,664)	(14,282)
Proceeds from sale of financial assets at fair value through other comprehensive income		18	-
Loans receivable	9	-	1,670
Investment in associates and joint ventures	5	-	(5,000)
Dividends received	5	1,000	7,750
Interest received		1,624	720
Net cash flows used in investing activities		(12,022)	(9,142)
FINANCING ACTIVITIES			
Proceeds from loans		7,080	3,367
Repayments of loans		(27,942)	(21,752)
Dividends paid		(7,927)	(16,482)
Finance costs paid		(9,866)	(11,954)
Net cash flows used in financing activities		(38,655)	(46,821)
Net increase in cash and cash equivalents		18,638	8,868
Cash and cash equivalents at 1 January		(52,139)	(61,007)
Cash and cash equivalents at 31 December	14	(33,501)	(52,139)

The attached notes from 1 to 45 form an integral part of these consolidated financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL

Jordan Phosphate Mines Company was established in 1949 and became a public shareholding company in 1953. The Company's objectives are to mine and market phosphate rock, produce fertilizers and invest in the establishment of related industries. The fertilizers production unit is located in the Industrial Complex in Aqaba. The phosphate rock is extracted, to a large extent, from the mines of Al-Abiad, Al-Hasa, and Shidiya. In respect of the mining rights granted to the Company, it is subject to annual mining rights fees of JD 500 / squared Kilo meter or any part of squared Kilo meter per mined area payable to the Natural Resources Authorities. The Company produces chemical fertilizers and related by-products through its subsidiaries that are listed in (Note 2-2).

The head office of the Company is located in Shmeisani, Amman - Jordan.

The Consolidated financial statements were authorized for issue by the Board of Directors in their meeting held on 30 March 2021 and they are subject to the approval of the Company's General Assembly.

Investors with significant influence on the Group:

Indian Potash Limited, Government Investments Management Company (Jordan), Jordanian Social Security Corporation, Kisan International Trading and Government of Kuwait own 27.4%, 25.7%, 16.5% 9.6%, and 9.3% of the Company's capital, respectively.

2-1. BASIS OF PREPARATION

The consolidated financial statements have been prepared on a historical cost basis, except for the financial assets at fair value through profit and loss and financial assets at fair value through other comprehensive income which have been measured at fair value as of the date of the consolidated financial statements.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards (IFRS).

The consolidated financial statements are presented in Jordanian Dinars and all values are rounded to the nearest thousand except when otherwise indicated.

2-2. BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of Jordan Phosphate Mines Company "JPMC" and the following subsidiaries as of 31 December 2020:

Company name	Nature of activity	Ownership	Country
Indo-Jordan Chemicals Company Limited	Phosphoric Acid and other chemicals production	100%	Jordan
AL-Ro'ya for Transportation Company	Transportation services	100%	Jordan
Nippon Jordan Fertilizers Company Limited	Fertilizers and chemicals production	70%	Jordan

The control exists when the Group has the rights to variable returns from its involvement with the subsidiaries, and has the ability to affect those returns. Control over the subsidiaries is exercised when the following factors exist:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee).
- Exposure, or rights, to variable returns from its involvement with the investee.
- The ability to use its power over the investee to affect its returns.

When the Group owns less than a majority of the voting rights in an investee, in this case, the Group considers all factors and circumstances to determine whether it has control over the investee, which include the following:

- Contractual agreements with shareholders that have voting rights in the investee.
- Rights resulting from other contractual arrangements.
- The Group's current and future voting rights in the investee.

The Group reassesses its control over the investee when circumstances and factors exist that lead to the change in one or more of the three factors listed above.

Subsidiaries are fully consolidated from the date on which the Group gains control and continues to do so until the date when such control ceases. The subsidiaries revenues and expenses are consolidated in the consolidated statement of comprehensive income from the date the Group gains control over the subsidiaries until that control ceases.

Profits, losses, and all other comprehensive income items are attributed to the shareholders' equity of the parent company, and to non-controlling interest, even if this leads to a deficit balance. If need arises, the subsidiaries' financial statements are adjusted accordingly to comply with the Group's accounting policies. All intra-group assets, liabilities, equity, revenues, expenses, gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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 (including goodwill) and liabilities of the subsidiary
- Derecognizes the carrying amount of any non-controlling interest
- 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 the statement of profit or loss and other comprehensive income
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate.

2-3. NEW IFRS AND AMENDMENTS APPLIED FOR FIRST TIME DURING THE YEAR

The accounting policies adopted in the preparation of the consolidated financial statements are consistent with those followed in the preparation of the annual consolidated financial statements for the year ended 31 December 2019, except for the adoption of new standards effective as of 1 January 2020:

Amendments to IFRS 3: Definition of a Business

The amendment to IFRS 3 Business Combinations clarifies that to be considered a business, an integrated set of activities and assets must include, at a minimum, an input and a substantive process that, together, significantly contribute to the ability to create output. Furthermore, it clarifies that a business can exist without including all the inputs and processes needed to create outputs.

These amendments had no impact on the consolidated financial statements of the Group but may impact future periods should the Group enter any business combinations.

Amendments to IAS 1 and IAS 8 Definition of Material

The amendments provide a new definition of material that states, “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 clarify that materiality will depend on the nature or magnitude of information, either individually or in combination with other information, in the context of the financial statements. A misstatement of information is material if it could reasonably be expected to influence decisions made by the primary users.

These amendments had no impact on the consolidated financial statements of, nor is there expected to be any future impact to the Group.

Amendments to IFRS 7, IFRS 9

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.

These amendments have no impact on the consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted.

This amendment had no impact on the consolidated financial statements of the Group.

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. 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.

Useful life of properties, plant and equipment

The Group's management estimates the useful life for property, plant and equipment for the purpose of calculating depreciation by depending on the expected useful life of these assets. Starting 1 January 2020, the Management changed the estimated remaining useful lives of buildings and constructions, roads and yards, machinery and equipment, water and electricity networks, vehicles and spare parts to match the expected remaining production period of these assets. This change resulted in a decrease in depreciation expense for the year ended 31 December 2020 by JD 10,966 thousand. Subsequently, this effect is expected to be in the future periods since depreciation is calculated on a straight line basis.

Impairment of goodwill

The Group's management performs an annual impairment test for the goodwill resulted from the purchase of the fertilizers unit at the date of the consolidated financial statements. Goodwill is impaired if there are indications of impairment, i.e. if the estimated recoverable amount for the fertilizers unit is less than the book value. Impairment is recorded in the consolidated statement of income.

The fair value of recoverable amounts for the fertilizers unit is valued using the discounted value of future cash flows. All assumptions used in the goodwill impairment calculation are indicated in (Note 6).

Provision for slow moving spare parts

The Group's management performs an annual study which categorizes all spare parts by age groups. Based on the results of the study, a provision is taken against spare parts which have surpassed, at the date of the Group's financial statements, a certain age from the date of purchase.

Stripping Cost in the Production Phase of Surface Mine

The Group incurs waste removal costs (stripping costs) during the development and production phases of its surface mining operations. During the production phase, stripping costs (production stripping costs) can be incurred both in relation to the production of phosphate in that period or the creation of improved access and mining flexibility in relation to phosphate to be mined in the future.

Production stripping costs are included as part of the costs of inventory, while the stripping costs incurred in the creation of improved access and mining flexibility in relation to phosphate to be mined in future periods are capitalised as a stripping activity non-current asset that is amortized using units of production method. When the following conditions are met:

- It is probable that the future economic benefit improved access to the phosphate associated with the stripping activity will flow to the entity; and
- The entity can identify the amount and type of phosphate for which has been improved; and
- The cost relating to the striping activity associated with the component can be measured reliably.

Significant judgment is required to distinguish between development stripping and production stripping and to distinguish between the production stripping that relates to the extraction of phosphate and what relates to the creation of a stripping activity asset. The Group's management calculates the stripped quantities of overburden for any of the locations based on geological and specialized technical studies conducted on a quarterly basis. Stripping costs are capitalized as a stripping activity asset when the actual stripping ratio is higher than the contracted stripping ratio estimated by geologists and specialized professionals.

The capitalized stripping costs are amortized using the units of production method estimated based on the updated geological studies for the period for each location when the actual stripping ratio is lower than or equal to the contracted stripping ratio.

Expected credit losses

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

Income tax provision

The Group calculates tax expense for the year based on reasonable estimates, for possible consequences of audit by the Income and Sales tax department. The amount of tax provision is based on various factors, such as experience of previous tax audits. Additionally, the Group engages an independent tax specialist to review the tax provision calculations.

Deferred tax assets are recognized for all deductible temporary differences such as unused tax expenses and losses to the extent that it is probable that taxable profit will be available against which the loses can be utilized. Management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits. Details of income tax provision and deferred tax are disclosed in (Note 22).

Significant judgement in determining the lease term of contracts with renewal options

The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The Group has the option, under some of its leases to lease the assets for additional terms. The Group applies judgement in evaluating whether it is reasonably certain to exercise the option to renew.

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

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

Death and compensation fund provision

Death and compensation fund provision is measured using the Projected Unit Credit Method that is calculated by an actuarial. All actuarial assumptions are disclosed in (Note 17).

2-5. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property, plant and equipment

A- Property plant and equipment recognition and measurement

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis using the following depreciation rates, (land is not depreciated):

Type of property, plant and equipment	Depreciation rate %
Buildings and constructions	2
Roads and yards	4
Machinery and equipment	3
Water and electricity networks	2-3
Furniture and office equipment	9
Medical and lab equipment	10
Communication equipment	12
Computers	12
Vehicles	7
Spare parts reserves	3
Software and programs	20

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, plant and equipment.

Book value of property and equipment's are being reviewed regarding the decreasing the value when the events or changing in circumstances indicate that the book value cannot be recovered. When the carrying values exceed the estimated recoverable amounts, the assets are written down to their recoverable amount, and the impairment is recorded in the consolidated statement of income.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and carrying amount of the asset) is included in the consolidated statement of income when the asset is derecognised.

B- Major maintenance and repairs

Expenditure on major maintenance refits or repairs comprises the cost of replacement assets or parts of assets and overhaul costs. Where an asset, or part of an asset, that was separately depreciated and is now written off is replaced, and it is probable that future economic benefits associated with the item will flow to the Group through an extended life, the expenditure is capitalised. Where part of the asset was not separately considered as a component and therefore not depreciated separately, the replacement value is used to estimate the carrying amount of the replaced asset(s) which is immediately written off. All other day-to-day maintenance and repairs costs are expensed as incurred.

Projects in progress

Projects in progress are stated at cost, and include the cost of construction, equipment and other direct costs and it is not depreciated until it is available for use.

Right-of-use assets

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

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

Lease liabilities

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

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

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

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (USD 5,000 annually). Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

The Group's investments in its associate and joint venture are accounted for using the equity method.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of income reflects the Group's share of the results of operations of the associate or joint venture. Any change in other comprehensive income of those investees is presented as part of the Group's consolidated statement of other comprehensive income. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the consolidated statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss as 'Share of profit of an associate and a joint venture' in the consolidated statement of income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in the consolidated statement of income.

Intangible assets

- New phosphate port terminal

  This item represents the license to use and operate the new phosphate port terminal for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation.

  Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

  Intangible assets are amortized over the period in which they are expected to be available for use by the Group using straight line method and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization expense on intangible assets is recognized in the consolidated statement of income starting on the opening date of the new phosphate port terminal until 28 February 2040.

Goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquire. For each business combination, the Group elects whether to measure the non-controlling interests in the acquire at fair value or at the proportionate share of the acquirer's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Asset deferral cost

The Group recognises and measures asset deferral provision for movable assets as a consequence of the use of the new phosphate port terminal during the operating period in accordance with IAS 37, using the best estimate of the expenditures required to settle the present obligation at the consolidated statement of financial position date.

Financial assets at fair value through other comprehensive income

These are financial assets limited to equity instruments and the management intends to retain those assets 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 owners' 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 comprehensive income statement within owners' equity and the fair value reserve for the sold assets is directly transferred to the retained profit or loss and not through the consolidated statement of income.

- Those financial assets are not subject to impairment testing.
- Dividends income is recorded in the consolidated income statement.
- It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the IFRS 9.

Debit financial assets

Debit financial assets are initially recognized at fair value, debit financial assets are subsequently measured at amortized cost using the effective interest method.

Inventories and spare parts

Inventories are valued at the lower of cost or net realizable value. Costs incurred in bringing each product to its present location and conditions are accounted for as follows:

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Raw materials	Purchase cost using the weighted average cost method.
Finished goods and work in process	Cost of direct materials, labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs, using the weighted average cost method.
Spare parts and supplies	Cost using the weighted average cost method.

Accounts receivable

Accounts receivable are stated at original invoice amount less any provision for any uncollectible amounts or expected credit loss. The Group applies a simplified approach in calculating ECLs. The Group has established a provision matrix that is based on the Group's historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment in accordance with IFRS (9).

Financial assets at fair value through profit and loss

Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short-term market prices fluctuation or the trading profit margins.

Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

Dividend and interest income are recorded in the consolidated statement of income.

It is not permitted to reclassify assets to or from this category except in certain circumstances determined in the International Financial Reporting Standards.

Cash and cash equivalents

Cash and cash equivalent in the consolidated statement of financial position comprise cash at banks and at hand and short term deposits with an original maturity of three months or less. If original maturity of deposits exceeds three months, they are classified as short–term investments. For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

Long term loans

All loans and borrowings are initially recognized at fair value less directly attributable transaction costs. After initial recognition, interest bearing loans and borrowings are subsequently measured at amortized cost using the effective interest method.

Loans interests are expensed in the period they occur including the grace period (if any). However, interest on loans granted for the purpose of financing projects in progress, is capitalized as a part of the project cost.

Employees' benefits

The Group grants its employees schemes for early retirement and end of service compensations according to the following plans:

1. Defined benefits plans

The Group has the following defined benefits plans:

- End of service bonus compensation.
- Death and compensation fund.

The plans liability is determined actuarial expert. The obligation provision and pension costs are determined using the projected unit credit method. The projected unit credit method considers each period of service as giving rise to an additional unit of benefit entitlement and measures each unit separately to build up the final obligation.

Past service costs are recognized in profit or loss on the earlier of the date of plan amendment or the date that the company recognizes related costs. Actuarial gains or losses are recognized in accumulated loses through OCI in the period in which they occur. Gain or loss is realized from amendment or payment of the benefits when it occurs. The end of service obligation is measured at the present value of estimated future cash flows using a discount rate that is similar to the interest rate on government bonds.

2. Defined contribution plans

The Group computes its share from contributions to the defined contribution plans that is being provided to the plan's fund, which is financially and managerially independent from the Group, bank account in form of cash payments. Once the Group pays its share of contributions it will have no further liability toward the plan. Contributions are recognized as expense in the consolidated statement of income.

Accounts payable and accruals

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

Provisions

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

Revenue and expense recognition

Revenues are recorded in accordance with the five-steps model of the International financial Reporting Standard (15), which includes identifying the contract and the price and determining the performance obligation in the contract and recognizing revenue based on the performance of the obligation, where revenue is recognized when the goods are sold to customers and the invoice is issued, which usually takes place at a specific point in time

Other revenues are recognized on an accrual basis.

Expenses are recognized on an accrual basis.

Mining Fees

Mining fees paid in respect of phosphate rock used by the Fertilizers Unit are charged to cost of sales. Other mining fees on exported and locally sold phosphate are shown as a separate item in the consolidated statement of income.

Leases

Leases are classified as operating leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessor. Operating lease payments are recognized as an expense on a straight-line basis.

Income tax

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

Accrued tax expenses are calculated based on taxable income, which may be different from accounting income as it may include tax-exempt income, non-deductible expenses in the current year that are deductible in subsequent years, tax-accepted accumulated losses or tax-deductible items.

Current income tax is calculated based on the tax rates and laws that are applicable at the consolidated statement of financial position date and according to IAS 12.

Deferred income taxation is provided using the liability method on all temporary differences at the consolidated financial statement 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 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.

Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using 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 to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Foreign currencies

Transactions in foreign currencies are recorded at the rate ruling at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the consolidated statement of financial position date, based on the rates declared by the Central Bank of Jordan.

Fair value

The Group evaluates its financial instruments such as financial assets at fair value through other comprehensive income at the date of the financial statements. Also, the fair value of financial instruments is disclosed in (Note 39).

The fair value of the financial instruments is included at 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 is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. The Group needs to acquire opportunities to access the active market or the best fit market.

The Group measures the fair value of financial assets and liabilities using the pricing assumptions used by market participants to price financial assets and liabilities, assuming that market participants behave according to their economic interests.

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 and commensurate with the circumstances, and provides sufficient information for fair value measurement. Also, it illustrates clearly the use of inputs that are directly observable, and minimizes the use of inputs that are not directly observed.

The Group uses the following valuation methods and alternatives in measuring and recording the fair value of financial instruments.

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

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

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

For the disclosure of fair value, the Group classifies assets and liabilities based on their nature, their risk, and the level of fair value measurement.

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.

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

Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

3.A. PROPERTY, PLANT AND EQUIPMENT

2020 Cost:	Land JD ('000)	Buildings and constructions JD ('000)	Roads & Yards JD ('000)	Machinery & equipment JD ('000)	Water & electricity networks JD ('000)	Furniture & office equipment JD ('000)
At 1 January 2020	3,503	133,550	25,361	494,333	83,157	6,196
Additions	-	83	-	514	294	138
Transfers from projects in progress (Note 4)	-	38	-	488	97	-
Disposals	-	-	-	-	-	(63)
At 31 December 2020	3,503	133,671	25,361	495,335	83,548	6,271
Accumulated Depreciation:						
At 1 January 2020	-	94,899	22,995	386,310	41,606	4,649
Depreciation for the year	-	2,427	286	5,593	1,095	287
Related to disposals	-	-	-	-	-	(58)
At 31 December 2020	-	97,326	23,281	391,903	42,701	4,878
Net book value						
At 31 December 2020	3,503	36,345	2,080	103,432	40,847	1,393

The value of fully depreciated property, plant and equipment is JD 568,003 thousand as at 31 December 2020.

Starting from 1 December 2020, the management changed the estimated remaining useful lives of buildings and constructions, roads and yards, machinery and equipment, water and electricity networks, vehicles and spare parts to match the expected remaining production period of these assets. This change resulted in a decrease in depreciation expense for the year ended 31 December 2020 by JD 10,966 thousand.

Medical equipment JD ('000)	Communication equipment JD ('000)	Computers JD ('000)	Vehicles JD ('000)	Spare parts reserves JD ('000)	Software and programs JD ('000)	Total JD ('000)
1,065	1,346	3,746	14,189	59,705	1,913	828,064
-	21	71	135	5,683	-	6,939
-	-	-	-	-	-	623
-	(13)	(14)	(191)	-	-	(281)
1,065	1,354	3,803	14,133	65,388	1,913	835,345
914	1,311	3,343	13,108	34,096	1,912	605,143
28	12	115	255	1,379	-	11,477
-	(13)	(9)	(179)	-	-	(259)
942	1,310	3,449	13,184	35,475	1,912	616,361
123	44	354	949	29,913	1	218,984

2019 Cost:	Land JD ('000)	Buildings and constructions JD ('000)	Roads & Yards JD ('000)	Machinery & equipment JD ('000)	Water & electricity networks JD ('000)	Furniture & office equipment JD ('000)
At 1 January 2019	3,101	133,340	25,361	491,650	82,990	6,161
Additions	402	210	-	750	154	92
Transfers from projects in prog-ress	-	-	-	1,954	14	-
Disposals	-	-	-	(21)	(1)	(57)
At 31 December 2019	3,503	133,550	25,361	494,333	83,157	6,196
Accumulated Depreciation:						
At 1 January 2019	-	89,656	20,569	376,774	39,032	4,379
Depreciation for the year	-	5,243	2,426	9,556	2,575	298
Related to dispos-als	-	-	-	(20)	(1)	(28)
At 31 December 2019	-	94,899	22,995	386,310	41,606	4,649
Net book value						
At 31 December 2019	3,503	38,651	2,366	108,023	41,551	1,547

The value of fully depreciated property, plant and equipment is JD 567,201 thousand as at 31 December 2019.

Medical equipment JD ('000)	Communication equipment JD ('000)	Computers JD ('000)	Vehicles JD ('000)	Spare parts reserves JD ('000)	Software and programs JD ('000)	Total JD ('000)
1,066	1,353	3,509	14,212	51,191	1,913	815,847
1	4	53	171	8,465	-	10,302
-	-	236	-	49	-	2,253
(2)	(11)	(52)	(194)	-	-	(338)
1,065	1,346	3,746	14,189	59,705	1,913	828,064
887	1,310	3,261	12,746	30,478	1,912	581,004
29	12	128	556	3,618	-	24,441
(2)	(11)	(46)	(194)	-	-	(302)
914	1,311	3,343	13,108	34,096	1,912	605,143
151	35	403	1,081	25,609	1	222,921

Depreciation included in the consolidated statement of income is allocated as follows:

	2020 JD ('000)	2019 JD ('000)
Cost of sales	11,036	23,768
Administrative expenses	369	523
Selling and marketing expenses	47	90
Russiefah mine expenses	15	50
Others	10	10
	11,477	24,441

3.B. LEASES

The Group has lease contracts for various lands owned by the Government of Jordan, used in its operations. The Group's obligations under its leases are secured by the lessor's title to the leased assets. Generally, the Group is restricted from assigning and subleasing the leased assets.

The Group also has some leases with lease terms of 12 months or less ended during 2020. The Group applies the 'short-term lease' recognition exemptions for this lease.

The lease obligation was computed based on average discount rate of 6.5%.

Set out below are the carrying amounts of right-of-use assets and lease liabilities recognised as of 31 December:

	Right-of-use assets JD ('000)	Lease Obligations* JD ('000)
2020-		
At 1 January 2020	66,099	68,087
Additions	1,377	1,412
Depreciation	(4,936)	-
Finance costs	-	4,466
Payments	-	(7,269)
At 31 December 2020	62,540	66,696

	Right-of-use assets JD ('000)	Lease Obligations* JD ('000)
2019-		
At 1 January 2019	70,903	70,903
Depreciation	(4,804)	-
Finance costs	-	4,238
Payments	-	(7,054)
At 31 December 2019	66,099	68,087

* Lease liabilities details as at 31 December 2020 are as follows:

Short-term JD ('000)	Long-term JD ('000)	Total JD ('000)
7,125	59,571	66,696

4. PROJECTS IN PROGRESS

Movement on the projects in progress is as follows:

	Balance at 1 January 2020 JD ('000)	Additions JD ('000)	Transferred to property plant & equipment JD ('000)	Balance at 31 December 2020 JD ('000)
Aqaba Industrial Complex Projects	145	3,403	(98)	3,450
Shidiya Mine Projects	130	65	-	195
Indo-Jordan Chemicals Company Projects	5,144	4,087	(431)	8,800
Head Office, Hasa & Abyad mines	432	103	(38)	497
Nippon Jordan Fertilizers Company Projects	737	67	(56)	748
	6,588	7,725	(623)	13,690

The estimated cost to complete the projects in progress as of 31 December 2020 amounted to JD 3,613 thousand for JPMC related projects and the expected completion of this projects is through 2021. The estimated cost to complete the projects in progress amounted to JD 4,611 thousand for Indo-Jordan's related projects as of 31 December 2020 and the expected completion of this projects is in 2022. The estimated cost to complete the projects in progress amounted to JD 103 thousand for Nippon's related projects as of 31 December 2020 and the expected completion of this projects is in 2021.

5. INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

The below schedule summarizes the Group's investment in associates and joint ventures:

	2020 JD ('000)	2019 JD ('000)
Investment in associates (A)	197,274	209,394
Joint ventures (B)	94,990	97,281
	292,264	306,675

A. INVESTMENTS IN ASSOCIATES:

The below schedule summarizes financial information for the Group's investment in associates:

	Country of incor-poration	Nature of activity	Owner-ship %	2020 JD ('000)	2019 JD ('000)
Manajim for Mining Development Company "Manajim"	Jordan	Mining services	46	13,732	29,885
Jordan Abyad Fertilizer Company "JAFCCO" *	Jordan	Fertilizers production	27.38	-	-
Jordan India Fertilizer Company "JIFCO"	Jordan	Phosphoric acid production	48	173,849	168,970
Arkan Company for Constructions "Arkan"	Jordan	Mining contracting	46	9,275	10,102
Kaltime Jordan Abdi Company	Indone-sia	Phosphoric acid production	40	417	437
				197,274	209,394

* Jordan Abyad Fertilizer Company "JAFCCO" accumulated losses exceeded the entire value of investment.

Movements on the investment in associates were as follows:

	2020 JD ('000)	2019 JD ('000)
At 1 January	209,394	204,296
The Group's share of current year profit	12,188	10,287
* Dividends received from Manajim for Mining development	(25,300)	(7,750)
Addition of Group's share of JIFCO income related to transactions between the Group and associate	380	2
Group share of JAFCCO accumulated losses in excess of the investment value	612	2,559
At 31 December	197,274	209,394

* The General assembly for Manajim for Mining Development Company approved in its ordinary meeting held on October 28, 2020, to distribute dividends amounted to JD 55 million from retained earnings.

Group's share of associate companies' results:

	2020 JD ('000)	2019 JD ('000)
* Group's share of profit for the year	12,188	10,287
Addition of Group's share of associate's income related to transactions between the Group and associate	999	248
	13,187	10,535

* This item includes amount of JD 610 thousand that represents the Group share from Jordan Abyad Fertilizer Company losses for the year in excess of the Group share of the investment.

The below schedules summarize financial information for the Group's investment in associates:

2020	Manajim for Mining Development JD ('000)	Jordan India Fertilizers Company JD ('000)	Arkan Company for Construction JD ('000)	Kaltime Jordan Abdi Company JD ('000)	Total JD ('000)
Group's share in net equity:					
Current assets	3,634	57,872	18,987	2,050	82,543
Non-current assets	19,745	475,295	26,093	67	521,200
Current liabilities	(14,932)	(88,462)	(15,913)	(1,075)	(120,382)
Non-current liabilities	(19)	(82,451)	(1,540)	-	(84,010)
Elimination of the Group's portion of application of IFRS 9 related to the transactions between the Group and associates	10,333	-	-	-	10,333
Partners current account	3,000	-	(7,397)	-	(4,397)
Net equity	21,765	362,254	20,230	1,042	405,287
Percentage of ownership	46%	48%	46%	40%	
Group's share in net equity	10,010	173,882	9,306	417	193,615
Elimination of Group's share of association related to transaction between the Group and associate	-	(33)	-	-	(33)
Adjustments due to change in ownership percentage	-	-	14	-	14
Imbedded goodwill	3,722	-	(44)	-	3,678
Net investment as at 31 December	13,732	173,849	9,276	417	197,274
Group's share from associate's revenues and profits:					
Revenues	108,235	185,787	37,789	5,766	337,577
Cost of sales	(96,538)	(91,051)	(37,743)	(5,713)	(231,045)
Administrative, selling and distribution expenses	(811)	(84,331)	(1,324)	(132)	(86,598)
Interest income	200	-	-	164	364
Finance expenses	(12)	-	(312)	(129)	(453)
Other revenues	(230)	-	-	-	(230)
Group share of prior year income*	11,867	1,032	(209)	(8)	10,618
Profit (loss) for the year before income tax	22,711	9,373	(1,799)	(52)	30,233
Income tax expense	(2,824)	-	-	-	(2,824)
Profit (loss) for the year	19,887	9,373	(1,799)	(52)	27,409
Percentage of ownership	46%	48%	46%	40%	
Group's share from current year income	9,148	4,499	(828)	(21)	12,798
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	999	-	999
Group's share of associates' profit (loss)	9,148	4,499	171	(21)	13,797

2019	Manajim for Mining Development JD ('000)	Jordan Abyad Fertilizers and Chemicals Company JD ('000)	Jordan India Fertilizers Company JD ('000)	Arkan Company for Construction JD ('000)	Kaltime Jordan Abdi Company JD ('000)	Total JD ('000)
Group's share in net equity:						
Current assets	40,893	1,762	54,603	20,784	3,716	121,758
Non-current assets	19,432	90,262	492,491	26,093	69	628,347
Current liabilities	(16,764)	(20,886)	(81,197)	(15,913)	(2,692)	(137,452)
Non-current liabilities	(17)	(61,232)	(113,016)	(1,540)	-	(175,805)
Elimination of the Group's portion of application of IFRS 9 related to the transactions between the Group and associates	10,333	-	-	-	-	10,333
Partners current account	-	(50,405)	-	-	-	(50,405)
Adjustment resulted from settlement	3,000	-	-	(7,397)	-	(4,397)
Net equity	56,877	(40,499)	352,881	22,027	1,093	392,379
Percentage of ownership	46%	27,38%	48%	46%	40%	
Group's share in net equity	26,163	(11,089)	169,383	10,132	437	195,026
Elimination of Group's share of association related to transaction between the Group and associate	-	-	(413)	-	-	(413)
Adjustments due to change in ownership percentage	(4,078)	(93)	-	14	-	(4,157)
Group's net share in partner's current account	-	3,375	-	-	-	3,375
transfer of excess losses on investment to other liabilities	-	7,807	-	-	-	7,807
Imbedded goodwill	7,800	-	-	(44)	-	7,756
Net investment as at 31 December	29,885	-	168,970	10,102	437	209,394
Group's share from associate's revenues and profits:						
Revenues	115,097	13,613	214,335	35,674	10,790	389,509
Cost of sales	(96,538)	(17,603)	(117,368)	(33,693)	(10,705)	(275,907)
Administrative, selling and distribution expenses	(811)	(1,010)	(84,581)	(1,129)	(192)	(87,723)
Interest income	200	-	-	-	67	267
Finance expenses	(12)	(4,130)	-	(552)	(57)	(4,751)
Other revenues	(230)	-	-	-	-	(230)
Group share of prior year income*	(130)	(216)	-	-	55	(291)
Profit (loss) for the year before income tax	17,576	(9,346)	12,386	300	(42)	20,874
Income tax expense	(2,824)	-	-	(15)	-	(2,839)
Profit (loss) for the year	14,752	(9,346)	12,386	285	(42)	18,035
Percentage of ownership	46%	27,38%	48%	46%	40%	
Group's share from current year income	6,786	(2,559)	5,946	131	(17)	10,287
Elimination of Group's share of associate's income related to transactions between the Group and associates	-	-	-	248	-	248
(Group's share of associates' profit (loss)	6,786	(2,559)	5,946	379	(17)	10,535

* Prior year adjustments represent the profit/Loss differences between draft financial statements and issued audited financial statements of the associate companies.

B. JOINT VENTURES:

The below schedule presents the Group's investment in joint ventures:

	Country of incorpora-tion	Nature of activity	Ownership %	2020 JD ('000)	2019 JD ('000)
Indonesian project – Petro Jordan Abadi Company	Indonesia	Phosphoric Acid production	50	20,141	23,062
Jordan Industrial Ports Company	Jordan	Shipping services	50	74,849	74,219
				94,990	97,281

The movement on the investment in joint ventures is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	97,281	68,792
Group's share of loss for the year	(968)	(2,015)
Dividends from Industrial ports company*	(1,000)	-
Increase in investment in Industrial Ports Company**	-	5,000
Increase in investment in Petro Jordan Abdi ***	-	25,771
Disposal Group's share of PetroJordan Abdi income related to transactions between the Group and joint venture	(323)	(267)
Balance at 31 December	94,990	97,281

* The General assembly for Industrial Ports Company approved in its ordinary meeting held on July 31st, 2020, to distribute dividends amounted to JD 2 million from retained earnings.

** Industrial Ports Company increased its paid in capital during 2019 by JD 10,000 thousand to reach JD 140,000 thousand. JPMC's share of the increase amounted to JD 5,000 thousand.

*** Petro Jordan Abdi increased its paid in capital during 2019 by JD 51,542 thousand to reach JD 95,438 thousand. JPMC's share of the increase amounted to JD 25,771 thousand. The group has paid its share through the capitalization of some accrued loans on the company.

The below schedules summarize financial information for the Group's major joint ventures:

2020	Indonesian project – Petro Jordan Abadi Company JD ('000)	Jordan Industrial Ports Company JD ('000)	Total JD ('000)
Current assets	27,361	20,701	48,062
Non-current assets	111,422	139,365	250,787
Current liabilities	(47,411)	(5,304)	(52,715)
Non-current liabilities	(49,573)	(5,064)	(54,637)
Net equity	41,799	149,698	191,497
Percentage of ownership	50%	50%	
Group's share in net equity	20,900	74,849	95,749
Elimination of group's share of the income related to transactions between the Group and joint ventures	(759)	-	(759)
Group's share in net equity	20,141	74,849	94,990
Group's share from joint ventures and profits			
Revenues	77,584	19,744	97,328
Cost of sales	(75,797)	(11,077)	(86,874)
Administration, selling and distribution expenses	(1,305)	(6,490)	(7,795)
Interest income	-	527	527
Finance expense	(2,872)	(12)	(2,884)
Other revenues, net	(329)	813	484
Group's share from prior year results***	(2,478)	(244)	(2,722)
(Loss) profit for the year	(5,197)	3,261	(1,936)
Percentage of ownership	50%	50%	
Group's share of (loss) profit from joint ventures	(2,599)	1,631	(968)

2019	Indonesian project – Petro Jordan Abadi Company JD ('000)	Jordan Industrial Ports Company JD ('000)	Total JD ('000)
Current assets	30,047	23,224	53,271
Non-current assets	119,092	129,193	248,285
Current liabilities	(47,975)	(3,979)	(51,954)
Non-current liabilities	(54,166)	-	(54,166)
Net equity	46,998	148,438	195,436
Percentage of ownership	50%	50%	
Group's share in net equity	23,499	74,219	97,718
Elimination of group's share of the income related to transactions between the Group and joint ventures	(437)	-	(437)
Group's share in net equity	23,062	74,219	97,281
Group's share from joint ventures and profits			
Revenues	83,556	16,406	99,962
Cost of sales	(80,087)	(11,838)	(91,925)
Administration, selling and distribution expenses	(1,261)	(3,151)	(4,412)
Interest income	-	1,010	1,010
Finance expense	(3,836)	(6)	(3,842)
Other revenues, net	-	411	411
Group's share from prior year results***	(5,170)	(64)	(5,234)
(Loss) profit for the year	(6,798)	2,768	(4,030)
Percentage of ownership	50%	50%	
Group's share of (loss) profit from joint ventures	(3,399)	1,384	(2,015)

*** Prior year adjustments represent loss or profit differences between draft financial statements and issued audited financial statements of the joint ventures' companies.

6. INTANGIBLE ASSETS

The details of this item are as follows:

	2020 JD ('000)	2019 JD ('000)
Fertilizers unit goodwill*	15,680	15,680
New phosphate port**	120,829	127,188
	136,509	142,868

* FERTILIZERS UNIT GOODWILL:

During 1986 the Group acquired Jordan Fertilizers Industry Company ("JFIC" or "the Fertilizers Unit") as agreed by the Economic Security Committee decision no. 16/86 dated 15 June 1986, whereby all assets and certain liabilities have been transferred to the Group.

Goodwill represents the excess of the cost of purchase over the Group's interest in the net fair value of the JFIC identifiable assets and liabilities that have been recorded 1986.

Impairment test of goodwill

The recoverable amount of the Fertilizers Unit has been determined using the projected cash flows based on financial budgets and projections prepared by the Group. The pre-tax discount rate applied is 16.6% the projections were prepared based on the production capacity and the expected prices of raw material and finished goods as published by specialized international organization. The test did not result any impairment in goodwill.

Key assumptions used:

The key assumptions to calculate the value in use for the Fertilizers Unit and which were used by management to prepare the projected cash flows for the impairment test of goodwill were as follows:

Projected sales: The quantities sold during 2020 were used to build up the projected 5 years future sales.

Projected costs: The costs incurred during 2020 except for raw material prices, were used to build up the projected 5 years cost.

Discount rate: The discount rate used reflects the management's estimate of the risks specific to the industry to determine the weighted average cost of capital which represent the discount rate used of 16.6% (2019: 16.3%).

Raw materials and selling prices: Estimated selling prices and prices of raw materials are based on management expectations. Fertilizers chemical products prices are obtained from published information issued from international specialized organization and it has been adjusted on historical cost to reflect the purchase prices including Cost and Freight (CFR) Aqaba / Jordan.

Sensitivity to changes in assumptions: With regard to the assessment of value in use of the fertilizer unit, management believes that no reasonably possible changes in any other above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

** NEW PHOSPHATE PORT

During 2014, the Group capitalized the new Phosphate Port Project as intangible assets in accordance with IFRIC 12 (Service Concession Arrangements), where the total cost of the project represents the license to use and operate the new port for a period of 26 years, after that the port will be handed over to Aqaba Development Corporation / Aqaba Special Economic Zone Authority. The Group started to amortize the intangible assets related to the new phosphate port terminal from the first of January 2014. The amortization expense for the year ended 31 December 2020 amounted to JD 6,359 thousand (2019: JD 6,359 thousand) was recorded within new phosphate port terminal expenses (Note 35).

Movement on new phosphate port is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	127,188	133,547
Amortization for the year	(6,359)	(6,359)
Balance at 31 December	120,829	127,188

The asset deferral provision when the license to use and operate the new port expires is JD 16,748 thousand as 31 December 2020 (2019: JD 16,031 thousand). The obligation is measured at the present value of estimated future cash flows using an average interest rate of 6.5%.

The movement on the asset deferred provision is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	16,031	15,295
Present value discount (note 29)	717	736
Balance at 31 December	16,748	16,031

7. EMPLOYEES' HOUSING LOANS

Movement on the employee's housing loans is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	4,567	4,850
Net movement during the year	(1,062)	(419)
Release from discount- early payments	421	212
Present value discount (note 29)	(40)	(76)
Balance at 31 December	3,886	4,567

The Group grants its classified employees, who have been in service with the Group for a minimum of seven years, interest-free housing loans at a maximum amount of JD 30 thousand per employee. The loans are repaid in monthly installments, deducted from the employees' monthly salaries over a period of maximum 15 years. These loans are guaranteed by a mortgage over the real estate.

Housing loans are initially recorded at fair value which is calculated by discounting the monthly installments to their present value using an interest rate which approximates the interest rate for similar commercial loans, and is subsequently measured at amortized cost using the effective interest rate method.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	2020 JD ('000)	2019 JD ('000)
Quoted shares	115	86
Unquoted shares	272	279
	387	365

9. LOANS RECEIVABLE

The balance represents loans granted to associated companies of the Group (Jordan Abyad Fertilizers and Chemicals Company and Jordan India Fertilizers Company). Long-term loans receivable is subject to annual interest rates between 0% and 8.25%.

		2020		2019
	Currency	Short-term Loan payments JD ('000)	Long-term Loan payments JD ('000)	(Restated Note 45) Long-term Loan payments JD ('000)
Jordan India Fertilizers Company	USD	-	5,555	5,555
Jordan Abyad Fertilizers and Chemicals Company – net *	USD	-	3,564	3,564
Jordan Abyad Fertilizers and Chemicals Company – net*	JD	-	6,028	6,028
		-	15,147	15,147
Provision for expected credit loss**		-	(3,150)	(2,777)
		-	11,997	12,370

* The balance represents the net present value of the loans receivable of Jordan Abyad Fertilizers and Chemicals Company after deducting an amount of JD 2,498 thousand, which represents the net present value of the expected future cash inflows using the market weighted average interest rate.

** Following is the movement on expected credit losses provision:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	2,777	2,777
Provision for the year	2,000	-
Transfers to provision for expected credit loss for accounts receivables (Note 12)	(1,627)	-
Balance at 31 December	3,150	2,777

10. PRODUCTION AND DEVELOPMENT STRIPPING COSTS

Movement on the production stripping cost is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	7,172	16,622
Additions for the year	-	6,047
Amortization for the year	(8,171)	(15,745)
Addition of Group's share of associate's income related to transactions between the Group and associates (Note 5)	999	248
Balance at 31 December	-	7,172

11. INVENTORIES, SPARE PARTS AND SUPPLIES

	2020 JD ('000)	2019 JD ('000)
Finished goods	29,040	49,881
Work in progress (Note 33)	5,649	16,206
Raw materials	22,334	25,406
Inventory held by contractors	3,357	6,352
Spare parts and supplies	96,379	99,294
	156,759	197,139
Provision for slow moving spare parts*	(27,164)	(25,528)
	129,595	171,611

* Movement in the provision for slow-moving spare parts was as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	25,528	24,894
Provision for the year	1,636	634
Balance at 31 December	27,164	25,528

12. ACCOUNTS RECEIVABLE

	2020 JD ('000)	2019 JD ('000)
Trade receivables	53,486	55,144
Due from associates and joint ventures (Note 37)	79,924	57,841
Others	14,968	13,168
	148,378	126,153
Provision for expected credit losses	(18,570)	(16,433)
	129,808	109,720
Current portion	103,563	83,475
Non-current portion	26,245	26,245
	129,808	109,720

The following is the movement for the provision of expected credit loss:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	16,433	43,533
Bad debts	-	(15,734)
Recoveries	-	(12,886)
Transfers from ECL of debit loans (Note 9)	1,627	-
Provision for the year	510	1,520
Balance at 31 December	18,570	16,433

The Group's policy with regard to trade receivables and related parties' receivables is a collection period that does not exceed 90 days.

During 2019, the group capitalized JD 25,771 thousand to increase the capital of Petro Jordan Abadi, Accordingly the group recovered an amount of JD 12,886 thousand from the provision.

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

	Neither past due nor impaired			Total
	Less than 90 days JD ('000)	90 – 180 days JD ('000)	More than 180 days JD ('000)	JD ('000)
2020	103,492	71	26,245	129,808
2019	83,250	225	26,245	109,720

The management of the Group expects unimpaired receivables, on the basis of past experience, to be fully recoverable. The majority of the Group's sales are made through letter of credits.

13. OTHER CURRENT ASSETS

	2020 JD ('000)	2019 JD ('000) (Restated note 45)
Payments on letters of credit	18,521	18,886
Prepaid expenses	14,752	8,299
Due from contractors' settlements	11,832	11,565
Accrued interest revenue *	8,269	7,530
Advance payments on sales tax	3,078	2,875
Prepaid death and compensation fund expenses	-	58
Retrieved from insurance	-	2,000
Others	2,389	820
	58,841	52,033
Current portion	51,585	44,777
Non-current portion	7,256	7,256
	58,841	52,033

* Included in this item an amount of JD 7,256 thousand which represents the net present value of the accrued interest of loans receivable related to Jordan Abyad Fertilizers and Chemicals Company, which is classified under non-current assets in the consolidated statement of financial position as at 31 December 2020 (2019: JD 7,256 thousand).

14. CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flow, cash and cash equivalents consist of the following amounts which appears in the consolidated statement of financial position:

	2020 JD ('000)	2019 JD ('000)
Cash at banks*	42,867	30,085
Cash on hand	20	32
Cash on hand and at banks	42,887	30,117
Less: Due to banks (Note 21)	(76,388)	(82,256)
Cash and cash equivalents	(33,501)	(52,139)

* Cash at banks include current accounts in US Dollars bearing annual interest rate of maximum 1.25% for the years ended 31 December 2020 and 2019.

Cash at banks include short-term deposits accounts in Jordanian Dinars matures in 3 months and bearing annual interest rate between 2.25% and 6% for the year ended 31 December 2020 (2019: Between 3% and 6.5%).

15. EQUITY ATTRIBUTABLE TO EQUITY HOLDERS

Paid-in capital

The Group's authorized, subscribed and issued capital amounted to JD 82,500 thousand which comprises of 82,500 thousand shares at par value of JD 1 per share.

Statutory reserve

As required by the Jordanian Companies Law, 10% of the annual net income for the year before income tax is to be transferred to the statutory reserve until it reaches 25% of the Group capital. However, the Group may continue transferring to the statutory reserve up to 100% of the Group capital if general assembly approval is obtained. This reserve is not available for distribution to the shareholders.

Voluntary reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

Special reserve

The amount accumulated in this reserve represents the transfers from net income before income tax at a maximum of 20%. This reserve is available for distribution to the shareholders.

16. LOANS

		2020		2019	
		Due within one year	Long-term	Due within one year	Long-term
	Currency	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Arab Bank loan (1)	USD	5,168	47,295	5,168	52,463
Arab Jordanian Investment Bank	USD	399	-	531	398
Housing Bank for Trade and finance Loan (1)	USD	-	-	7,080	-
Housing Bank for Trade and finance Loan (2)	USD	825	1,239	826	2,065
Union Bank Loan	USD	-	-	2,832	-
Arab Banking Corporation revolving loan	USD	7,075	-	7,075	-
Arab Bank revolving loan (2)	USD	7,080	-	7,080	-
Capital Bank	USD	4,425	4,425	4,425	8,850
		24,972	52,959	35,017	63,776

Arab Bank Loan (1)

Jordan Phosphate Mining Company signed a USD 96 Million loan agreement with Arab Bank. On 5 January 2016, the first part of the loan agreement with the amount of USD 50 Million was signed between the group and Arab Bank. On 21 July 2016, the second part of the loan agreement with the amount of USD 46 Million was signed between the Group and the Arab Bank to finance 100% of Jordan Phosphate Mining Company's share in Jordan Industrial Ports Company to develop and update the industrial port in Aqaba. The loan holds an interest rate of 6 months LIBOR + 2.75% for the first 7 years of the loan period and interest rate of 6 months LIBOR +2.8% from the 8th year until the end of loan period, the loan has a 15 years period including 2 years grace period. The loan is payable through equal semiannual installments amounted to USD 3.65 Million. The first installment is due on 15 January 2018, and the last installment is payable on 15 July 2030.

Arab Bank Loan Agreement requires that Jordan Phosphate Mining Company shall not borrow from any other entity without the Bank's prior approval for amounts above USD 50 million. As well as maintaining a specific rate of debt service not less than one and a quarter times for any financial year, and the ratio of current assets to current liabilities to not less than 1.2 times for any financial year, as well as maintaining the ratio of liabilities to net equity not more than one and a half for any year. The agreement also requires that the Group does not sell its share in the capital of the Industrial Ports Company to any other party without obtaining an approval of the bank, in addition to not distributing dividends in the event of any accrued installments on the loan and that the dividend distribution does not exceed 75% of the company's capital. The Group has not committed to the ratio of current assets to current liabilities which is 1.1 times as of 31 December 2020. The group obtained a waiver letter from Arab bank to approve the breach of the ratio of current assets to current liabilities for the year 2020.

Arab Jordanian Investment Bank

On 27 December 2016, a loan agreement was signed with Arab Jordanian Investment Bank with an amount of USD 3 Million, having an interest rate of 3 months LIBOR with a minimum annual interest rate of 3% for a period of 4 years that includes a one year grace period. The loan is payable through quarterly installments, that starts after 12 months from the agreement signing date. The first installment was due on 31 January 2017 and the last installment is due on 30 September 2021.

Housing Bank for Trade and Finance Loan (1)

On 22 December 2014, the Group signed a loan agreement with Housing Bank (Bahrain Branch) with an amount of USD 50 million to finance employees end-of-service expenses bearing an rate

of 5.75% annually fixed and without commission for a period of 6 years including a one year grace period. The loan is payable in 10 equal semiannual installments of USD 5 million. The loan was fully utilized on 6 January 2015. The first installment was paid on 22 December 2015 and the last installment was due on 1 July 2020 and the loan was settled in full.

Housing Bank for Trade and Finance Loan (2)

On 6 April 2017, the Group signed a loan agreement with Housing Bank in the amount of USD 7 million bearing an interest rate of 5.75% annually fixed and without commission. The loan period is 6 years including a grace period of 6 months. The loan is payable through 12 equal semiannual installments of USD 583 thousand. The first installment was due on 6 October 2017 and the last installment will be due on 6 April 2023.

Union Bank Loan

On 6 October 2015, the Group signed an agreement with Union Bank in the amount of USD 20 million to finance the compensation and end-of-service fund bearing an interest rate of 6 months LIBOR + 2.25%. The loan period is 6 years including a grace period of 1 year. The loan is payable in 5 annual installments of USD 4 million each. The first installment was due on 6 October 2016 and the last installment was due on 6 October 2020 and the loan was settled in full.

Arab Banking Corporation Revolving Loan

On 22 May 2014, the Group signed a revolving loan agreement with Arab Banking Corporation with a ceiling of USD 10 Million to finance the working capital, at an annual interest rate of one month LIBOR + 2.75%. The loan should be fully paid within a maximum of 13 months from the utilization date.

Arab Bank Revolving Loan (2)

On 3 July 2014, the Group signed a revolving loan agreement with Arab Bank with a ceiling of USD 10 Million to finance letters of credit at an annual interest rate of one month LIBOR +2%. The loan should be fully paid within maximum 1 month from the utilization date and / or the collection date of the letter of credit from customers, whichever is earlier.

Capital Bank Loan

On 28 February 2018, the Group signed a loan agreement with Capital Bank in the amount of USD 25,000 thousand to finance the operating liabilities of the Group bearing a fixed interest rate of 6%. The loan has a 5 years period including 1 year grace period. The loan is payable through 16 equal quarterly installments amounted to USD 1,563 thousands. The first installment was due on 28 February 2019. On 15 October 2020, the annual interest rate was lowered to reach 4.75% annually.

Capital Bank Loan agreement requires maintaining current assets to current liabilities ratio to be not less than 1.1 times and that the ratio of liabilities to net shareholders' equity not to exceed 1.5 times. The Group complied with the ratios as at 31 December 2020.

Loans repayments schedule:

The aggregate amounts of annual principal maturities of long-term loan are as follows:

Year	Thousand JD's
2021	24,972
2022	9,989
2023	9,989
Thereafter 2023	32,981
	77,931

17. PROVISIONS FOR EMPLOYEES' BENEFITS

The table below illustrates the details of provisions for employees' benefits as of 31 December is as follow:

	2020 JD ('000)	2019 JD ('000) (Restated note 45)
Defined benefit plans (A)	107,597	100,034
Employees' compensations (B)	821	822
Employees incentives and retirees' grants (C)	825	772
	109,243	101,628
Current portion	25,537	15,491
Non-current portion	83,706	86,137
	109,243	101,628

A- Defined benefit plans

The following is the movement on the provision of defined benefit plans:

	2020		
	End of Service Bonus Compensation* JD ('000)	Death and Compensation fund** JD ('000)	Total JD ('000)
Balance as of 1 January	1,986	98,048	100,034
Service cost	100	4,203	4,303
Interest cost	100	5,192	5,292
Amendments	-	(218)	(218)
Employees contributions	-	(498)	(498)
Paid benefits during the year	(109)	(9,758)	(9,867)
Employee share of payments	-	498	498
Actuarial loss due to experience	-	4,023	4,023
Actuarial loss due to change in financial assumptions	-	4,030	4,030
Balance as of 31 December	2,077	105,520	107,597

	2019 (Restated note 45)		
	End of Service Bonus Compensation* JD ('000)	Death and Compensation fund** JD ('000)	Total JD ('000)
Balance as of 1 January	2,094	96,831	98,925
Service cost	100	4,508	4,608
Interest cost	100	5,683	5,783
Employees contributions	-	(518)	(518)
Paid benefits during the year	(308)	(15,794)	(16,102)
Employee share of payments	-	518	518
Actuarial loss due to experience	-	976	976
Actuarial loss due to change in financial assumptions	-	5,844	5,844
Balance as of 31 December	1,986	98,048	100,034

* During 2011, the Company calculated the provision for employees' end-of-service bonus based on JD 1,000 per each service year for each employee in accordance with the signed agreement with the Jordanian Mines Employees Labor Union on 9 June 2011 and according to the Board of Directors decisions made on the 2 July 2011 and 28 July 2011 which set the end of service bonus basis. The Board of Directors decided in 2018 to grant employees who are included in this program and are still on their jobs, if they wish to terminate their services before 31 December 2018, an incentive by increasing the compensation to become JD 2,000 for each year of service, the additional provision is amounted to JD 169 thousand as of 31 December 2018.

End-of-service bonus compensation is earned based on years of service and the liability is determined based on the present value of the gross liability at the date of the consolidated financial statements. The end-of-service bonus compensation using the projected unit credit method.

** During March 2015, the Group established the Death and Compensation Fund in accordance with the Board of Directors resolution. The Fund grants the employees included in the Fund plan upon their retirement, an average of two months' salary as a bonus for each year of service with a maximum of 23 years of service and the bonus amount is determined based on the last salary subject to social security and capped at JD 4,000. The fund objectives are as follow:

1- Reducing the cost of employees' salaries.

2- Reducing the number of employees in the Company as a technical study showed that Company's operations can be handled with no more than 2,000 employees.

3- Multiplicity of compensation schemes for the years (2000-2011) failing to reduce number of employees or cost of salaries.

The fund is independent financially and managerially from the Company as its designed to benefit 150 employees annually so that the fund's can meets its obligations. Since inception the fund was considered as defined contribution plan since the Group's financial obligations was limited to the Company's share which amounted to 25% of gross monthly salaries subject to social security.

During 2018, due to the increase in number of employees benefiting from the fund over 150 employees annually, there was a deficit in the fund's liquidity to meets its obligations which caused the Group to provide a loan to the fund to be repaid through predetermined payments. However, the Group continue to treat the fund as a defined compensation plan based on assumptions used to determine the fund's ability to meet its obligations towards the Group.

During 2020, The Group reconsidered the assumptions used during 2018 and concluded that the fund is unable to meet its obligation since the Group did not cope with the fund's designed capacity of 150 employees per year on the short term.

The Group's practice to cover the fund's deficit in addition to the Group's decision to increase the number of employees benefiting from the plan resulted in a contractual obligation in accordance with International Accounting Standards (IAS19) "employees benefits" which required the change in the accounting treatment for the benefit from defined contribution plan to defined benefit plan which required restatements of prior years (Note 45).

According to the defined benefit obligation, the Death and Compensation fund's liability is calculated based on year of service and the present value of the defined obligation is determined by discounting estimated future cash flows using the interest rate on high quality governmental bonds.

Significant actuarial assumptions used to determine death and compensation fund liability as of 31 December are as follow:

	2020	2019
Discount rate	4.6%	5.55%
Salary increase rate	4%	4%
Mortality rate	0.12%	0.12%
Resignation rate:		
Up to the age of 34 years	3%	3%
From the age of 35 to 49 years	2%	2%
Age 50 years and over	0%	0%

The following table represents sensitivity analysis of changes in significant actuarial assumptions used to determine the present value of death and compensation fund liability as of 31 December:

	Discount Rate		Increment salary increase rate		Resignation rate	
	Percent-age %	Increase (Decrease) JD ('000)	Percent-age %	Increase (Decrease) JD ('000)	Percent-age %	Increase (Decrease) JD ('000)
2020 -	+1	(4,231)	+1	5,028	+1	136
	-1	4,718	-1	(4,641)	-1	(147)
2019 - (Restated note 45)	+1	(4,177)	+1	4,886	+1	316
	-1	4,554	-1	(4,539)	-1	(340)

B- Employees' compensations

The table below illustrates the provisions for the defined contribution plans as of 31 December is as follow:

	2020			
	Compensation Fund*	Engineers Specialty Allowances **	Six months Bonus compensation	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	484	18	320	822
Provision during the year (company contribution)	72	-	116	188
Employees contributions	32	-	-	32
Payments during the year	(20)	-	(201)	(221)
Balance as of 31 December	568	18	235	821

	2019			
	Compensation Fund*	Engineers Specialty Allowances **	Six months Bonus compensation	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Balance as of 1 January	391	18	324	733
Provision during the year (company contribution)	73	-	78	151
Employees contributions	33	-	-	33
Payments during the year	(13)	-	(82)	(95)
Balance as of 31 December	484	18	320	822

* Starting on 1 January 1981, all employees became entitled to be included in the Compensation Fund (ESCF). Effective 1 August 1999, the employer's share was amended to become JD 310 and the employee share JD 140 as the total entitlement became JD 450 annually. The Fund's balance as of 31 December 2020 represents the accumulated funds that have vested to some employees; the Company's contributions are recognized as an administrative expense when incurred.

** During 1999 the Company calculated the engineers specialty allowances provision, per a value form count of cassation that includes a final verdict to previous Company's employee that makes the Company pay a premium for spatiality for employees as part of end of service indemnity.

C- Employees incentives and retirees' grants

The details of employees' incentives and retirees' grants provision included in the consolidated statement of financial position are as follows:

	2020 JD ('000)	2019 JD ('000)
Employees' incentives provision*	305	193
Retirees' grants provision**	460	519
Others***	60	60
	825	772

* Employees incentives provision

The employees' incentives provision for the year 2011 was calculated based on the Company's Board of Directors decision on 2 July 2011 approved an Early Retirement Incentive Plan for the year 2011 and its associated by-laws (the "Plan"). The Plan is applicable only to those employees who meet its conditions, whereby the Plan may not be combined with either the early retirement incentive plan for the year 2000 or with the end of service bonus. The Plan provides the following benefits to those employees who meet the conditions of the plan:

1. Granting a JD 1,000 bonus for each year of service as of the hiring date and until the termination date.
2. Granting a JD 1,000 bonus for each year of service as of the termination date until attaining the age of seniority (60 years of age for males and 55 years of age for females).
3. Granting a bonus equivalent to four salaries for each year in respect of the first five years of service, a bonus equivalent to three salaries for each year in respect of the second five years of service, a bonus equivalent to two salaries for each year in respect of the third five years of service. For purposes of computing the incentive provided for under the Plan, the remaining years of service must not, in all cases, exceed 10 years for females and 15 years for males.
4. Benefiting from the medical insurance coverage after retirement. Additionally, the employee who does not meet the conditions of the Plan, or the employee who chooses to leave the company and not take advantage of the early retirement program, still has the right to subscribe to the medical insurance coverage after retirement provided that the subscription must be paid in advance.

Whereby eligibility to the plan and its entitlements shall not affect the eligible employee's rights to receive his/her end-of-service benefits including the six-month bonus, the compensation and death fund entitlements, or the savings fund entitlements.

Movement on the employees' bonus provision is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	193	193
Provision for the year	500	-
Paid during the year	(388)	-
Balance at 31 December	305	193

**** Retirees' grants provision**

1. On 29 February 2012, the Company's Board of Directors approved the decision to grant the Company's early retirees who retired on early retirement plan for the year 2000 an amount of JD 5,000 for each retiree.
2. On 20 February 2012, the Company's Board of Directors approved the decision to grant the Company's retirees who retired between the period from 1 January 2002 and 4 June 2011. The amount is calculated based on the following formula and the minimum amount is JD 8,000 for each retiree:

(50% x salary subject to social security x years of service)
\+
(25% x salary subject to social security x
remaining years from the termination date until the age of seniority)

Movement on the provision is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	519	551
Payments during the year	(59)	(32)
Balance at 31 December	460	519

***** Others**

The Board of Directors has decided to give an incentive for workers whose services in the Company is less than eight years as at 31 December 2018 if they wish to terminate their services in the company, by paying 5 times of their monthly salary subject to Social Security or JD 5 thousand whichever is bigger for each year of service. Movement on the provision is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	60	424
Expense during the year	-	152
Paid during the year	-	(516)
Balance at 31 December	60	60

Details of employees' benefit provision in the consolidated statement of income are as follow:

	2020 JD ('000)	2019 JD ('000)
Cost of Sale	8,058	8,707
Administrative expenses	1,001	1,110
Selling and marketing expenses	293	310
Russiefah mine expenses	115	137
Other provisions	816	430
	10,283	10,694

The details of other provisions included in the consolidated statement of income are as follows:

	2020 JD ('000)	2019 JD ('000)
End-of-service bonus compensation provision	200	200
Bonus compensation – six months for subsidiaries	116	78
Others	500	152
	816	430

18. ACCOUNTS PAYABLE

	2020 JD ('000)	2019 JD ('000)
Due to associates (Note 37)	18,845	53,273
Due to contractors	17,099	17,086
Due to foreign suppliers	16,594	14,386
Due to local suppliers	3,402	1,751
Electricity Company	2,476	2,880
Others	12,521	9,504
	70,937	98,880

19. ACCRUED EXPENSES

	2020 JD ('000)	2019 JD ('000)
Accrued contractors' expense	9,524	6,398
Fuel, electricity and water expenses	8,505	6,258
Accrued agriculture service fees	7,089	5,984
Mining fees	4,975	1,933
Inventory in transit in custody of contractor (Note 11)	3,357	6,352
Accrued medical insurance for retired employees	2,521	710
Demurrage and unloading expense	1,418	1,443
Sales agents' commissions	824	757
Interest expense	794	1,412
Sales rebates	631	757
Accrued production bonus	584	449
Accrued medical insurance	497	509
Freight and transportation fees	443	3,585
Port fees	266	266
Insurance Company accruals	250	250
Others	1,157	1,488
	42,835	38,551

20. OTHER CURRENT LIABILITIES

	2020 JD ('000)	2019 JD ('000) (Restated note 45)
Provision for settlements with contractors	10,000	7,000
Provisions for associates	8,418	7,806
Deposits and other provisions	7,616	7,060
Refundable tender entrance guarantees	3,300	-
Cash received under letters of guarantees	-	2,357
Contractors retentions	-	2,216
Payments received in advance	-	181
Other	4,524	2,797
	33,858	29,417

21. DUE TO BANKS

This balance represents the utilized amount of overdraft facilities granted by local banks. The ceiling amounted to JD 34,500 thousand as of 31 December 2020 (2019: JD 34,500 thousand) for the JD accounts, and USD 71,500 thousand which amounted to JD 50,622 thousand as of 31 December 2020 (2019: USD 71,500 thousand which amounted to JD 50,622 thousand) for the USD accounts. Average interest rates on those overdrafts facilities ranged between 6.25% to 8% in 2020 (2019: between 7.75% and 9.75%) for the JD accounts, and LIBOR plus 1% to 3.25% for the USD accounts with a maximum rate of 4.5%.

22. INCOME TAX

Income tax expense presented in the consolidated income statement represents the following:

	2020 JD ('000)	2019 JD ('000)
Current year income tax	8,522	15,806
Amount released from deferred tax asset	529	7,642
Prior years income tax	143	183
Deferred tax assets	(743)	(2,019)
	8,451	21,612

(A) Income tax provision

Movement on the provision for income tax is as follows:

	2020 JD ('000)	2019 JD ('000)
Balance at 1 January	14,293	11,337
Income tax expense for the year	8,522	15,806
Prior years income tax	143	183
Transfers to other debit balances	3,762	-
Fees and fines	82	-
Income tax paid	(16,818)	(13,033)
Balance at 31 December	9,984	14,293

(B) Reconciliation of the accounting profit to taxable profit

The details of computed income tax are as follows:

2020	Phosphate JD ('000)	Fertilizer JD ('000)	Indo Jordan JD ('000)	Nippon Jordan JD ('000)	Al Ro'ya JD ('000)	Reconciliations between subsidiaries JD ('000)	Total JD ('000)
Accounting profit (loss)	49,977	(14,568)	17,378	(3,112)	582	(13,733)	36,524
Non-taxable profits	(22,540)	(1,981)	-	-	-	-	(24,521)
Non-deductible expenses	18,712	3,953	-	3,112	-	13,733	39,510
Taxable income	46,149	(12,596)	17,378	-	582	-	51,513
Provision for income tax	7,514	-	886	-	122	-	8,522
Effective income tax rate	15%	-	5%	-	21%	-	-
Enacted income tax rate	31%	6%	7%	6%	21%	-	-

2019	Phosphate JD ('000)	Fertilizer JD ('000)	Indo Jordan JD ('000)	Nippon Jordan JD ('000)	Al Ro'ya JD ('000)	Reconciliations between subsidiaries JD ('000)	Total JD ('000)
Accounting profit (loss)	74,468	(38,217)	20,494	(4,257)	1,454	(11,740)	42,202
Non-taxable profits	(73,786)	(911)	-	-	-	-	(74,697)
Non-deductible expenses	20,579	866	-	4,257	-	-	25,702
Taxable income	21,261	(38,262)	20,494	-	1,454	(11,740)	(6,793)
Provision for income tax	13,397	-	2,118	-	291	-	15,806
Effective income tax rate	18%	-	10%	-	20%	-	-
Enacted income tax rate	31%	5%	6%	5%	21%	-	-

(C) Deferred tax assets

Movement on the deferred tax assets as follows:

	2020	2019
	JD ('000)	JD ('000) (Restated note 45)
Balance at 1 January	39,885	43,394
Additions during the year	743	2,019
Additions to other comprehensive income items	2,497	2,114
Released during the year	(529)	(7,642)
Balance at 31 December	42,596	39,885

The income tax provision for the years ended 31 December 2020 and 2019 was calculated in accordance with income tax law No. (34) for 2014 and it's amendments and in accordance with the Aqaba Special Economic Zone Law No. (32) for 2000 for the company's location in the Aqaba Special Economic Zone. Noting that under the amended law the tax rate was adjusted starting from January 2019 to become 24% income tax + 7% national contribution.

Phosphate Unit

The Company submitted its' tax declarations for the Phosphate Unit for the years 2019 ,2018, 2017 and 2016. The Income and Sales Tax Department has reviewed the records of the Phosphate Unit for the years 2016, 2017 and 2018 and didn't reach to a final settlement up to the date of the consolidated financial statements. The income and Sales Tax Department claimed an additional tax JD 544 thousand for 2016. The company filed a lawsuit to reject these claims.

The income and Sales Tax Department did not review the company's records for 2019 up to the date of the consolidated financial statement.

Fertilizer Unit

The Company submitted its' tax declarations for the Fertilizers Unit for the years 2019 ,2018, 2017, and 2016. The Income and Sales Tax Department/ Aqaba Special Economic Zone Authority has reviewed the records for the year 2016 and didn't reach to a final settlement up to the date of the consolidated financial statements. The income and Sales Tax Department/ Aqaba Special Economic Zone Authority has not reviewed the records for the years 2019, 2018 and 2017 up to the date of the consolidated financial statements.

Jordan India Fertilizer company -

The income tax provision for the years ended 31 December 2020 and 2019 has been calculated in accordance with income tax law number (34) for 2014 and its amendments.

Nippon

No income tax provision was calculated for the years ended 31 December 2020 and 2019 due to excess of deductible expense over taxable revenues for 2019 and 2020.

AL-Ro'ya Transportation Company

The income tax provision for the years ended 31 December 2020 and 2019 has been calculated in accordance with the income tax law number (34) for the year 2014 and its amendments. The Company has submitted its' tax declarations for the year 2019 and has a reached a settlement with income tax department to until the end of 2018.

23. NET SALES/ COST OF SALES

	Net Sales	Cost of sales	Gross profit (Loss)
	JD ('000)	JD ('000)	JD ('000)
Phosphate unit	296,780	163,515	133,265
Fertilizers unit	177,240	180,704	(3,464)
Indo Jordan	79,725	58,245	21,480
Nippon	46,410	45,804	606
Trading in raw materials	6,456	5,389	1,067
	606,611	453,657	152,954

	2020 JD ('000)	2019 JD ('000)
Finished goods as at 1 January (note 11)	49,881	57,714
Production costs (Note 33)	432,816	498,191
Finished goods as at 31 December (note 11)	(29,040)	(49,881)
	453,657	506,024

Fertilizer Unit's production costs include the amounts of JD 2,007 thousand and JD 1,984 thousand for 2020 and 2019 respectively, which represent mining fees on rock phosphate used in the fertilizer unit production (Note 27).

24. SELLING AND MARKETING EXPENSES

	2020 JD ('000)	2019 JD ('000)
Sales commissions	1,355	1,458
Export department expenses	1,124	708
Demurrage and unloading expenses	1,002	615
Governmental fees on agriculture services	896	1,065
Income tax on marine freight	557	416
Bank charges on letters of credit	390	661
Packaging materials	259	424
Demurrage marine late expenses	112	336
Other sales and marketing expenses	1,856	2,190
	7,551	7,873

25. ADMINISTRATIVE EXPENSES

	2020 JD ('000)	2019 JD ('000)
Salaries and wages	8,498	8,144
Post-Retirement Health Insurance contribution	5,730	4,478
End-of-service benefits and compensation fund contributions	1,001	1,110
Social Security contribution	726	672
Employees Saving Fund contributions	264	237
Medical expenses	323	323
Employees' Health Insurance Fund contributions	178	365
Legal expenses and lawyer fees	2,894	2,473
Scientific research and development	638	453
Fees, taxes and stamps	362	469
Depreciation	369	523
Maintenance and administrative expenses	208	261
Rent	164	179
Utilities	110	150
Insurance fees	86	110
Subscriptions and exhibitions	63	130
Travel and per-diems	63	304
Hospitality	47	110
Post and telephone	42	67
Stationery	48	53
Advertising	38	89
Others	2,499	2,666
	24,351	23,366

26. RUSSIEFAH MINE EXPENSES

	2020 JD (‘000)	2019 JD (‘000)
Scientific research and development	722	871
Salaries and wages	147	138
Social Security contribution	16	15
Depreciation	15	50
Company’s contribution in Health Insurance Fund	5	5
Company’s contribution in Saving Fund	-	5
Medical expenses	-	2
Others	115	102
	1,020	1,188

27. MINING FEES

The Group is subject to mining fees to the Jordanian Government on each ton of phosphate rocks exported, sold locally or used in the Group's projects. Mining fees are calculated as 5% of gross revenue or JD 1.42 per ton of phosphate, whichever is higher.

Mining fees incurred for the years 2020 and 2019 are as follows:

	2020 JD (‘000)	2019 JD (‘000)
Mining fees on sold Phosphate	16,775	18,956
Mining fees on Phosphate used by the Fertilizers Unit (Note 23)	2,007	1,984
	18,782	20,940

28. OTHER INCOME, NET

	2020 JD ('000)	2019 JD ('000)
Provision recoveries	4,202	13,295
Income from settlement with contractors	3,254	15,157
Net income from sales of water and energy	2,506	1,897
Income from speed vessels loading	209	532
Dividends income	6	126
(Expense) income from settlement of insurance claims	(338)	2,492
Claims settlement income	-	1,769
Handling income from associates	-	749
Other	276	2,396
	10,115	38,413

29. FINANCE COSTS

	2020 JD ('000)	2019 JD ('000)
Bank interest – Due to Banks	5,449	5,851
Interest on lease obligations (Note 3B)	4,466	4,238
Interest on loans	3,802	6,143
Present value discount for asset replacement cost (Note 6)	717	736
Present value discount on employees housing loan (Note 7)	40	76
	14,474	17,044

30. FINANCE INCOME

	2020	2019
	JD ('000)	JD ('000)
Interest on loans receivable	870	1,472
Interest income on banks' current accounts and deposits	754	720
	1,624	2,192

31. EARNINGS PER SHARE

	2020	2019
Profit for the year attributable to Company's shareholders (thousand JD's)	29,007	21,867
Weighted average number of shares during the year (thousand shares)	82,500	82,500
	JD/Fils	JD/Fils
Basic earnings per share*	0/352	0/265

* The diluted earnings per share attributable to Company's shareholders are equal to the basic earnings per share.

32. SEGMENT INFORMATION

The operating segments are organized and managed separately according to the nature of the products and services provided. Each segment represents a separate unit which is measured according to the reports used by the chief operating decision maker of the Group.

The Phosphate Unit extracts mines and sells phosphate to local and international markets and to associated companies.

The Fertilizer Unit purchases the phosphate from the Phosphate Unit and uses it in the production of Fertilizers, Phosphoric Acid and Aluminum Fluoride to be sold to international and local markets and to associated companies.

Indo-Jordan (Subsidiary) produces phosphoric acid and other chemical by-products and sells them to international markets and associated companies.

Nippon (Subsidiary) produces fertilizers and other chemical by-products and sells to international and associated companies.

The raw material trading unit purchases raw materials and explosives and uses them in mining and fertilizers production as well as selling them in local and international markets and to associated companies.

31 December 2020	Phosphate unit JD ('000)	Fertilizers unit JD ('000)	Indo-Jordan JD ('000)	Nippon JD ('000)	Other JD ('000)	Trading in Raw Materials JD ('000)	Eliminations JD ('000)	Total JD ('000)
Revenues								
External sales	296,780	177,240	79,725	46,410	-	6,456	-	606,611
Inter-segment sales	78,848	1,361	26,470	-	-	24,132	(130,811)	-
Total Sales	375,628	178,601	106,195	46,410	-	30,588	(130,811)	606,611
Gross profit (loss)	133,265	(3,464)	21,480	606	-	1,067	-	152,954
Segment results								
Non-recurring profit	7,827	-	-	-	-	-	-	7,827
Profit (loss) before income tax	49,970	(15,980)	17,378	(3,112)	582	1,419	(13,733)	36,524
Profit (loss) for the year	42,066	(15,505)	16,492	(3,112)	446	1,419	(13,733)	28,073
Group share of loss of associates and joint ventures	12,219	-	-	-	-	-	-	12,219
Non-controlling interest	(934)	-	-	-	-	-	-	(934)
Capital expenditures	1,196	8,877	4,487	99	5	-	-	14,664
Depreciation	2,713	5,202	2,823	728	11	-	-	11,477
Depreciation of right of use assets	4,493	255	98	90	-	-	-	4,936

31 December 2019	Phosphate unit JD ('000)	Fertilizers unit JD ('000)	Indo-Jordan JD ('000)	Nippon JD ('000)	Other JD ('000)	Trading in Raw Materials JD ('000)	Eliminations JD ('000)	Total JD ('000)
Revenues								
External sales	339,317	144,792	104,760	44,642	-	7,282	-	640,793
Inter-segment sales	79,491	3,842	6,688	-	-	32,431	(122,452)	-
Total Sales	418,808	148,634	111,448	44,642	-	39,713	(122,452)	640,793
Gross profit (loss)	143,184	(32,247)	24,544	(1,181)	-	469	-	134,769
Segment results								
Non-recurring profit	22,527	2,545	-	-	-	-	-	25,072
Profit (loss) before income tax	74,452	(38,452)	20,494	(4,257)	1,454	251	(11,740)	42,202
Profit (loss) for the year	53,363	(36,532)	18,376	(4,257)	1,131	249	(11,740)	20,590
Group share of loss of associates and joint ventures	8,520	-	-	-	-	-	-	8,520
Non-controlling interest	(1,277)	-	-	-	-	-	-	(1,277)
Capital expenditures	1,634	7,816	4,430	402	-	-	-	14,282
Depreciation	7,333	13,181	2,869	1,048	-	10	-	24,441
Depreciation of right of use assets	4,452	254	98	-	-	-	-	4,804

Assets and Liabilities as at 31 December 2020	Phos-phate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Assets	474,164	230,082	115,649	25,956	6,081	851,932
Investment in associates and joint ventures	292,264	-	-	-	-	292,264
Liabilities	453,309	65,438	13,860	1,320	693	534,620

Assets and Liabilities as at 31 December 2019 (Restated note 45)	Phos-phate unit	Fertilizers unit	Indo-Jordan	Nippon	Other	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Assets	486,099	246,427	104,216	24,813	4,975	866,530
Investment in associates and joint ventures	306,675	-	-	-	-	306,675
Liabilities	505,072	61,521	9,835	650	858	577,936

Geographical segments

Following is a summary of sales by geographical areas:

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Raw Materials	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2020						
Asia	194,900	126,126	75,528	38,844	-	435,398
Australia	-	-	-	2,471	-	2,471
Europe	9,176	9,361	-	1,443	-	19,980
Africa	-	10,047	4,197	-	-	14,244
South America	-	5,095	-	-	-	5,095
North America	-	25,675	-	3,510	-	29,185
Associated and joint ventures companies in Jordan	92,696	-	-	-	-	92,696
Other	8	936	-	142	6,456	7,542
	296,780	177,240	79,725	46,410	6,456	606,611

	Phosphate unit	Fertilizers unit	Indo-Jordan	Nippon	Raw Materials	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
2019						
Asia	226,944	116,778	97,579	28,806	-	470,107
Australia	-	-	-	7,376	-	7,376
Europe	-	13,379	-	7,755	-	21,134
Africa	-	13,057	4,451	704	-	18,212
South America	10,262	891	-	-	-	11,153
Associated and joint ventures companies in Jordan	102,096	-	-	-	-	102,096
Others	15	687	2,730	1	7,282	10,715
	339,317	144,792	104,760	44,642	7,282	640,793

The Group operates in the Hashemite Kingdom of Jordan; accordingly, all of its assets and liabilities are within the territory of Jordan, except for the Indonesian project – Petro Jordan Abadi Company and Kaltime Jordan Abadi Company which are located in Indonesia.

33. PRODUCTION COSTS

	2020	2019
	JD ('000)	JD ('000)
Work in progress beginning balance	16,206	20,787
Add:		
Mining contractors	147,608	180,446
Raw materials	108,010	122,107
Raw materials purchases	5,389	6,813
Salaries and other benefits	69,011	71,962
Utilities	23,570	29,034
Spare parts and consumables	17,127	19,009
Fuel and oil	12,922	16,470
Depreciation	11,036	23,768
Others	27,586	24,001
Less: Work in progress ending balance	(5,649)	(16,206)
	432,816	498,191

34. SALARIES AND EMPLOYEES BENEFITS

	2020 JD ('000)	2019 JD ('000)
Salaries and allowances	57,173	57,604
End-of-service and indemnity Fund	11,606	11,909
Social security contribution	7,490	7,107
Employees medical expenses	3,303	3,164
Saving Fund	2,117	2,108
Employees family's health insurance	2,031	3,311
Paid end-of-service indemnity	1,481	1,413
Employees meals subsidy	944	793
Present value of end-of-service bonus compensation	200	200
	86,345	87,609

35. NEW PHOSPHATE PORT TERMINAL EXPENSES

	2020 JD ('000)	2019 JD ('000)
Amortization (Note 6)	6,359	6,359
Salaries, wages and other benefits	1,579	2,019
Water and electricity	1,263	1,481
Rent and workers' wages	698	159
Property and equipment insurance	590	603
Depreciation on right of use asset	28	368
Others	583	271
	11,100	11,260

36. COMMITMENTS AND CONTINGENCIES

Guarantees and letters of credit

On the date of the consolidated financial statements, the Group has potential contingencies in the form of letters of credit and issued guarantees as at 31 December 2020 with an amount of JD 35,223 thousand and JD 1,382 thousand respectively (2019: JD 24,664 thousand and JD 1,278 thousand respectively).

The Group has guaranteed the syndicated bank loan and credit facilities granted to the Jordan Abyad Fertilizers and chemicals Company (Associate Company) managed by Jordan Ahli Bank with a percentage of 130% of its share of the Company's capital amounting to 27.38%, as the Group's share until the date of 31 December 2020 totaled a JD 13,688. On 16 November 2016, Jordan Ahli Bank recorded an amount of JD 7,639 thousand to the company's account, which represents the syndicated bank loan installment and credit facilities granted and interest due on the Company, except that the company does not have active balances with Jordan Ahli Bank as at 31 December 2019 and 2020. Accordingly, an agreement between Jordan Abyad Fertilizers and Chemicals Company, and Jordan Ahli Bank has been reached to reschedule loans granted to the Company, also an agreement between the partners and the bank has been reached to consider the payment that the bank recorded on 16 November 2016 on the Jordan Phosphate company account as part of the debt that was rescheduled and due on the Jordan Abyad Fertilizers and Chemicals Company. In addition, the group has taken a provision against its share of the Company's capital according to the requirements of IFRS (9) due to the substantial uncertainty about the ability of the Jordan Abyad Fertilizers and Chemicals Company to continue its operation as a going concern entity. Knowing that by the end of year 2019, the Jordan Abyad Fertilizers and Chemicals Company was unable to pay the interest due on loans.

Jordan Ahli bank has filed a lawsuit against Abyad Company and its guarantor shareholders to claim due payments on the syndicated loan (Finance lease).

The Group and the other shareholders of the Jordan Indian Fertilizer Company, each in accordance with its contribution, signed a guarantee agreement in 2011 to guarantee the loans of IFC and European Bank of Investment amounting to USD 335.5 million. The Group's share as at 31 December 2020 amounted to a total of JD 34,616 thousand.

During 2011, the Group guaranteed the loan granted to the Petro Jordan Abadi – The Indonesian Project with its percentage share in the company capital which amounts to 50%. As of 31 December 2020, the value of the Groups shares amounted to JD 32,226 Thousand.

The Group recorded provision against probable contingent liabilities may raise from letters of credit and issued guarantees amounted to JD 30,000 Thousand as of 31 December 2020 (2019: JD 30,000 thousand).

Litigation

The Group is a defendant in a number of lawsuits and claims in the ordinary course of business totaling approximately JD 3,325 thousand. The management of the Group believes that these lawsuits will not have a material effect on the consolidated financial statements.

Moreover, the Group has litigations related to transactions with main contractors and suppliers of the Group, the summary of these litigations are as follows:

Manajem for Mining Development (Associate)

The Group is plaintiff:

In August 2017, the Company filed a lawsuit against Manajem for Mining Development in the amount of JD 99,046 thousand as a result of breaching the execution of Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which located in Mine number (2) North of Shidya Mine) in addition to compensation of damages resulted from contract breach by Manajem as estimated based on technical experience. The case is pending at the court of cassation.

The Group is defendant:

Manajem for Mining Development filed a lawsuit against Jordan Phosphate Mines Company in November 2017 in respect of compensation of damages as a result of the contact termination, the penalty is estimated at JD 91,461 thousand which represents 20% of the mining contract amounted to JD 457,306 thousand approximately. In 2018, the court decided to conduct the required experience and calculate the value of the 20% of the contract value and decided to appoint an expert and ask him to carry out the task entrusted to him, According to the court's decision issued during the month of January 2020, the case was dismissed. Manajem for Mining Development challenged court decision at court of cassation and the case is still pending.

In November 2017, Manjem for Mining Development filed a lawsuit against Jordan Phosphate Mines Company claiming several amounts related to Phosphate Mining Contract (removal of overburden, Mining and crushing Phosphate A1, A2, A3) in area number (1) which is located in Mine number (2) North of Shidya Mine) in an amount of JD 15,533 thousand, the case is still pending at the Court of First Instance of Amman.

During the months of October and November of 2019, Manajem filed two lawsuits against Jordan Phosphate Mines Company on the subject of a financial claim of JD 3,558 thousand and JD 229 thousand. The Company has submitted a response list within the legal period and the cases are still pending.

During February 2020, Manajem for Mining Development Company filed a lawsuit against the Jordan Phosphate Mines Company on the subject of a financial claim worth JD 82,500 thousand regarding value of works completed, constructions, buildings, machinery and equipment, maintenance, spare parts, maintenance, decrease in value, costs incurred, loss of benefits and compensation for material and moral damages. The case is still pending at the appellate court.

During September 2020, Manjem for Mining Development Company filed a lawsuit against Jordan Phosphate Mines Company on the subject of a financial claim worth JD 2,359 thousand regarding value of works completed according to tenders. Jordan Phosphate Mines Company has deposited an amount of JD 1,152 thousand at the court fund in account of the aforementioned lawsuit in order to settle all the claims listed in the lawsuit's list. The lawsuits are still pending.

Arkan for constructions Company (Associate)

The Group is plaintiff:

During September 2019, the Group filed a lawsuit against Arkan Company for Construction (Associate Company) to claim an amount of JD 5,718 thousand related to the default in payment of the final settlement of the overburden removal contract, and phosphate mining (A1, A2) in the area of dragline quarries (DL1, DL2, DL3, DL4) in Shidya mine in addition to the legal interest, fees and expenses. The case is still pending at the Amman Court of First Instance.

The Group is defendant:

In May 2019 Arkan Company for Construction has filed a lawsuit against Jordan Phosphate Mines Company claiming compensation for completed works that Jordan Phosphate Mines Company failed to settle in an amount of JD 5,122 thousand relating to the contract for the removal of overburden, and phosphate mining (A1, A2) in the dragline area. The case is still pending at the appellate court.

Arkan Company for Construction filed a lawsuit against Jordan Phosphate Mines Company in May 2019 claiming a compensation for material and moral damages in addition to financial claims related to the cost of vehicles that were purchased for a tender issued by Jordan Phosphate Mines Company but was not awarded to Arkan Company, in addition to the vehicles depreciation, compensation for the decrease in value and administrative expenses with a total amount of JD 17,500 thousand. The case is still pending at the court of first instances.

Arkan Company for Construction filed a lawsuit against Jordan Phosphate Mining Company during September 2019 on the subject of preventing a financial claim of JD 10,841 thousand relating to the contract for the removal of overburden and phosphate mining (A1, A2) in the area of draglines' quarries. The case is still pending at the Court of First Instance of Amman.

Arkan Company for Construction filed a lawsuit against Jordan Phosphate Mines Company in September 2019 with a claim of JD 2,376 thousand regarding phosphate mining, reduction of humidity rates and prices differences. The case is still pending at the Amman Court of First Instance.

Arkan Company for Construction filed a lawsuit against the Jordan Phosphate Mines Company during the month of November 2019 on the subject of a financial claim worth JD 30,000 thousand as a result of Phosphate Mines Company's bids offering and its failure to comply with the partnership agreement. The Company has submitted a response list within the legal period and the case is still pending.

Site Group

There is an arbitration case which was formed between Jordan Phosphate Mines Company and Site Group, where Site Group filed its claim in the amount of JD 1,494 thousand which represents the remaining due amount related to the Wells Project Construction Contract. On 22 September 2017 Jordan Phosphate Mines Company filed a counter- claim for uncompleted works amounted to JD 6,212 thousand. On 19 July 2020 the court issued a sentence which was not in the favor of the Group, accordingly the Group refused the decision at the Amman court of appellate and the case is still pending

Jordan Ahli bank

Jordan Ahli bank filed lawsuits against Abyad Company (Associate Company) and its guarantor shareholders to claim due payments on the syndicated loan (Finance lease) worth JD 26,727 thousand, US dollars 23,554 thousand, JD 823 thousand and US dollars 15,266 thousand. Lawsuits are still pending noting that the precautionary seizure was placed on a part of the company's immovable funds. The Group maintains a provision of an amount of JD 13,688 thousand, which represents the group's share of the loan guarantee included within other provisions.

Income and sales tax department

The Group filed a lawsuit against income and sales tax department to reject the additional claims of JD 544 thousand for the year 2016 and the litigation is still under process (Note 22).

Obligations related to rehabilitation of mines and factories

The Group's activities are represented in industrial and mining rights, which may have an impact on the environment. The Group performed the environmental impacts study, and in the opinion of the management, there are no impacts that may result in environmental obligations, as at 31 December 2020.

37. RELATED PARTY TRANSACTIONS

Related parties represent balances with associated companies, major shareholders, directors and key management of the Group and the companies in which they are major shareholders in.

The Group entered into transactions with the associates, joint ventures, related parties and the Hashemite Kingdom of Jordan government in its normal course of business with pricing, policies and term.

The following is a summary of related parties' transactions for the years ended 31 December 2020 and 2019:

	Related parties			Total	
	Associated Companies and Joint Ventures	Government of Jordan*	Others**	2020	2019
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
Consolidated statement of financial position items:					
Accounts receivable***	79,924	-	19,197	99,121	57,022
Accounts payable	18,845	-	261	19,106	54,220
Loans receivable ***	15,147	-	-	15,147	15,147
Accrued expenses	-	12,597	-	12,597	8,399
Off consolidated statement of financial position items:					
Guaranteed loans	80,530	-	-	80,530	97,206
Consolidated statement of income items:					
Sales	92,696	-	210,933	303,629	288,809
Purchases	87,049	-	5,528	92,577	107,040
Mining fees	-	18,782	-	18,782	20,940
Port fees	-	5,119	-	5,119	4,163
Other income	5,523	-	310	5,833	15,918
Land lease	-	9,401	-	9,401	9,042

* The Group purchases goods and services from companies/ institutions owned by the Government of Jordan (Major shareholders). The total amounts paid to these companies/ institutions amounted to JD 85,589 thousand and JD 96,932 thousand for the years ended 31 December 2020 and 2019 respectively.

** Others include balances and transactions with Jordan Phosphate Mines Company partners in associated companies and projects.

*** Balances of accounts and loans receivable are shown in net after deducting expected credit loss amounted to JD 11,044 thousand and JD 3,150 thousand as of 31 December 2020 (2019: JD 9,416 thousand and JD 2,777 thousand). Expected future cash inflows from Jordan Abyad Fertilizers Company's loan was discounted using the market weighted average interest rate.

The following is a summary of the compensation (salaries, wages and other benefits) of the key management personnel:

	2020 JD ('000)	2019 JD ('000)
Salaries and bonuses of senior executive management	557	664
Bonuses and transportation of the Board of Directors	367	322

The value of end-of-service indemnity compensation paid to key management personnel whose service ended during 2020 amounted to JD nil (2019: JD 913 thousand).

Main transactions with the Government of Jordan:

The nature of the main transactions with related parties was as follows:

- The Company is liable to pay mining fees to the Government of Jordan at rates determined by the government from time to time.
- The Company has leased the lands on which the mining activities are performed at Sheydieh, Hasa and Abyad mines from the Treasury / Department of Land and Survey.
- The Company has leased the land which the Industrial complex was built on from the Aqaba Development corporation Company/ Aqaba Special Economic Zone Authority.
- The Company has leased the land which the New Phosphate Port was built on from the Aqaba Development Corporation Company/ Aqaba Special Economic Zone Authority for (Note 6).

38. MATERIAL PARTLY OWNED SUBSIDIARIES

The Group has only one subsidiary which has a material non non-controlling interest balance as follows:

Company name	Country of incorporation	Nature of activity	Non-controlling interest	
			2020	2019
Nippon Jordan Fertilizers Company Limited	Jordan	Production and sale of fertilizers and chemical by-products	30%	30%

Summarized financial information of these subsidiaries are provided below. This information is based on amounts before inter-company elimination.

Accumulated balances of material non-controlling interest	2020 JD ('000)	2019 JD ('000)
Nippon Jordan Fertilizers Company Limited	4,396	5,330

Profit attributable to material non-controlling interest	2020 JD ('000)	2019 JD ('000)
Loss of Nippon Jordan Fertilizers Company Limited	(934)	(1,277)
Dividends of Nippon Jordan Fertilizers Company Limited	-	(255)

A. Financial position

	2020 JD ('000)	2019 JD ('000)
Current assets	19,617	18,199
Non-current assets	5,991	6,175
Current liabilities	(10,825)	(6,393)
Non-current liabilities	(236)	(320)
Difference between book and market value at acquisition	107	107
Total equity	14,654	17,768
Non-controlling interest in equity	4,396	5,330

B. Profit and loss

	2020 JD ('000)	2019 JD ('000)
Sales revenue	53,348	58,115
Cost of sales	(52,814)	(58,233)
Gross profit (loss)	534	(118)
Sales and marketing expenses	(1,337)	(1,008)
Administrative expenses	(1,478)	(1,603)
Operating profit	(2,281)	(2,729)
Interest revenue	3	3
Finance cost	(53)	(25)
Other expenses	(62)	(12)
Provision for expected credit losses	(10)	(10)
Provision for Inventory impairment	(646)	(1,441)
Prior year expenses	(64)	(42)
Loss for the year	(3,113)	(4,256)
Other comprehensive income	-	-
Total comprehensive income	(3,113)	(4,256)
Total comprehensive income attributable to non-controlling interest	(934)	(1,277)

C. Statement of cash flow

	2020 JD ('000)	2019 JD ('000)
Operating activities	909	(1,473)
Investing activities	99	(399)
Financing activities	68	(850)
Net increase (decrease) in cash and cash equivalents	1,076	(2,722)

39. FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments include financial assets and financial liabilities.

Financial assets include cash on hand and at banks, trade receivables, debt loans and selected other current assets as well as employee housing loans, financial liabilities include due to banks, accounts payable, lease liabilities and other current liabilities.

Book values of financial instruments do not materially vary from their fair value.

The Group uses the following methods and alternatives of valuating and presenting the fair value of financial instruments:

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

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

	Level 1 JD ('000)	Level 2 JD ('000)	Level 3 JD ('000)	Total JD ('000)
2020				
Financial assets				
Financial assets at fair value through other comprehensive income	115	-	272	387
Financial assets at fair value through profit and loss	212	-	-	212
2019				
Financial assets				
Financial assets at fair value through other comprehensive income	86	-	279	365
Financial assets at fair value through profit and loss	214	-	-	214

40. RISK MANAGEMENT

Coronavirus Spread (COVID – 19)

As a result of the continued impact of the Corona virus (Covid-19) on the global economy and various business sectors and the accompanying restrictions and measures imposed by the Jordanian Government, Management continues to monitor the impact that the COVID-19 pandemic has on the Group, the mining industry and the Jordanian economy, in which the Group operates. Below is the impact of the COVID-19 pandemic on the Group:

A. Revenue recognition

Covid-19 pandemic had significant impact on the decrease in the global prices for phosphate and fertilizers products during the first quarter of 2020 which caused deterioration in the Group's revenues for the period. However, the second half of 2020 witnessed a sharp increase in demand for phosphate and fertilizers products entailed by significant increase in the selling prices which positively impacted the Group's revenues.

B. Interest-bearing loans

Interest rates on interest-bearing loans and borrowings were reduced from an average of 4.91% to 4.26% effective 1 April 2020 as a result of Management' negotiations and decrease in LIBOR rates globally.

C. Impairment of Assets

The Group assessed whether there is an indication that an asset may be impaired at the reporting date and concluded that no such indication exists. The events surrounding the outbreak have not had an impact on the Group's assets.

Management will be continuously assessing the existence of impairment indicators including the fall of stock, decrease of market interest rates and reduced demand and selling prices.

D. Dividends

On 4 March 2020, the Board of Directors decided to propose to the General Assembly in its meeting that will be held during 2020 a cash dividend for 2019 of JD 12,375 thousand representing 15% of share's par value. Due to the COVID-19 outbreak, the Board of Directors reassessed its decision and decided to propose a cash dividend totaling JD 8,250 thousand representing 10% of share's par value.

E. Group's liquidity

Management conducted an analysis which indicates that the solvency position is and will likely remain within the Group's 'Capital Management Framework' targets. Management believes the preparation of the financial statements on a going concern basis remains appropriate.

The extent and duration of such impacts remain uncertain and dependent on future developments that cannot be accurately predicted at this time, such as the transmission rate of the coronavirus and the extent and effectiveness of containment actions taken. Given the ongoing economic uncertainty, a reliable estimate of the impact cannot be made at the date of approval of these consolidated financial statements. These developments could impact the Group's future financial results, cash flows and financial condition.

Interest rate risk

Interest rate risk is the risk that results from the changes in market value or future cash flows of financial instruments as a result of changes in interest rate.

The Group is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits, bank overdraft and term loans).

The following table summarizes the sensitivity analysis for the changes in the interest rates over the profit and loss for the Group as of 31 December computed on the Group's assets and liabilities bearing a variable interest rate, with all other variables held constant, on the consolidated statement of income:

2020	Increase in interest rates	Effect on profit
Currency	Basis points	JD'(000)
JOD	100	(75)
USD	100	(1,023)

The effect of the decrease in the interest rates by 100 basis points is expected to be equal and opposite to the effect of the increases shown above.

2019	Increase in interest rates	Effect on profit
Currency	Basis points	JD'(000)
JOD	100	40
USD	100	(1,338)

All other effective variables held constant.

Share price risk

The following table demonstrates the sensitivity of the Group's consolidated statement of income (for financial assets at fair value through profit and loss) and cumulative changes in fair value (for financial assets at fair value through other comprehensive income) to reasonably possible changes in equity prices, with all other variables held constant.

2020	Change in Index	Effect on Profit	Effect on Equity
Index	%	JD ('000)	JD ('000)
Amman Stock Exchange	5	11	6
2019	**Change in Index**	**Effect on Profit**	**Effect on Equity**
Index	%	JD ('000)	JD ('000)
Amman Stock Exchange	5	11	4

The effect of decreases in equity prices with the same percentages is expected to be equal and opposite to the effect of the increases shown above.

Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss.

Accounts Receivables

The Group seeks to limit its credit risk with respect to banks by only dealing with reputable banks and with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The majority of the Group's sales are carried out through letters of credit.

The Group sells its products to a large number of phosphate and fertilizers customers. Its largest 7 customers account for 50% of outstanding accounts receivable as at 31 December 2020 (2019: largest 7 customers account for 36%).

Other financial assets

For credit risks resulted from other financial assets, which includes cash and bank deposits. The Group exposure results from the risk that one party fall to discharge obligations that equals the net book value of these financial assets.

Liquidity risk

Liquidity risk is defined as the Group failure to provide the required funding to cover its obligations at their respective due dates.

The Group manages its liquidity risk by ensuring that bank facilities are available when needed.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December 2020 and 2019, based on contractual payment dates and current market interest rates.

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
	JD ('000)	JD ('000)	JD ('000)	JD ('000)	JD ('000)
As of 31 December 2020					
Due to banks	1,862	81,974	-	-	83,836
Accounts payable	70,937	-	-	-	70,937
Term loans	-	26,040	36,344	22,206	84,590
Lease contracts liabilities	80	7,192	29,620	87,694	124,586
Total	72,879	115,206	65,964	109,900	363,949
As of 31 December 2019					
Due to banks	2,005	88,271	-	-	90,276
Accounts payable	98,880	-	-	-	98,880
Term loans	-	36,778	45,314	28,021	110,113
Lease contracts liabilities	1,188	5,845	35,034	60,732	102,799
Total	102,073	130,894	80,348	88,753	402,068

Currency risk

Most of the Group's transactions are in Jordanian Dinars and US Dollars. The Jordanian Dinar exchange rate is fixed against the US Dollar (USD 1/41 JD). Accordingly, the Group is not exposed to significant currency risk in relation to the US Dollar.

41. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains 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. No changes were made in the objectives, policies or processes during the years ended 31 December 2020 and 31 December 2019.

Capital comprises paid in capital, statutory reserve, voluntary reserve, special reserve and retained earnings, and is measured at JD 605,454 thousand as at 31 December 2020 (2019: JD 590,253 thousand).

42. DIVIDENDS

The General assembly for the Group approved in its ordinary meeting held on 3 June 2020 to distribute dividends to its shareholders amounted to 10% of the stock par value from 2019 profits.

The General assembly for the Group approved in its ordinary meeting held on 20 April 2019 to distribute dividends to its shareholders amounted to 20% of the stock par value from 2018 profits.

43. 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 2023 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.

This standard is not applicable on the group.

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

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

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

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and must be applied retrospectively.

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements.

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately.

At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively.

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

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment.

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

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making.

The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities.

General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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

IFRS 9 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received by the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment.

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

IBOR reform Phase 2

IBOR reform Phase 2, which will be effective on 1 January 2021, includes a number of reliefs and additional disclosures. The reliefs apply upon the transition of a financial instrument from an IBOR to a risk-free-rate (RFR).

Changes to the basis for determining contractual cash flows as a result of interest rate benchmark reform are required as a practical expedient to be treated as changes to a floating interest rate, provided that, for the financial instrument, the transition from the IBOR benchmark rate to RFR takes place on an economically equivalent basis.

IBOR reform Phase 2 provides temporary reliefs that allow the Group's hedging relationships to continue upon the replacement of an existing interest rate benchmark with an RFR. The reliefs require the Group to amend hedge designations and hedge documentation. This includes redefining the hedged risk to reference an RFR, redefining the description of the hedging instrument and / or the hedged item to reference the RFR and amending the method for assessing hedge effectiveness. Updates to the hedging documentation must be made by the end of the reporting period in which a replacement takes place. For the retrospective assessment of hedge effectiveness, the Group may elect on a hedge by hedge basis to reset the cumulative fair value change to zero. The Group may designate an interest rate as a non-contractually specified, hedged risk component of changes in the fair value or cash flows of a hedged item, provided the interest rate risk component is separately identifiable, e.g., it is an established benchmark that is widely used in the market to price loans and derivatives.

For new RFRs that are not yet an established benchmark, relief is provided from this requirement provided the Group reasonably expects the RFR to become separately identifiable within 24 months. For hedges of groups of items, the Group is required to transfer to subgroups those instruments that reference RFRs. Any hedging relationships that prior to application of IBOR reform Phase 2, have been discontinued solely due to IBOR reform and meet the qualifying criteria for hedge accounting when IBOR reform Phase 2 is applied, must be reinstated upon initial application.

The additional exemptions and disclosures are not expected to have a material impact on the Group.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted.

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

IAS 41 Agriculture – Taxation in fair value measurements

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued amendment to IAS 41 Agriculture. The amendment removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets within the scope of IAS 41.

An entity applies the amendment prospectively to fair value measurements on or after the beginning of the first annual reporting period beginning on or after 1 January 2022 with earlier adoption permitted.

The amendments are not applicable to the Group.

44. Comparative figures

Some of 2019 figures have been reclassified in order to conform with the presentation of 2020 figures. Such classification does not affect previously reported profit or equity.

45. Restatement of prior years

As referred to in note 17, the Group changed the accounting treatment of the Death and Compensation fund from defined contribution plan to defined benefit plan as a result of the Group reconsideration of the assumptions used to estimate the Death and Compensation fund's ability to meets its obligations which shows the raise of contractual obligations on the Group which resulted in restatement of prior years.

Impact on the consolidated statement of financial position as at 1 January 2019:

Consolidated statement of financial position:	Before restatement	Prior years restatement	After restatement
Non-current Assets -	JD ('000)	JD ('000)	JD ('000)
Deferred tax assets	18,944	24,450	43,394
Equity -			
Retained earnings	368,587	(86,495)	282,092
Current liabilities -			
Provisions for employees' benefits	1,168	13,143	14,311
Other current liabilities	28,650	14,114	42,764
Non-current liabilities -			
Provisions for employees' benefits	2,827	83,688	86,515

Impact on the consolidated statement of financial position as at 31 December 2019:

Consolidated statement of financial position:	Before restatement	Prior years restatement	After restatement
Non-current Assets -	JD ('000)	JD ('000)	JD ('000)
Deferred tax assets	13,321	26,564	39,885
Loans receivable	20,351	(7,981)	12,370
Other current assets	2,476	4,780	7,256
Current Assets -			
Other short-term current assets	58,465	(13,688)	44,777
Short term loans receivable	2,817	(2,817)	-
Equity -			
Retained earnings	373,954	(91,201)	282,753

	Before restatement	Prior years restatement	After restatement
Non-current liabilities -	JD ('000)	JD ('000)	JD ('000)
Provisions for employees' benefits	2,808	83,329	86,137
Current liabilities -			
Provisions for employees' benefits	772	14,719	15,491
Other current liabilities	29,406	11	29,417

Consolidated statement of comprehensive income:

	Before restatement	Prior years restatement	After restatement
	JD ('000)	JD ('000)	JD ('000)
Actuarial losses from the revaluation of a defined benefit plan	-	4,706	4,706

Changing the accounting treatment for the death and compensation fund from defined contribution plan to defined benefit plan did not have a significant impact on income statement items hence, the consolidated statement of income was not restated.

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