شركة مصفاة البترول الأردنية المساهمة المحدودة
عمـــان
المملكة الأردنية الهاشمية

Jordan Petroleum Refinery Co. Ltd.
Amman
Hashemite Kingdom of Jordan

الرقــم : 2/25/51/1/1/

التاريخ : 2021/03/31

Ref.:

Date:

معالي رئيس هيئة الأوراق المالية الأكرم

الموضوع : الإفصـــــــاح

تحيــة طيبــة وبعــد ،،،

لاحقاً لكتابنا رقم 2/25/51/1/1/تاريخ 2021/03/29 وبالإشارة إلى تعليمات إفصاح الشركات المصدرة والمعايير المحاسبية ومعايير التدقيق يسرنا أن نرفق لمعاليكم القوائم المالية الموحدة للسنة المنتهية في 31 كانون الأول 2020 مع تقرير مدقق الحسابات المستقل باللغة الإنجليزية.

وتفضلــوا بقبــــول فائــــق الإحتــــرام ،،،

المهندس عبد الكريم علاوين

الرئـــــيس الـــــتنفـــــيذي

نسخة : مركز ايداع الأوراق المالية

تلفون: ٤٦٣٠١٥١ ، ٤٦٥٧٦٠٠ (٦) (٩٦٢)
فاكس: ٤٦٥٧٩٣٤ ، ٤٦٥٧٩٣٩ (٦) (٩٦٢)
ص.ب: ٣٣٩٦ عمان ١١١٨١ – الأردن

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JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020
TOGETHER WITH INDEPENDENT
AUDITOR'S REPORT

JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
DECEMBER 31, 2020

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Independent Auditor's Report

AM / 000573

To the Shareholders of
Jordan Petroleum Refinery Company
(A Public Shareholding Limited Company)
Amman - Jordan

Report on Audit the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan Petroleum Refinery Company (The "Company") and its subsidiaries (The "Group"), which comprise the consolidated statement of financial position as at December 31, 2020, and the consolidated statements of profit or loss , comprehensive income, changes in owners' equity and 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 consolidated financial position of the Group as at December 31, 2020, and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to note (18/H) of the consolidated financial statements, which describes that there are negotiations between Jordan Petroleum Products Marketing Company (a subsidiary Company) and the Ministry of Finance over entitlement rights of petroleum products import pricing differences from refinery gate price described in IPP which is in favor of either the subsidiary Company or Ministry of Finance amounting to JD 8.9 million classified in payables and other credit balances. Our opinion is not qualified in respect of this matter.

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Key Audit Matters
Key audit matters, in our professional judgment, are the most significant matters in our audit of the consolidated financial statements of the current year. 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.

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.

A description was provided on how to examine each of the matters referred to below in the audit procedures:

Key Audit Matter	Scope of the Audit to Address the Risk
Ministry of Finance Balance – The Relationship: As at December 31, 2020, the Company had an amount owing by the Ministry of Finance ("MOF") of JOD 68 million related to refinery and gas activities. We have considered the above matter as Key Audit Matter due to the following circumstances: • We were unable to confirm the balance as at December 31, 2020. • An offsetting agreement was reached between the Company and Ministry of Finance to offset the outstanding balances as of September 30, 2020 through offsetting the balances due to Ministry of Finance with the balances due from Ministry of Finance of JOD 138 million. This agreement required that the balances be audited and agreed by the MOF before they could be offset against each other. • The volume of transactions which take place between the Group and the MOF. Refer to note (9-E) for more details relating to this matter.	We performed the following procedures in relation to this balance: • We obtained an understanding of the relationship between the Group and the MOF. • We identified the relevant controls over the recording of the balance with the MOF. • We assessed the design of these controls and determined if they had been implemented appropriately. • We obtained and reviewed all correspondence between both parties. • We read the board of directors and audit committee minutes of meeting to determine if there were any matters which needed to be taken into account when determining the balance with the MOF. • We obtained a reconciliation which reconciled the movement of the balance from September 30, 2020 to December 31, 2020 and tested the movements by performing the following procedures: • Recalculating the amounts of various classes of transactions. • Testing transactions on a sample basis where recalculation was not possible. • Vouching payments and receipts to cash disbursement records. • We determined if there were any indications that the transactions recorded as part of this amount were incomplete by reviewing cash disbursements and receipts subsequent to the reporting date. We assessed the disclosure in the consolidated financial statements relating to this matter against the requirements of IFRSs.

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Other Matter
The accompanying consolidated financial statements are a translation of the statutory consolidated financial statements in the Arabic language to which reference should be made.

Other Information
Management is responsible for the other information. The other information comprises the other information in the annual report excluding the consolidated financial statements and the independent auditor thereon, which is expected to be made available to us after the date of our audit report.

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

In connection with our audit of the annual report, 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.

Responsibilities of Management and Those Charged with Governance for the Group 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.

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 ISA's, we exercise professional judgement 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 risk, 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 the one resulting from error, as fraud may involve collusion, forgery, intentional omission, 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 internal control.

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- 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 evidenced obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company 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 represents 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 performers of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Report on other Legal and Regulatory Requirements
The Company maintains proper accounting records which are in agreement with the accompanying consolidated financial statements. We recommend that the General Assembly of Shareholders approve these consolidated financial statements after taking into consideration the matter set out in the Emphasis of Matter section of our report.

Deloitte & Touche (Middle East) - Jordan

Amman – Jordan
March 29, 2021

Deloitte & Touche (M.E.)
ديلويت آند توش (الشرق الأوسط)
010103

JORDAN PETROLEUM REFINERY COMPANY
(A PUBLIC SHAREHOLDING LIMITED COMPANY)
AMMAN - JORDAN
CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31	
	Note	2020	2019
		JD	JD
ASSETS			
Current Assets:			
Cash on hand and at banks	6	14,034,372	21,856,935
Receivables and other debit balances	9	507,344,997	598,548,250
Crude oil, finished oil products and supplies	10	296,462,005	396,845,361
Total Current Assets		817,841,374	1,017,250,546
Non-Current Assets:			
Financial assets at fair value through comprehensive income	11	2,257,261	2,294,639
Deferred tax assets	12	13,189,650	9,125,534
Investment property - net	13	815,738	825,286
Property, lands, Equipment and Projects Under Construction - net	14	182,832,939	177,612,799
Intangible Assets - net	15	20,286,282	23,286,282
Right of Use of Assets - net	16	56,747,493	60,798,663
Total Non-Current Assets		276,129,363	273,943,203
TOTAL ASSETS		1,093,970,737	1,291,193,749
LIABILITIES			
Current Liabilities:			
Due to banks	17	579,875,098	472,042,000
Payables and other credit balances	18	205,747,574	457,868,374
Income tax provision	19	675,314	7,646,805
Lease Liability - current portion	16	4,594,836	4,537,175
Commitments resulting from acquisition of a subsidiary - current portion		-	9,417,662
Total Current Liabilities		790,892,822	951,512,016
Non-Current Liabilities:			
Due to death, compensation, and end-of-service indemnity fund	32	40,471,334	41,461,108
End-of-service indemnity provision		37,859	236,369
Lease liability - non-current portion	16	46,586,310	51,085,142
Total Non-Current Liabilities		87,095,503	92,782,619
TOTAL LIABILITIES		877,988,325	1,044,294,635
OWNERS' EQUITY			
Shareholders' equity:			
Authorized and paid-up capital (100,000,000 share at JD 1 per share)	20/A	100,000,000	100,000,000
Statutory reserve	20/B	45,834,122	45,834,122
Voluntary reserve	20/C	26,784,557	17,261,761
Fourth expansion project reserve	20/D	7,609,176	-
Financial assets at fair value reserve - net	21	1,877,537	1,914,915
Retained earnings	22	24,825,896	73,284,319
Difference resulted from purchased of non-controlling interest		(86,472)	(86,472)
Total Shareholders' Equity		206,844,816	238,208,645
Non - controlling Interests	30	9,137,596	8,690,469
Total Owners' Equity		215,982,412	246,899,114
TOTAL LIABILITIES AND OWNERS' EQUITY		1,093,970,737	1,291,193,749
Contra Accounts			
Death, compensation, and end-of-service indemnity fund	32	49,106,868	50,317,022

Chairman of the Board of Directors

Chief Executive Officer

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF PROFIT OR LOSS

	Note	For the Year Ended December 31	
		2020	2019
		JD	JD
Net Sales	23	957,287,733	1,463,355,939
Less: Cost of sales	24	(921,059,887)	(1,344,704,580)
Gross profit from sales		36,227,846	118,651,359
Add: Operating income and other	25	11,778,102	12,094,406
Gross profit		48,005,948	130,745,765
Less: Selling and distribution expenses	26	(50,829,524)	(53,689,778)
General and administrative expenses	27	(13,065,964)	(12,556,507)
Bank interest and commissions		(22,457,727)	(41,743,478)
Indian cylinders losses	28	-	(3,658,008)
Released from lawsuits provision	18	113,842	-
(Provision) expected credit losses	9/J	(4,829,995)	(2,631,148)
Released from (Provision) for slow-moving and obsolete inventory and sediments	10	9,553,951	(1,100,414)
(Provision) for storage fees	18/I	(3,064,510)	(5,049,600)
Released from (Provision) employees' vacations	18	249,822	(176,922)
Released from work injuries compensation	18/F	3,234,886	491,708
Income from storage of strategic inventory		7,842,786	13,296,917
Interest income resulting from government's delay		13,214,896	33,311,028
Lease liabilities interest	16	(2,547,910)	(1,031,031)
Interest resulting from the acquisition of a subsidiary		(88,955)	(1,067,457)
Amortization of intangible assets	15	(3,000,000)	(3,000,000)
(Loss) Profit for the Year before Income Tax		(17,668,454)	52,141,075
Surplus (expense) of Income tax for the year	19	3,390,115	(7,952,273)
(Loss) Profit for the Year		(14,278,339)	44,188,802
Attributable to :			
Company's shareholders	29	(14,326,451)	43,866,972
Non-controlling interests	30	48,112	321,830
		(14,278,339)	44,188,802
(Loss) Profit per share for the year to the Company shareholders - Basic & Diluted	29	(-/143)	-/439

Chairman of the Board of Directors

Chief Executive Officer

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	For the Year Ended December 31, 2020	2019
	JD	JD
(Loss) profit for the year	(14,278,339)	44,188,802
Items that can not be reclassified subsequently to the consolidated statement of Profit or Loss:		
Change in financial assets at fair value reserve - net	(37,378)	287,270
Total (Loss) Comprehensive Income for the Year	(14,315,717)	44,476,072
Total Consolidated Comprehensive (Loss) Income Attributable to:		
Company's shareholders	(14,363,829)	44,154,242
Non -controlling interests	48,112	321,830
	(14,315,717)	44,476,072

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CHANGES IN OWNERS' EQUITY

	Paid-up Capital	Statutory Reserve	Voluntary Reserve *	Financial Assets at Fair Value Reserve - net	Fourth Expansion Project Reserve	Difference resulting from Purchasing Non-controlling Interests	Retained Earnings	Total Shareholders' Equity	Non-Controlling Interests	Total Owners' Equity
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
For the year 2020										
Balance at the beginning of the year	100,000,000	45,834,122	17,261,761	1,914,915	-	(86,472)	73,284,319	238,208,645	8,690,469	246,899,114
Total Comprehensive (Loss) for the year	-	-	-	(37,378)	-	-	(14,326,451)	(14,363,829)	48,112	(14,315,717)
Deducted for reserves	-	-	10,428,215	-	10,428,215	-	(20,856,430)	-	-	-
Transfer from voluntary reserve to fourth expansion reserve***	-	-	(905,419)	-	905,419	-	-	-	-	-
Transfer from fourth expansion reserve to retained earnings**	-	-	-	-	(3,724,458)	-	3,724,458	-	-	-
Dividends paid to shareholders****	-	-	-	-	-	-	(17,000,000)	(17,000,000)	-	(17,000,000)
Change in non - controlling Interests	-	-	-	-	-	-	-	-	399,015	399,015
Balance at the End of the Year	100,000,000	45,834,122	26,784,557	1,877,537	7,609,176	(86,472)	24,825,896	205,844,816	9,137,595	215,982,412
For the year 2019										
Balance at the beginning of the year	100,000,000	43,124,425	16,143,555	1,627,645	-	(368,400)	58,245,250	218,772,475	11,136,726	229,909,201
Total Comprehensive income for the year	-	-	-	287,270	-	-	43,856,972	44,154,242	321,830	44,476,072
Deducted for reserves	-	2,709,697	8,538,579	-	8,538,579	-	(19,786,855)	-	-	-
Transfer from voluntary reserve to fourth expansion reserve***	-	-	(7,420,373)	-	7,420,373	-	-	-	-	-
Transfer from fourth expansion reserve to retained earnings**	-	-	-	-	(15,958,952)	-	15,958,952	-	-	-
Dividends paid to shareholders****	-	-	-	-	-	-	(25,000,000)	(25,000,000)	-	(25,000,000)
Change in non - controlling Interests	-	-	-	-	-	-	-	-	(2,768,087)	(2,768,087)
Difference resulting from purchasing non-controlling interests	-	-	-	-	-	281,928	-	281,928	-	281,928
Balance at the End of the Year	100,000,000	45,834,122	17,261,761	1,914,915	-	(86,472)	73,284,319	238,208,645	8,690,469	246,899,114

* In its ordinary meeting held on June 15, 2020, the General Assembly decided to allocate JD 10,428,215 to the voluntary reserve account from the retained earnings account.

** In its ordinary meeting held on June 15, 2020, the General Assembly decided to allocate JD 10,428,215 to the fourth expansion project reserve account from the retained earnings account. Moreover, the Company paid JD 3,724,458 during the year 2020 from the fourth expansion project reserve account, which represents payments for the basic and detailed design works and the technical and financial consultations related to the project.

*** The Company transferred an amount of JD 905,419 from the voluntary reserve to the fourth expansion project reserve during year 2020, based on the General Assembly of Shareholders' prior approval dated April 27, 2019.

**** In its ordinary meeting held on June 15, 2020, the General Assembly decided to distribute 17% of the authorized and paid-up capital as cash dividends, equivalent to JD 17 million for the year 2019 profits (JD 25 million for year 2018 profits).

\- Profit for the year and retained earnings include an amount of JD 13,189,650 as of December 31, 2020, which represents a deferred tax assets amount its conduct is restricted as per the instructions of the Jordan Securities Commission.

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

JORDAN PETROLEUM REFINERY COMPANY

(A PUBLIC SHAREHOLDING LIMITED COMPANY)

AMMAN - JORDAN

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	For the Year Ended Ended December 31, 2020	2019
		JD	JD
CASH FLOWS FROM OPERATING ACTIVITIES:			
(Loss) Profit for the year before tax		(17,668,454)	52,141,075
Adjustments for:			
Depreciation of property and equipment and investment property	13 & 14	12,320,726	21,046,378
Depreciation of right-of-use assets - subsidiary	16	3,726,975	3,634,685
Amortization of intangible assets	15	3,000,000	3,000,000
(Released from) provision of employee's vacations - net	18	(249,822)	176,922
(Released from) lawsuits provision	18	(113,842)	-
Interest resulting from acquisition of a subsidiary		88,955	1,067,457
Leased liability interest	16	2,547,910	1,031,031
(Released from) provision for work injuries compensation	18/F	(3,234,886)	(491,708)
(Released from) provision for slow-moving and obsolete and sediments inventory	10	(9,553,951)	1,100,414
Provision for storage fees	18/I	3,064,510	5,049,600
Losses on Indian cylinders		-	3,658,008
Interest income resulting from Government's delay		(13,214,896)	(33,311,028)
Income from storage of strategic inventory		(7,842,786)	(13,296,917)
Provision for expected credit losses	9/J	4,829,995	2,631,148
Net cash flows (used in) from operating activities before changes in working capital items		(22,299,566)	47,437,065
Decrease in receivables and other debit balances		104,366,430	382,150,091
Decrease (Increase) in crude oil, finished oil products and supplies		110,542,335	(128,145,031)
(Decrease) increase in due to death, compensation, and end-of-service indemnity fund		(989,774)	4,907,750
(Decrease) increase in payables and other credit balances		(243,716,215)	77,026,228
Net Cash Flows (used in) from Operating Activities before Tax and Provisions Paid		(52,096,790)	383,376,103
Income tax paid	19	(7,645,492)	(6,878,090)
Paid from provision for storage fees	18/I	(5,000,000)	(2,250,000)
Paid from provision for slow-moving and obsolete and sediments inventory	10	(491,186)	(1,674,056)
Net Cash Flows (used in) from Operating Activities		(65,233,468)	372,573,957
CASH FLOWS FROM INVESTING ACTIVITIES:			
Change in property, lands, equipment and investment properties - net		(17,531,318)	(39,996,337)
Paid from commitments resulted from acquisition of a subsidiary		(9,506,617)	-
Net Cash (used in) Investment Activities		(27,037,935)	(39,996,337)
CASH FLOWS FROM FINANCING ACTIVITIES:			
Increase (decrease) in due to banks		107,833,098	(298,903,016)
Dividends distributed to shareholders		(17,000,000)	(25,000,000)
Paid from lease liability	16	(6,384,258)	(3,784,572)
Net Cash Flows from (used in) Financing Activities		84,448,840	(327,687,588)
Net (Decrease) Increase in Cash		(7,822,563)	4,890,032
Cash on hand and at banks - beginning of the year		21,856,935	16,966,903
Cash on Hand and at Banks - End of the Year	8	14,034,372	21,856,935
Non-cash transactions			
Transfers from property, lands and equipment - net to right-of-use assets	14	-	11,269,911
Offsetting agreements	9	209,045,757	24,693,097
Transfers from projects under construction to property and equipment	14	2,650,548	8,568,821

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM AND WITH THE ACCOMPANYING AUDITOR'S REPORT.

1. General

The Company was established on July 8, 1956, with a capital of JD 4 million. This capital was increased in stages, with the latest being on April 28, 2016, the date on which it was approved, in the Company's extraordinary meeting, to capitalize JD 25 million and distribute it to the shareholders. As a result, the Company's authorized and paid-up capital has reached JD 100 million.

Other than the main units for refining and producing oil derivatives, the Company owns a factory for producing lube-oils, in addition to owning Jordan Petroleum Products Marketing Company (JPPMC). It also owns three liquefied gas filling stations. Moreover, gas cylinders are repaired in a special workshop in an effort to reduce cylinders write-off costs. Furthermore, the accompanying consolidated financial statements include the operations of the main refining units, factories, and directly and indirectly owned subsidiaries.

In addition to refining, producing, and manufacturing petroleum derivatives, the Company imports, transports and distributes these derivatives to some consumers, who receive supplies directly from the Company in addition to manufactures, blends, packs and markets lube-oil and produces, fills and distributes liquefied gas and repairs and maintains empty gas cylinders and imports them. Moreover, Jordan Petroleum Products Marketing Company supplies its stations with petroleum derivatives and maintains these stations kingdom wide.

According to the settlement agreement with the Jordanian Government, dated February 25, 2008, concerning the termination of the concession, the Company has to segregate some of its activities through establishing new companies that are wholly or partially owned by it after the expiry date of the concession agreement on March 2, 2008. During the year ended December 31, 2008, the Company established two subsidiaries wholly owned by it, namely: Jordan Liquefied Petroleum Gas Manufacturing and Filling Company and Jordan Lube Oil Manufacturing Company, in order to separate the gas filling and Lube Oil production activities. However, none of these Companies have conducted any commercial activities yet, and the Company is still in the process of segregating its other activities. During 2013, the Company established Jordan Petroleum Products Marketing Company (JPPMC), which is fully owned by Jordan Petroleum Refinery Company.

The Company's consolidated financial statements were approved by the Board of Directors, in its meeting held on March 24, 2021, and are subject to the General Assembly of Shareholders' approval.

2. The Concession Agreement

a. The concession agreement between the Company and the Jordanian Government expired on March 2, 2008. Consequently, the Company signed a settlement agreement with the Jordanian Government on February 25, 2008, concerning the expiry of the concession, which was approved by the Company's General Assembly in its extraordinary meeting dated March 22, 2008. Moreover, no agreement has been reached regarding the eligibility for retaining the balances of the provision for expected credit losses and provision for slow-moving and obsolete and sediments inventory. As a result of the agreement between the Company and the Jordanian Government, the Ministry of Finance issued Letter No. 4/18/28669, dated August 29, 2019. The letter stated the ministry's approval that the Company should clear its tanks from sediments and water, that the Government should bear the associated costs, and that the Company should write off the materials, spare parts, and supplies no longer needed and transfer the surplus balance from the provision for slow- moving and obsolete and sediments inventory to the Ministry of Finance. The letter also included the ministry's approval for the Company to retain the balance of expected credit losses provision. In the event the Company recovers any amounts recorded within the provision, such amounts will be taken to the account of the Ministry of Finance.

b. The Company's profit for the period ended April 30, 2018, and for the years from 2012 until 2017, has been calculated according to the Council of Ministers' resolution, taken in its meeting held on September 13, 2012, which was stated in the Prime Minister's Letter No. 31/17/5/24694, dated September 17, 2012, and approved by the Company's General Assembly, in its extraordinary meeting held on November 8, 2012. This includes the following:

1. Through the oil derivatives pricing mechanism, annual net profit of JD 15 million after tax shall be achieved for the Jordan Petroleum Refinery Company while keeping the changes in the Company's expenses within the normal rates. Otherwise, the Government should be consulted concerning any deviations therefrom.

2. The Government has the right to appoint an external auditor (public accountant) to audit the Company's financial statements for the purposes stipulated by the Government.

3. Profit from the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company, and any other profit from other future companies owned by it and operating according to licenses issued by the Ministry of Energy and Mineral Resources or the sector regulator, shall be excluded from the above-mentioned profit, provided that their standalone financial statements or their own accounts are separated.

4. The Lube–Oil Factory's profit shall be excluded from the above-mentioned profit, provided that the Lube-Oil Factory is charged with the related fixed and variable costs, whether directly or indirectly, and its standalone financial statements or accounts are separated.

5. The liquefied gas (LPG) activity profit shall be excluded from the above-mentioned profit, provided that its standalone financial statements or its own accounts are separated.

6. The profit granted to Jordan Petroleum Refinery Company of 10 cents/barrel from refining the Iraqi crude oil shall also be excluded from the above-mentioned profit, provided that this profit is subjected to income tax.

7. The current or future financial statements shall not be charged with any prior years' provisions or expenditures, except for the committed provisions or expenditures (provisions and employees' rights, provision for expected credit losses, provision for the writing-off of gas cylinders, provision for lawsuits raised against the Company, provision for slow-moving, obsolete and sediments inventory, provision for self-insurance, etc.), provided that these provisions and financial statements are audited by the Government.

8. The above applies to the year 2011 until the end of the transitional period of (5) years, starting from the date the marketing companies commenced their expected work as of September 1, 2012. Moreover, the marketing and selling of Jordanian petroleum products companies started their operations as of May 1, 2013. Meanwhile, the financial relationship between the Company and the Government was terminated, and the above resolution was suspended on May 1, 2018, according to the Council of Ministers' Resolution No. (7633), taken in its meeting held on April 30, 2018.

   The calculated profit difference was recorded according to this method when calculating profit according to the commercial basis in the Ministry of Finance's account for the period ended April 30, 2018, and for the years from 2011 until the end of the year 2017, under the item of profit settlement with the Government. Moreover, the results of the liquefied gas business activities were not excluded from the profit mentioned in item (5) above, despite the fact that the Council of Ministers' Resolution No. (7633), taken in its meeting held on April 30, 2018, has set the commission for filling gas cylinders for the period from May 1, 2018 to December 31, 2018 at 43 JD per ton sold, and filling liquefied gas rate of return on investment for calculating the commission amount at 12% per annum. Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated, when calculating the filling stations' commission amount, in the subsequent period upward / downward. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard. Moreover, the Company has already provided the Energy Sector Regulatory Authority with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. At the same time, the Company has provided the entities appointed by the said ministry with all the required data, and these authorities provided the Ministry of Energy and Mineral Resources with the final report. No decision has yet been made by the Government to determine the final commission amount, which reflects the rate of return on investment at a rate of 12% annually, in accordance with the above- mentioned Council of Ministers' Resolution No. (7633).

3. End of the Relationship with the Government

According to the meeting minutes regarding the Company's future operations signed on September 13, 2012, the financial relationship between Jordan Petroleum Refinery Company and the Government of Jordan as of May 1,2018. In its meeting held on April 30, 2018, the Council of Ministers issued Resolution No. (7633), extending the exemption of oil derivatives from Jordan Petroleum Refinery Company's refining activity from implementing the Jordanian specifications throughout the period of implementation of the Fourth Expansion Project as of May 1, 2018, provided that commitment is made regarding the project implementation stages and that Jordan Petroleum Refinery Company's production may not exceed 46% of the local market needs for non-conforming oil derivatives specification. The resolution also mandated the Ministry of Finance to follow up on the implementation of procedures concerning the below points, and submit any related observations to the Council of Ministers:

1. The Ministry of Finance shall calculate the amounts due to Jordan Petroleum Refinery Company until April 30, 2018, and such amounts shall be paid in installments during the years 2018, 2019 and 2020 with interest thereon of (30%, 40% and 30%). Moreover, these amounts shall be paid after the issuance of the General Budget Law and before the end of the second quarter of each year for the same year until full repayment in the year 2020. Meanwhile, the Ministry of Finance shall provide Jordan Petroleum Refinery Company with a letter stating the amounts due to the Company as of April 30, 2018, and guaranteeing their payment with interest at the actual cost borne by the Company during the above period at the said rates. As a result of the Government's failure to comply with the above resolution, and based on the agreement between the Company and the Government, the Council of Ministers' Resolution No. (6399) was taken in its meeting held on September 9, 2019. The resolution stipulated that the Company shall borrow an amount equivalent to about JD 457 million from banks to pay part of the balance of debts due to the Company from the Government until December 31, 2018. In return, the Ministry of Finance shall pledge to pay the loans and interest thereon to the assigned banks. During the first half of October 2019, the Company withdrew JD 455,505,000 from the banks assigned by the Ministry of Finance. Accordingly, the Ministry of Finance issued pledges to the banks regarding payment of the loans installments and interest thereon. Consequently, the Company deducted the withdrawn amounts totaling JD 455,505,000 from the balance of receivables due from the security authorities, ministries, departments, government agencies, and the Ministry of Finance in accordance with the agreement between the Company and the Ministry of Finance signed on June 16, 2020, as well as signed by the Minister of Finance, following the Council of Ministers' approval of the agreement and the authorization of the Minister of Finance to sign the agreement on behalf of the Jordanian Government, under the Council of Ministers' Resolution No. (9158), taken in its meeting held on March 24, 2020. Moreover, the Ministry of Finance has also committed itself to repaying all loan amounts and interest thereon to banks, as these amounts have been allocated within the General Budget Law for the year 2020 under the item "Loans Installments for Handling Government Arrears", according to the Ministry of Finance's Letter No. (18/4/9200), dated May 14, 2020. Meanwhile, the Jordanian Government has paid all the installments and interest thereon to the assigned banks on their due date. In the opinion of the Company's management and legal advisors, the Company shall not incur any obligations regarding the loans and pledges above (Note 9 / E).

2. Jordan Petroleum Refinery Company shall treat the sediments and water in the tanks and dispose of the materials no longer needed. Moreover, the slow-moving materials shall be evaluated on April 30, 2018; the cost of the sediment and water, as well as the disposal costs thereof, shall be calculated; and the surplus shall be transferred to the Ministry of Finance. As a result of the agreement between the Company and the Government, the Ministry of Finance issued Letter No. 4/18/28669, dated August 29, 2019, granting approval to the Company to clean its tanks from sediments and water at the Government's expense, and write off materials, spare parts, and supplies no longer needed, and transfer the surplus balance of the provision for slow-moving, obsolete, and sediments inventory to the Ministry of Finance. Accordingly, the Company tendered the treatment of sediments and water, and the awarded company cleaned the bulk of the sediments, and work is still underway to treat the remaining sediments. A specialized committee was also assigned to study the stock of spare parts and other supplies to determine the materials and supplies that can be used, instead of purchasing similar materials, and to identify the materials and supplies no longer needed to write them off. Work is still in progress in this regard (Note 10).

3. Jordan Petroleum Refinery Company shall maintain JD 5 million as a provision for the write-off, repair, and replacement of gas cylinders and transfer the remaining JD 5 million to the Ministry of Finance. If the actual value of the write-off, repair, and replacement of the cylinders exceeds the said amount, the difference shall be transferred from deposits from the Ministry of Finance. If, on the other hand, the actual value is lower, the difference shall be transferred to the Ministry of Finance, provided that this matter is addressed in the future through the pricing mechanism. Accordingly, the Company released an amount of JD 5 million, during the period ended April 30, 2018, which was reflected in the account of the Ministry of Finance, and this action was approved by the Ministry of Finance under its Letter No. 4/18/28669, dated August 29, 2019 (Note 18/D).

4. Jordan Petroleum Refinery Company shall delete the interest of JD 79.2 million on the National Electricity Company's borrowings, provided that settlement is reached between the National Electricity Company and the Government. Moreover, the Company has deleted these amounts from the consolidated statement of financial position pursuant to the Ministry of Finance's Letter No. 18/73/33025, dated November 25, 2018, and addressed to the National Electricity Company. The letter states that the Ministry of Finance shall record the interest as an advance due from the National Electricity Company to the Government at the Ministry of Finance until full payment. In addition, the Ministry of Finance issued its approval to delete the interest of JD 79.2 million on the National Electricity Company's borrowings pursuant to the Ministry of Finance's Letter No. 4/18/28669, dated August 29, 2019. Accordingly, the Company has deleted the interest on the National Electricity Company's borrowings from the Company's records.

5. Jordan Petroleum Refinery Company tax status shall be rectified as regards the inclusion of tax in the selling prices bulletin of oil derivatives (IPP) after the refinery gate price. In this respect, the refinery gate price does not include general and special taxes. Instead, taxes are included afterwards, collected from the marketing Companies, and forwarded to the State Treasury. Meanwhile, the Income and Sales Tax Department's Letter No. (20/4/347), dated February 16, 2021, included the Department's approval to collect taxes on the Company's sales to the three marketing companies through the marketing companies only. In this regard, the Company is not obligated to pay taxes on its sales to the marketing companies. However, it shall only pay tax on sales to other customers (Note 9/F).

6. The Government shall bear any taxes, government fees, or tax differentials during its relationship with the Company, since the Company is guaranteed profit after tax during that period (Note 9/F) / (Note 18/B).

7. Gasoline (95) used for the mixing process to produce gasoline (90) and (95) shall be exempted from the tax differences between import and sale in accordance with the Council of Ministries' Resolution No. (6953), taken in its meeting held on March 19, 2018. Moreover, the necessary procedures shall be facilitated concerning the implementation of the Council of Ministers' Resolution No. (13363), taken in its meeting held on January 3, 2016, related to exempting the Company's imports sold to the marketing companies inside the kingdom. In this respect, the resolution prescribes exempting Jordan Petroleum Refinery Company from general and special taxes, as of May 1, 2013, on the quantities sold exclusively to the marketing companies inside the kingdom. The resolution also prescribes resolving all pending issues with the Customs Department and completing all customs statements, whether pending at the Customs Department or the Jordan Standards and Metrology Organization before the relationship with the Government expired. Moreover, a committee was formed by the Ministry of Finance and the Ministry of Energy and Mineral Resources comprising representatives from the Jordan Customs Department, the Income and Sales Tax Department, and Jordan Petroleum Refinery Company. During October 2019, the said committee completed its work and submitted its final report to the Ministry of Finance and the Ministry of Energy and Mineral Resources. Consequently, the Ministry of Finance and the Ministry of Energy and Mineral Resources approved the quantities stated in the committee's report, and the Customs Department prepared and exempted the customs statements according to the above resolutions. Meanwhile, the customs statements amounts subject to general and special taxes were specified. In this connection, the Company submitted a request to the Ministry of Finance to offset the general and special taxes included in the non-exempt customs statements that are not covered by the above resolutions against part of the Ministry of Finance's liability (the main account). In return, the Customs Department approved the said request on March 16, 2020, and the clearing committee approved the offsetting request submitted by the Company based on the instructions, mechanism, and bases of the Offsetting Process No. (1) for the year 2017, which includes the approval to offset the amounts owed to the taxpayer, the Jordan Petroleum Refinery Company, against the amounts due to the General Customs Department, which represent the value of the general and special sales tax on the imports of the Jordan Petroleum Refinery Company of JD 58,042,756 on July 6, 2020. The aforementioned offsetting was carried out, and all customs statements pending at the Customs Department were completed (Note 9 / F) / (Note 18 / B).

8. The Government's strategic inventory, which has been quantified and valued, shall be transferred to the Jordan Oil Terminals Company (JOTC), provided that the value of this inventory is settled later. Additionally, Jordan Petroleum Refinery Company started transferring the strategic inventory to JOTC during April 2018, and is still transferring the quantities to JOTC according to the quantities requested by JOTC and the Ministry of Energy and Mineral Resources and JOTC's storage capacity. Meanwhile, the Company transported the Government's aviation fuel to the Royal Jordanian Air Force during July 2020, and the Government's asphalt material to the Ministry of Works during the year 2020, at the request of the Ministry of Energy and Mineral Resources. During February 2021, the Company exported the Government's fuel oil at the request of the Ministry of Energy and Mineral Resources. It also received a letter from the Ministry of Finance and the Ministry of Energy and Mineral Resources that includes the Government's sale of crude oil to the Company as of the beginning of March 2021 on the basis of crude oil prices issued by Aramco for March 2021. Moreover, the Ministry of Finance's approval has been received regarding the final settlement of the inventory amount and quantity according to the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019 (Note 34).

9. The Ministry of Finance shall maintain the provision for doubtful debts (expected credit losses provision). If any debt that arises during the relationship with the Government is written off, the Ministry of Finance shall commit to paying it to Jordan Petroleum Refinery Company. Under the agreement between the Ministry of Finance and the Company, the Ministry of Finance agreed that the Company shall retain the balance of the provision for doubtful debts (provision for expected credit losses). In case the Company recovers any receivable amount recorded within the provision, the recovered amount shall be taken to the Ministry of Finance's account pursuant to the Ministry of Finance's Letter No. 4/18/28669, dated August 29, 2019 (Note 9/J).

10. The rate of return on investment shall be determined for LPG filling stations for the purpose of calculating the commission at (12%). Moreover, the commission amount for the period from May 1, 2018 to December 31, 2018 shall be set at JD 43 per ton. Any surplus/shortage arising from the increase/decrease in the rate of return on investment compared to the targeted value shall be treated, when calculating the filling stations' commission amount, in the subsequent period. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or entail a subsidy by the Treasury / Ministry of Finance in this regard. Moreover, the Company has already provided the Energy Sector Regulatory Authority with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020, which reflects the return on investment for this activity at 12% annually. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. At the same time, the Company provided the entities appointed by the Ministry of Energy and Mineral Resources with all the required data, and these entities provided the Ministry of Energy and Mineral Resources and the Energy Sector Regulatory Authority with the final report, and no resolution has been made up to date by the Government regarding the final commission value that reflects the rate of return on investment of 12% annually according to the above-mentioned Council of Ministers' Resolution No. (7633). In this regard, the Company is still negotiating with the Government to reach an agreement regarding the final commission amount (Note 28).

11. The rental value of the assets transferred from the Company to Jordan Petroleum Products Marketing Company (JPPMC) shall be calculated according to the Land and Survey Department's approved rate of (8 %) on the land and buildings valued at JD 4.9 million from these buildings transfer date up to date. Moreover, the Company insists on rejecting the above clause, as the transferred assets are owned by Jordan Petroleum Refinery Company under the concession expiry agreement which stipulated that the stations are owned by Jordan Petroleum Refinery Company and that they are transferred to the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company. In addition, the Company has the right to dispose of its assets legally pursuant to Article (236) of the Civil Law. Meanwhile, the assets were transferred at their net book value in the same manner assets were transferred at their net book value to other marketing companies under the agreement signed between the three marketing companies and the Ministry of Energy and Mineral Resources. Moreover, the concession expiry agreement stipulated that the Jordan Petroleum Products Marketing Company owned by Jordan Petroleum Refinery Company applies to other marketing companies. As a result of the negotiations between the Company and the Government, it was agreed that the Ministry of Finance would recommend to the Council of Ministers cancellation of this item, and accordingly, the Council of Minsters issued Resolution No. (1080) in its meeting held on January 24, 2021, which included considering this item as cancelled from the Council of Ministers' Resolution No. (7633), taken in its meeting held on April 30, 2018, and not claiming from the Jordan Petroleum Refinery Company a rent allowance for the assets transferred to the Jordan Petroleum Products Marketing Company (a subsidiary company).

- In implementation of the Council of Ministers' Resolution No. (11110), taken in its meeting held on August 16, 2015, and the Resolution of the Company's General Assembly, taken in its meeting held on November 8, 2012, the land swap between Aqaba Special Economic Zone Authority (ASEZA) and Jordan Petroleum Refinery Company took place during September 2019. In the swap, (ASEZA) ceded (6) plots of land of an area of (442) acres to Jordan Petroleum Refinery Company. In return, the Company ceded its own plot of land No. (23), Parcel (13), Tract (13) of an area of approximately (88) acres, located within the southern port tract to (ASEZA).

4. Commencing Operations on Commercial Terms after Termination of Relationship with the Government

1. The Company recorded delay interest on the Ministry of Finance's due and unpaid balances at the effective borrowing rate starting from May 1, 2018 according to the Council of Minister's Resolution No. (7633), taken in its meeting held on April 30, 2018.

2. Effective from May 1, 2018, the Company has discontinued calculating interest at 0.5% per annum on the debts of Alia Jordan Airlines Company - Royal Jordanian, and has applied the effective borrowing rate based on the debt repayment agreement signed between the two parties. In addition, these companies' balances have been matched, and the balance due from Alia Jordan Airlines Company - Royal Jordanian and the discount deposits due to this company have been offset under the agreement signed between the two companies on November 26, 2019 (Note 9/C).

3. The Company has recorded fees for storing the Government-owned strategic inventory at an amount of JD 3.5 per cubic meter according to the storage capacity for each material based on the Ministry of Finance's Letter No. 18/4/33072, dated November 25, 2018.

4. Profit settlement with the Government calculation has been discontinued, and the related balance has been recognized in the consolidated statement of profit or loss up to April 30, 2018, according to the Council of Ministers' Resolution No. (7633), taken in its meeting held on April 30, 2018. The resolution terminated the relationship between the Company and the Jordanian Government, and consequently, the Company started operating on a commercial basis on May 1,2018 (Note 28).

5. During 2020, the Company recorded an amount of JD 7,535,589 as revenue against the commission difference of filling the cylinders according to the Council of Ministers' Resolution No. (7633), taken in its meeting held on April 30, 2018. This resolution has set the commission amount for the period from May to December 2018 at JD 43 per ton sold. Accordingly, the Company recorded an amount of JD 18 per ton sold, representing the commission difference included in the (IPP) pursuant to the aforementioned resolution, and in consistency with the year 2018. Meanwhile, the Government has not amended the oil derivatives price bulletin (IPP) up to date, and the commission for the years 2019 and 2020 has not been determined yet, which reflects the return on investment of 12% annually. After agreement on the final amount of the commission is reached, its financial impact shall be reflected in the subsequent fiscal periods.

5. Significant Accounting Policies

Basis of Preparation of the Consolidated Financial Statements

- The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and related interpretations.

- The consolidated financial statements are stated in Jordanian Dinar.

- The consolidated financial statements have been prepared in accordance with the historical cost principle except for financial assets and financial liabilities, which are stated at fair value at the date of the consolidated financial statements.

- The accounting policies adopted for the preparation of the consolidated financial statements for the current year are consistent with those applied in the year ended December 31, 2019, except for the effect of the adoption of the new and amended standards mentioned in Note (6-B).

- The following are the most significant accounting policies:

a. Basis of Consolidation of the Financial Statements

- The consolidated financial statements include the financial statements of the Company and its subsidiaries under its control. Moreover, control is achieved when the Company has authority over the investee company, it is exposed to variable returns or holds rights for participating in the investee company, and it is able to exercise its authority over the investee company, which affects the investee company's revenue.

  Control is achieved when the Company:

  - Has the ability to control the investee company.
  - Is exposed to variable returns or has the right to variable returns resulting from its association with the investee company.
  - Has the ability to use its authority to influence the investee's returns.

- The Company re-evaluates its control over the investee Company if the facts and circumstances indicate changes to the above control elements.

- The subsidiaries' financial statements are prepared for the same financial year of the parent company, using the same accounting policies as those of the parent company. If the subsidiaries adopt accounting policies different from those of the parent company, the necessary adjustments are made to the subsidiaries' financial statements to conform to the accounting policies of the parent Company.

- The subsidiaries' results of operations are consolidated in the consolidated statement of profit or loss from the date of their acquisition, which is the date on which effective control over the subsidiary takes place. The results of the disposed-of subsidiaries are consolidated in the consolidated statement of profit or loss up to the disposal date, which is the date on which the Company loses control over the subsidiaries.

  The Company has control power when the voting rights are sufficient to grant it the ability to direct the activities of the related subsidiary unilaterally. The Company takes into consideration all the facts and circumstances in assessing whether the Company has voting rights in the investee company that enable it to exercise or not exercise control. Among these facts and circumstances are the following:

  - The size of the Company's holding of voting rights relative to the size and distribution of other voting rights.
  - Potential voting rights held by the Company and any other voting rights or third parties.
  - Rights arising from other contractual arrangements.
  - Any additional facts and circumstances indicating that the Company has or does not have an existing responsibility for directing the relevant activities at the time of making the required resolutions, including how to vote at previous General Assembly meetings.

When the Company loses control over any of its subsidiaries, the Company:

- Derecognizes the subsidiary's assets (including goodwill) and liabilities.
- Derecognizes the book value of any non-controlling interest.
- Derecognizes the cumulative transfer differences recognized in owners' equity.
- Derecognizes the fair value of the consideration received.
- Derecognizes the fair value of any investment held.
- Derecognizes any surplus or deficit in the consolidated statement of profit or loss.
- Reclassifies the Company's owners' equity previously recognized in the consolidated statement of comprehensive income to the consolidated statement of profit or loss or retained earnings, as appropriate.

As of December 31, 2020, the Company owns the following subsidiaries, either directly or indirectly:

Company's Name	Authorized Capital	Ownership Percentage	Location	Establishment Date	Note
	JD	%			
Jordan Petroleum Products Marketing Company	65,000,00	100	Amman	February 12, 2013	Operating
Hydron Energy LLC	5,000,000	100	Amman	April 29, 2003	Operating
Jordan Liquefied Petroleum Gas Manufacturing and Filling Company (Paid 50%)	4,000,000	100	Amman	May 28, 2008	Non-operating
Jordan Lube - Oil Manufacturing Company (Paid 50%)	3,000,000	100	Amman	May 28, 2008	Non-operating
AL-Nuzha and Istiklal Gas Station for Fuel and Oil Company	5,000	60	Amman	January 8, 2014	Operating
Al-Markzeya Gas Station for Fuel Trade Company	10,000	100	Amman	May 28, 2014	Operating
Al-Karak Central Gas Station for Fuel Company	5,000	60	Al Karak	November 26, 2014	Operating
Al-Khairat for Fuel Company	5,000	100	Al Karak	November 11, 2014	Operating
Rawaby Al-Queirah Gas Station for Fuel and Oil Company	5,000	60	Al Aqaba	June 22, 2015	Operating
Al-Aon for Marketing and Distribution Fuel products Company	1,005,000	60	Amman	January 10, 2016	Operating
Jordanian German for Fuel Company	125,000	60	Amman	October 8, 2015	Operating
Qaws Al-Nasser for Fuel Stations Management Company	3,000	100	Irbid	December 29, 2014	Operating
Al-Tariq Al-Da'ari Gas Station for Fuel Company	5,000	60	Amman	June 10, 2015	Operating
Al Kamel Gas Station for Oil and Fuel Company	5,000	60	Amman	February 26, 2017	Operating
Al-Wadi Al-Ablad Gas station for Fuel Company	5,000	60	Amman	August 4, 2015	Operating
Al-Muneirah Gas Station for Fuel and Oil Company	5,000	100	Amman	November 6, 2014	Operating
Al-Tanmwieh Al-A'ola Gas Station for Fuel Company	5,000	60	Amman	November 19, 2015	Operating
Al Qastal Gas Station for Oil and Fuel Company	5,000	60	Amman	June 19, 2017	Operating
Taj Amon Gas Station for Fuel Company (Paid 50%)	5,000	80	Amman	September 20, 2017	Operating
Al Shira' Gas Station for Fuel and Oil Company (Paid 50%)	5,000	95	Aqaba	February 19, 2017	Non-operating - under renovation
Al-Fallaq Gas Station for Fuel and Oil Company (Paid 50%)	5,000	60	Amman	July 7, 2020	Non-operating - under renovation

- Jordan Petroleum Products Marketing Company (JPPMC) was established on February 12, 2013 with total assets of its own and of its subsidiaries of JD 322,450,338, while its total liabilities and those of its subsidiaries amounted to JD 239,955,649 as of December 31, 2020. The Company's consolidated losses amounted to JD (3,316,556), with non-controlling interest of JD 48,112, as of December 31, 2020. Moreover, the Company has started operating gradually since May 1, 2013, and part of Jordan Petroleum Refinery Company's distribution activity assets have been transferred at their net book value to JPPMC (a subsidiary company). The said transfer was mandatory to transfer the distribution activity to JPPMC. In addition, some employees of Jordan Petroleum Refinery Company have been assigned to work for JPPMC, which shall bear their employment costs. In the meantime, the task of providing consumers with oil derivatives has been transferred to JPPMC, except for asphalt, fuel oil, and gas clients, and some oil clients of security authorities. The required legal procedures to conclude the assets ownership transfer to JPPMC were completed.

- Jordan Petroleum Products Marketing Company received a marketing commission of 12 fils per each liter sold and a retail commission of 15 fils per each liter sold until August 31, 2018. The retail commission has been amended to 18 fils per each liter sold as of September 1, 2018. Moreover, Jordan Petroleum Products Marketing Company receives other commissions representing evaporation loss allowance and transport fees according to the oil derivatives selling price bulletin (IPP).

b. The following are the most significant accounting policies adopted by the Company:

Inventory
The value of inventory is determined at cost or realizable value, whichever is lower. Moreover, cost is determined according to the weighted average method. A provision is booked for slow-moving, obsolete, and sediments inventory and water in the Company's tanks, and the cost of eliminating them.

Financial Assets at Fair Value through Other Comprehensive Income
These financial assets represent investments in equity instruments for the purpose of retaining them over the long term.

- These assets are stated at fair value plus acquisition costs on acquisition and subsequently revalued at fair value. The change in fair value is reflected in the consolidated statement of comprehensive income and in owner's equity, including the change in fair value arising from translation differences of non-monetary assets denominated in foreign currencies. In case of the sale of these assets or part thereof, the resulting profit or loss is taken to the consolidated statement of comprehensive income and to the consolidated statement of changes in owner's equity. The fair value reserve balance of the financial assets sold is transferred directly to retained earnings and not through the consolidated statement of profit or loss.

- Dividend income is recognized in the consolidated statement of profit or loss.

Fair Value
The closing prices (assets acquisition / sale of liabilities) at the date of the consolidated financial statements in active markets represents the fair value of the financial instruments and derivatives that have market prices.

In case declared market prices do not exist, or active trading of some financial instruments and derivatives is not available, or the market is inactive, fair value is estimated by one of several methods including the following:

- Comparison with the present market value of a very similar financial instrument.

- Analysis of future cash flows and expected discounted cash flows at a rate used for a similar financial instrument.

- Adoption of options pricing models.

- The long-term non-interest bearing assets and liabilities are evaluated according to discounted cash flows at the effective interest rate. Moreover, the discounted interest is recorded within received interest income in the consolidated statement of profit or loss.

  The evaluation methods aim at obtaining a fair value that reflects market expectations and considers market factors and any expected risks or benefits upon evaluating financial instruments.

Financial Instruments
Financial assets and financial liabilities are recognized in the Company's consolidated statement of financial position when the Company is a party to the contractual provisions of the financial instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities are added to the fair value of the financial assets or financial liabilities or, where appropriate, deducted therefrom at initial recognition.

Financial Assets
Financial assets are recognized when the Company becomes a party to the contractual provisions of the instrument. Financial assets are initially measured at fair value. Transaction costs directly attributable to the acquisition or issuance of financial assets (other than financial assets at fair value through profit or loss) are added to the fair value of financial assets or financial liabilities or deducted therefrom, where appropriate, at initial recognition.

All fully recognized financial assets are subsequently measured either at amortized cost or at fair value based on the classification of the financial assets.

Classification of Financial Assets
Debt instruments that meet the following conditions are subsequently measured at amortized cost:

- The asset is acquired in a business model intended to hold assets to collect contractual cash flows.
- The contractual terms of the instrument on specific dates will result in cash flows that are only payments of principal and interest on the principal of the outstanding amount.

All other financial assets are measured at fair value.

Amortized Cost and Effective Interest Method
An effective interest method is a method of calculating the amortized cost of a debt instrument and allocating interest income over a particular period.

The effective interest rate is the rate that exactly discounts the expected future cash payments (including all fees and points paid or received that are an integral part of the effective interest rate, transaction costs and other premiums, or other discounts), except for expected credit losses, over the expected life of the debt instrument or, if appropriate, over a shorter period, to net book value at initial recognition. With respect to financial assets acquired or impaired, the adjusted effective interest income is determined by discounting the future expected cash payments, including the provision for expected credit losses, on the amortized cost of financial assets at initial recognition.

Foreign Exchange Currencies Gain and Losses
The book value of financial assets recorded in foreign currency is determined and translated at the rate prevailing at the end of each reporting period. For financial assets measured at amortized cost that are not part of a specific hedging relationship, currency differences are recognized in the consolidated statement of profit or loss.

Impairment of Financial Assets
The Company recognizes an allowance for expected credit losses on accounts receivable and checks under collection and updates the expected credit losses on each reporting date to reflect changes in creditworthiness since the initial recognition of the related financial instrument.

The Company constantly records the expected credit losses over their lifetime for accounts receivable and checks under collection. Moreover, the expected credit losses for these financial assets are estimated, using an allowance matrix based on the Group's past credit loss experience, and adjusted in line with the factors relating to the debtors and general economic conditions. Moreover, both the current and future trends are assessed on the reporting date, including the time value of money, as appropriate.

For all other financial assets, the Company recognizes the expected credit losses over their lifetime if there has been a significant increase in credit risk since initial recognition. The expected credit loss over their lifetime represents the expected credit losses that will arise from all probable defaults on payment over the expected lifetime of the financial instrument.

Provision for Expected Credit Losses
The Company has adopted a simplified approach to recognize expected credit losses over the life of its receivables and checks under collection as permitted by IFRS No (9). Accordingly, non-impaired trade receivables that do not contain a significant financing component have been classified as part of the second stage with the recognition of expected credit losses over their lifetime.

An allowance for the expected credit loss should be recorded over the life of the financial instrument if the credit risk on that financial instrument has increased significantly since initial recognition. Moreover, the expected credit losses are a probable weighted estimate of the present value of the credit loss. This value is measured as the present value of the difference between the cash flows due to the Company according to the contract and the cash flows that the Company expects to receive arising from the weighting of several future economic scenarios, discounted at the effective interest rate of the asset.

The Company assesses whether there is an objective evidence of impairment in value on an individual basis for each asset of individual value and collectively for other assets that are not individually significant.

Write-off of Financial Assets
The Company writes off financial assets when there is information indicating that the debtor is experiencing financial difficulties, and there is no realistic probability of recovery, for example. When the debtor is placed under liquidation or is in bankruptcy proceedings, or when accounts receivable are overdue for more than 12 months or more, accounts receivable are examined on a customer-by-customer basis, whichever is earlier.

The Company may continue to exert collection efforts regarding the written-off financial assets in an endeavor to recover receivables, taking into account legal advice, where appropriate. Any recoveries are recognized in the consolidated statement of profit or loss.

Derecognition of Financial Assets
The Company derecognises a financial asset only when the contractual rights related to the cash flows receivable from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another Company. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the transferred asset and the associated liability for amounts the Company may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's book value and the amount of the consideration received or receivable is recognised in the consolidated statement of profit or loss.

Classification as Debt or Equity Instruments
Debt and equity instruments are classified either as financial liabilities or as owners' equity in accordance with the substance of the contractual arrangements, the definitions of the financial liability, and the owners' equity instrument.

Equity Instruments
An equity instrument is defined as a contract that proves ownership of the remaining shares of a company's assets after deducting all its liabilities. The equity instruments issued are recorded with the proceeds received net of the direct issue cost.

The re-acquisition of the Company's owners' equity instruments is recognized and deducted directly in owners' equity. No gain or loss is recognized in the consolidated statement of profit or loss when purchasing, selling, issuing, or canceling the Company's owners' equity instruments.

Financial Liabilities
All financial liabilities are subsequently measured at amortized cost, using the effective interest method or at fair value through profit or loss.

Financial liabilities that are not from the following are subsequently measured at amortized cost, using the effective interest method:

- Probable consideration for the acquired company in a business combination.
- Held for trading.
- Designated at fair value through profit or loss.

Trade and other payables classified as "financial liabilities" are measured initially at fair value less transaction costs, and are subsequently measured at amortized cost, using the effective interest method. Interest expense is recognized on an effective yield basis.

The effective interest method is the method of calculating the amortized cost of a financial liability and allocating interest expense over the particular period. The effective interest rate is the rate that exactly discounts expected future cash payments within the expected life of the financial obligation or, where appropriate, a shorter period.

Derecognition of Financial Liabilities
The Company derecognizes financial liabilities when they are discharged from their obligations or when such obligations are canceled or expired. The difference between the book value of the derecognized financial liability and the consideration paid or payable is recognized in the consolidated statement of profit or loss.

Property and Equipment:
Property and equipment are stated at cost, net of accumulated depreciation and other impairments, and are depreciated (except for land) when ready for use, according to the straight-line method over their expected useful lives at annual rates as follows:

	%
Buildings	2 – 4
Machinery and production equipment	10
Machinery and support services equipment	10
Tanks and pipelines	4
Electrical supplies and equipment	10
Products loading units	10
Vehicles	15
Office furniture and fixtures	5 - 10
Library and training equipment	10
Distribution stations assets	20
Other property equipment	10
Computers	40

- When the recoverable amount of any property and equipment becomes less than its net book value, its value is reduced to the recoverable amount, and the impairment loss is charged to the consolidated statement of profit or loss.

- The useful lives of property and equipment are revalued at the end of each year. If the expected useful lives differ from previous estimates, the change is recorded in subsequent years, being a change in estimate.

- Property and equipment are derecognized when disposed of or when no future benefits are expected from their use or disposal.

Intangible Assets

Intangible assets are stated at cost and classified on the basis of either definite or indefinite useful life. Intangible assets with definite useful lives are amortized over their estimated lives at an annual rate of 10%, and any indications of impairment in the value of intangible assets as of the consolidated financial statements date are reviewed. Furthermore, the estimated useful lives of the intangible assets are reassessed, and any amendments are made in the subsequent period.

Any indications to impairment in intangible assets are reviewed at the consolidated financial statements date. Furthermore, the estimated useful lives for these assets is reviewed as well, and any impairment is recognized in the consolidated statement of profit or loss.

No intangible assets arising from the Company's operations are capitalized. Instead, they are recorded as an expense in the consolidated statement of profit or loss.

- Goodwill:
  - Goodwill is recognized at cost, which represents the excess amount paid to acquire or purchase cash-generating units owned by other companies over the Company's share in the net fair value of these units' assets and liabilities at the acquisition date.
  - Goodwill is recognized as an intangible asset in a separate item, and subsequently, reduced by any impairment losses.
  - Goodwill is distributed over the cash-generating unit(s) for the purpose of testing the impairment in its value.
  - In case the cash-generating units are sold, goodwill value is considered upon determining the amount of profit or loss resulting from the selling transaction.

- Trademark:
  A trademark is a special mark or indicator used by the Company to indicate that the products or services provided to the consumer which the trademark appears on are originating from a single source and to distinguish its products or services from the products and services of other parties.

- Operating Lease contracts:
  Operating lease contracts are recognized at the value that the Company will incur in order to replace the stations of the acquired companies whose fixed assets have been purchased through operating lease contracts.

Investment Property

Investment property is stated at cost less accumulated depreciation (except for lands), and any impairment loss is recognized in the consolidated statement of profit or loss. The operating income or expenses of these investments are recognized in the consolidated statement of profit or loss and depreciated (except for lands) using the straight-line method over their expected useful lives at annual depreciation rates ranging from 2 - 20%.

Taxes

- A provision for income tax is booked through estimating the expected tax liabilities. Moreover, the realized differences in income tax are recorded in the consolidated statement of profit or loss when paid upon reaching a final settlement with the Income Tax Department.

- Deferred taxes are expected to be paid or recovered due to temporary timing differences between the value of the assets or liabilities in the consolidated financial statements and the value on the basis of which taxable income is calculated. Furthermore, deferred taxes are calculated using the liability method in the consolidated statement of financial position according to the tax rates expected to be applied at the time of tax liability settlement or the recognition of the deferred tax assets.

- At the consolidated financial statements date, the balance of deferred tax assets and liabilities is reviewed and reduced in case it is expected that the Company would not benefit, in whole or in part, from the deferred tax assets, the tax liability is settled, or the tax asset is no longer needed.

Revenue Recognition
The Company recognizes revenues mainly from selling ready-made oil derivatives and mineral oils, providing storage services, and filling gas cylinders.

Revenue is measured at the fair value of the consideration received or receivable (net of returns and discounts) of the contracts with customers, and the amounts collected on behalf of others are excluded. Revenue is recognized when the Company transfers control of a product to the customer and the goods are shipped to a certain location (delivery). After delivery, the customer bears the primary responsibility when selling the goods, as well as the risk of obsolescence and loss related to the goods. Receivables are recognized by the Company when the goods are delivered to customers, representing the point at which the right to consideration becomes unconditional. The passage of time is only required before the payment becomes due.

Interest Income and Expenses
Interest income and expense for all financial instruments are recognized in the consolidated statement of profit or loss using the effective interest method. The effective interest rate represents the rate at which the estimated future cash flows of a financial instrument are discounted over the life expectancy of the financial instrument or, where appropriate, for a shorter period, to the net book value of the financial assets or financial liabilities. Future cash flows are also estimated by taking into account all contractual terms of the instrument.

Provisions
Provisions are recognized when the Company has obligations on the consolidated statement of financial position date arising from past events or payment of contingent liabilities which can be reliably measured.

Lease Contracts
Accounting policy adopted starting from January 1, 2019
The Company as a lessee
The Company assesses whether a contract is or contains a lease, at the inception of the contract. Moreover, it recognizes a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and assets lease contracts of low value. For these leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be *readily* determined, the Company uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable.
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date.
- The amount expected to be payable by the lessee under residual value guarantees.
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options.
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate-line item in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the book value to reflect interest on the lease liability (using the effective interest method) and by reducing the book value to reflect the lease payments made.

Lease liabilities are re-measured (and a corresponding adjustment to the related right-of-use asset is made) whenever:

- The lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of an exercise of a purchase option, in which case, the lease liability is re-measured by discounting the revised lease payments, using a revised discount rate.

- The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is re-measured by discounting the revised lease payments, using an unchanged discount rate (as long as the lease payments do not change due to a change in the effective interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease contract, in which case the lease liability is re-measured based on the modified lease contract term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective rate on the date of the modification.

Right-of-use assets are depreciated over the period of lease term or useful life of the underlying asset (which is shorter). If a lease contract transfers ownership of the underlying asset or the cost of the right-of-use asset reflecting that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate-line item in the consolidated statement of financial position.

The Company applies IAS No. (36) to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the "Property and Equipment" policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognized as an expense in the period in which the event or condition occurs and triggers those payments. These payments are included in the line "Other expenses" in the consolidation statement of profit or loss.

<u>The Company as Lessor</u>
Leases in which the Company is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts.

The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognized on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the book value of the leased asset and recognized on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognized as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's outstanding net investment in respect of the leases.

When a contract includes both lease and non-lease components, the Company applies IFRS No. (15) to allocate the considerations received or receivable according to the contract of each component.

Accounting policy adopted until December 31, 2018
Lease contracts are classified as finance leases when the terms of the lease state the substantial transfer of all ownership risks and rewards to the lessees. Meanwhile, all other lease contracts are classified as operating leases.

The Company as a lessor
The amounts due from the lessees under finance leases are recognized as receivables at the net investment in the lease contracts. Moreover, finance lease income is distributed to accounting periods to reflect a constant periodic rate of return on the outstanding net investment with respect to the lease contracts.

Income from operating leases is recognized using the straight-line method over the life of the lease. The initial direct costs incurred in discussing and arranging the operating lease contract are also added to the book value of the leased assets and recorded according to the straight-line method over the lease term.

The Company as lessee
Assets acquired through finance leases are recorded at initial recognition at their fair value at the beginning of the lease or at the present value of the minimum lease payments, whichever is less. Finance lease liabilities are recorded at the same value, and these liabilities are presented in the consolidated statement of financial position as finance lease liabilities.

Lease payments are distributed between financing expenses and reduced financial lease liabilities in order to achieve a constant interest rate on the remaining balance of the finance lease liabilities, and financing expenses are recognized directly in the consolidated statement of profit or loss.

Operating lease payments are recognized as an expense in accordance with the straight-line method over the life of the lease, except in cases where another regular basis is more representative of the time pattern in which economic benefits from the leased asset are used. Contingent leases arising from operating leases are recognized as an expense in the period in which they are incurred. In the event that lease incentives are received to enter into operating lease contracts, these incentives are recognized as a liability. The overall benefits from the incentives are recognized as a reduction in the lease expense on a straight-line basis, unless there is a systematic basis that is more representative of the time pattern in which economic benefits from the leased asset could be used.

6. Application of New and Revised International Financial Reporting Standards

A. Amendments not having a material impact on the Company's consolidated financial statements:

The following new and revised IFRSs have been adopted and are effective for financial periods beginning on or after January 1, 2020 or thereafter in the preparation of the Company's consolidation financial statements that did not materially affect the amounts and disclosures in the financial statements for the year and prior years, which may have an impact on the accounting treatment of future transactions and arrangements:

New and Revised Standards	Amendments to the New and Revised International and Standards
Amendment to the International Financial Reporting Standard No. (9) Financial Instruments, International Accounting Standard No. (39) Financial Instruments: Recognition and Measurement, and the International Financial Reporting Standard No. (7) financial instruments disclosures related to Interest Rate Benchmark Reform	These amendments modify specific hedge accounting requirements so that entities would apply those hedge accounting requirements assuming that the interest rate benchmark on which the hedged cash flows and cash flows from the hedging instrument are based will not be altered as a result of interest rate benchmark reform; those amendments are mandatory for all hedging relationships that are directly affected by the interest rate benchmark reform. These amendments are not intended to provide relief from any other consequences arising from interest rate benchmark reform (if a hedging relationship no longer meets the requirements for hedge accounting for reasons other than those specified by the amendments, discontinuation of hedge accounting is required); These amendments require specific disclosures about the extent to which the entities' hedging relationships are affected by the amendments.
Amendment to the International Financial Reporting Standard No. (3) "Business Combination" in terms of the Definition of a business	The amendments in Definition of a Business (Amendments to IFRS 3) are changes to Appendix A Defined terms, the application guidance, and the illustrative examples of IFRS 3 only. They • Clarify that to be considered a business, an acquired 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 outputs; • Narrow the definitions of a business and of outputs by focusing on goods and services provided to customers and by removing the reference to an ability to reduce costs. • Add guidance and illustrative examples to help entities assess whether a substantive process has been acquired. • Remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. • Add an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business.

New and Revised Standards	Amendments to the New and Revised International and Standards
Amendments to References to the Conceptual Framework in IFRS Standards to IFRS 2 Share based payments, IFRS 3 Business combinations, IFRS 6 Exploration for and evaluation of mineral resources, IFRS 14 Regulatory deferral accounts , IAS 1 Presentation of financial statements , IAS 8 Accounting policies, changes in accounting estimates and errors , IAS 34 Interim financial reporting , IAS 37 Provisions Contingent Liabilities and Contingent Assets, IAS 38 Intangible assets, IFRIC 12 Service concession arrangements, IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments, IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine, IFRIC 22 Foreign Currency Transactions and Advance Consideration, and SIC-32 Intangible assets web site costs to update those pronouncements with regard to references to and quotes from the framework or incase referencing to a different framework from the conceptual framework to clarify it.	The company applied the amendments to IFRS (2),(6),(15);IAS (1),(8),(34),(37),(38) IFRIC (12),(19),(20),(22) and IFRIC (21) in the current year.
Amendments to IAS (1) Presentation of Financial Statements and IAS (8) Accounting Policies, Changes in Accounting Estimates and Errors in term of the definition of 'material'	Three new aspects of the new definition should especially be noted: • Obscuring. The existing definition only focused on omitting or misstating information, however, the Board concluded that obscuring material information with information that can be omitted can have a similar effect. Although the term obscuring is new in the definition, it was already part of IAS 1 (IAS 1.30A) • Could reasonably be expected to influence. The existing definition referred to 'could influence' which the Board felt might be understood as requiring too much information as almost anything 'could' influence the decisions of some users even if the possibility is remote. • Primary users. The existing definition referred only to 'users' which again the Board feared might be understood too broadly as requiring to consider all possible users of financial statements when deciding what information to disclose.
Amendments to IFRS (16) Leases in terms of Covid-19 Related Rent Concessions in relation to (Covid-19)	The amendment provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification

b. New and revised International Financial Reporting Standards issued and not yet effective:

The Company has not adopted the following new and amended IFRSs issued but not yet effective as at the date of the consolidated financial statements, and their details as follows:

Effective for annual periods beginning on or after	Amendments to new and revised IFRSs
January 1, 2021	Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS (9) Financial Instruments, IAS (39) Financial Instruments: Recognition and Measurement, IFRS (7) Financial Instruments Disclosures, IFRS (4) Insurance Contracts and IFRS (16) Leases) The amendments in Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS (9), IAS (39), IFRS (7), IFRS (4) and IFRS (16)) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.
January 1, 2022	Amendments to IFRS (3) *Business Combinations* relating to Reference to the Conceptual Framework. The amendments update an outdated reference to the Conceptual Framework in IFRS (3) without significantly changing the requirements in the standard.
January 1, 2022	Amendments to IAS (16) *Property, Plant and Equipment* relating to Proceeds before Intended Use. The amendments prohibit 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 cost of producing those items, in profit or loss.
January 1, 2022	Amendments to IAS (37) *Provisions, Contingent Liabilities and Contingent Assets* relating to Onerous Contracts - Cost of Fulfilling a Contract. The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

Effective for annual periods beginning on or after	Amendments to new and revised IFRSs
January 1, 2022	Annual Improvements to IFRS Standards 2018 – 2020 Makes amendments to the following standards: • IFRS (1) *First-Time Adoption of International Financial Reporting Standards* – The amendment permits a subsidiary that applies paragraph D16(a) of IFRS (1) to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. • IFRS (9) *Financial Instruments* – The amendment clarifies which fees an entity includes when it applies the '10%' test in paragraph B3.3.6 of IFRS (9) in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. • IFRS 16 *Leases* – The amendment to Illustrative Example (13) accompanying IFRS (1)6 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. • IAS (41) *Agriculture* – The amendment removes the requirement in paragraph 22 of IAS (41) for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique.
January 1, 2023	Amendments to IAS (1): Presentation of financial statements related to classification of liabilities as current or non-current. The amendments aim to enhance consistency in the application of requirements by helping the entity to determine whether debts and other liabilities should be classified in the statement of financial position to which it has a settlement date uncertain as current (due or likely to be due within one year) or not current.
January 1, 2023	Amendments to IFRS (4) Insurance Contracts extending the temporary exemption from applying the IFRS (9). The amendment changes the expiration date specified for the temporary exemption in the IFRS (4) from the application of the IFRS (9) Financial Instruments, so that companies are required to apply the IFRS (9) for the annual periods that begin on or after January 1, 2023.

Effective for annual periods beginning on or after	Amendments to new and revised IFRSs
January 1, 2023	Amendments to IFRS (17) Insurance Contracts Amendments to IFRS (17) addresses the concerns and application challenges which have been identified after publishing IFRS (17) in 2017. The main changes includes the following: • Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. • Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. • Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination. • Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. • Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. • Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. • Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. • Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. • Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.
Deferred indefinitely, Adoption is still permissible	Amendments to IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures (2011) in terms of Sale or Contribution of Assets between an Investor and its Associate or Joint Venture

Management expects to apply these new standards, interpretations, and amendments to the Company's consolidated financial statements when they are applicable. Moreover, the adoption of these new standards, interpretations, and amendments may have no material impact on the Company's consolidated financial statements in the initial application.

7. Significant Accounting Policies and Main Sources of Uncertain Estimates

Preparation of the consolidated financial statements and application of the accounting policies require the Company's management to perform estimates and judgments that affect the amounts of financial assets and liabilities and disclosure of contingent liabilities. These estimates and judgments also affect revenues, expenses, provisions, and changes in the fair value shown within owners' equity. In particular, management is required to issue significant judgments and estimates to assess future cash flows and their timing. The aforementioned estimates are necessarily built on several assumptions and factors with varying degrees of estimation and uncertainty. Moreover, the actual results may differ from the estimates due to changes resulting from the circumstances and situations of those estimates in the future.

We believe that the estimates within the consolidated financial statements are reasonable. The details are as follows:

- The Company's Management is required to use significant judgments and estimates to estimate the amounts and timing of future cash flows and to estimate the risks of a significant increase in the credit risk of financial assets after initial recognition and future measurement information of expected credit losses.

- The expected credit loss is measured as a provision that equals the expected credit loss provision over the life time of the asset.

- When measuring the expected credit loss, the Company uses reasonable and supported future information based on the assumptions of the future movement of the various economic engines and how these engines affect each other.

  The probability of default is a key input in measuring the expected credit loss. The probability of default is considered as an estimate of the probability of default over a given period of time, which includes the calculation of historical data, assumptions, and expectations relating to future circumstances.

  Loss Given Default is an estimate of loss resulting from payment default. It is based on the difference between the contractual cash flows due and those that the financer expects to collect, taking into account the cash flows from the additional collaterals and the integrated credit adjustments.

- The Company's Management uses significant estimates and assumptions to determine the amount and timing of the revenue recognition under IFRS (15), "Revenue from contracts with customers".

- The fiscal year is charged with the income tax expense in accordance with the International Financial Reporting Standards, regulations, and laws.

- Management periodically re-estimates the useful lives of tangible and intangible assets for the purpose of calculating annual depreciation and amortization based on the general condition of those assets and estimates of their expected useful lives in the future. Any impairment loss is taken to the consolidated statement of profit or loss.

- A provision is made for the cylinders that are expected to be written off, replaced, and repaired in the future, depending on approved bases and assumptions in accordance with the price bulletin of oil derivatives in Jordan (IPP).

- A provision is made to meet the legal and contractual obligations for end-of-service indemnity; and compensation for disability, death, employees' vacations, and work injuries under the applicable regulations and instructions of the Company.

- A provision is made for the legal cases raised against the Company, based on a legal study prepared by the Company's legal advisors, under which potential future risks are identified. This study is reviewed periodically.

- A provision is made for slow-moving and obsolete and sediment inventory and water that exist in the Company's tanks, and the cost of removing them based on technical studies by the competent authorities and the reports of the inspectors.

- Extension and termination options are included in a number of lease contracts. These terms are used to maximize the operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable both by the Company and the respective lessor.

- In determining the lease contracts term, Management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

- The lease payments (if any) are discounted using the Group's incremental borrowing rate ("IBR"). Management has applied judgments and estimates to determine the IBR at the commencement of the lease contract.

- Fair value hierarchy: The level of the fair value hierarchy in which the complete fair value measurements are classified is determined and disclosed. Moreover, the fair value measurements are split in accordance with the levels specified in IFRS. The difference between level (2) and level (3) for fair value measurements is an assessment of whether information or inputs are observable and the extent of information that is not observable, which requires accurate judgment and analysis of inputs used to measure fair value, including consideration of all factors that concern the asset or liability.

Management believes that its estimates in the financial statements are reasonable and similar to the estimates adopted in preparing the consolidated financial statements for the year 2019, except for the following:

Given that the crude-oil-producing countries, also known as OPEC+, did not reach an agreement on reducing production during March 2020, which was also accompanied by the Corona virus pandemic, the crude oil and finished oil derivatives' prices were negatively affected by the increase in supply and the decrease in demand, as well as the decrease in demand caused by the change in social behavior resulting from the curfew imposed in the Kingdom and different countries around the world. The demand for finished oil derivatives in the Kingdom was also affected, specifically, during the period from March 18, 2020 until the end of May 2020. Moreover, Jet-fuel sales are still being affected due to the precautionary measures to prevent the spread of the coronavirus implemented by countries on the movement of aircraft and transportation between countries.

The decline in the prices of crude oil and finished oil derivatives during the year 2020 led to a decrease in the value of the Company's inventory, as the Company evaluates its inventory at cost or realizable value, whichever is lower, in accordance with the International Financial Reporting Standards. This matter caused the Company to incur losses resulting from the decrease in the value of its inventory at the end of the year compared to the value of its inventory at the beginning of the year, despite the fact that the Company maintained its inventory quantities in a manner that would make up for the future losses arising from its inventory devaluation. Accordingly, the Company reduced all its costs to the minimum possible during the year 2020, and during the year 2020, it imported the equivalent of four million barrels of crude oil at low prices. This greatly alleviated the impact of the decline in the value of its inventory resulting from the decline in international prices of crude oil and oil derivatives.

In light of the recovery of crude oil prices and oil derivatives as a result of the crude- oil-producing countries reaching an agreement to reduce their production, and as a consequence of the return to normal life in light of the world adaptation to coexist with the Corona virus pandemic, the Company hopes to recover the losses it incurred in the year 2020 during the subsequent financial periods.

8. Cash on Hand and at Banks

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Cash on hand	2,173,084	1,150,201
Current accounts at banks	11,861,288	20,706,734
	14,034,372	21,856,935

9. Receivables and Other Debit Balances

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Security authorities, governmental departments and institutions, and the National Electricity Company (a)	209,086,739	162,364,992
Fuel clients and others (b)	55,774,270	55,114,291
Alia Company - Royal Jordanian Airlines (c)	8,839,676	9,525,690
Checks under collection (d)	28,231,647	31,450,028
Total receivables	**301,932,332**	**258,455,001**
Ministry of Finance – the relationship (e)	72,712,083	211,270,511
General sales tax deposits (f)	124,510,001	116,488,695
Other debit balances (g)	3,919,728	3,278,878
Employees receivable	1,784,658	1,641,262
Letters of credit deposits and purchase orders – Subsidiary Company	766,121	2,642,685
Prepaid expenses (h)	17,229,705	15,487,756
Contract acquisition expenses – Subsidiary Company (i)	6,302,786	6,265,884
	529,157,414	615,530,672
Less: Expected credit losses provision (j)	(21,812,417)	(16,982,422)
	507,344,997	**598,548,250**

The Company adopts a policy of dealing with creditworthy counterparties in order to mitigate the risk of financial losses arising from non-fulfillment of obligations. The aging of receivables is as follows:

	December 31, 2020	December 31, 2019
	JD	JD
1 day – 119 days	81,740,961	90,344,865
120 days – 179 days	14,801,750	14,798,171
180 days – 365 days	43,828,868	45,736,617
More than a year *	161,560,753	107,575,348
Total	301,932,332	258,455,001

- The Company reviews the aging of the receivables and the adequacy of the provisions to be booked at the end of each financial period.

* This item includes receivables of JD 142,455,266 due from Governmental agencies or guaranteed by the Government whose maturity exceeded one year. The Company's management believes that it has the ability to collect these receivables, and there is no need to record any provisions against them. The receivables include amounts due from partners in subsidiaries of JD 4,370,011, which are past due for over one year. The Company's Management believes that there is no need to record any additional provisions against these receivables. Moreover, agreements have been signed with these partners for them to repay these receivables against real estate mortgages along with the transfer of profits resulting from the subsidiaries' operations to the Company.

a. This item includes receivables for fuel withdrawals by the ministries, governmental departments and entities, security agencies, the National Electricity Company, and power-generating companies of JD 180,251,968 related to the refining and gas activities, JD 8,584,045 for the oil activity, and JD 20,250,726 for the Jordan Petroleum Products Marketing Company as of December 31, 2020.

- This item includes receivables of the electricity and power-generating companies against fuel withdrawals of JD 72,185,201 as of December 31, 2020 (JD 72,193,099 as of December 31, 2019).

- The Company has committed to reducing the debt of departments, institutions, and government and security agencies by JD 317,601,186 during the year 2019, according to the Company's borrowing agreement with banks of JD 455,505,000, on behalf of the Government to pay part of the debt owed by the Government in exchange for the issuance of pledges by the Ministry of Finance to pay the loan amount and interest thereon. The agreement was signed between the Company and the Jordanian Government represented by the Minister of Finance, according to the Council of Ministers' Resolution No. (9158) taken in its meeting held on March 24, 2020.

- Based on the approval of the Offsetting Committee on June 7, 2020, to conduct the offsetting submitted by the Jordan Petroleum Products Marketing Company to the Ministry of Finance between the Jordanian Royal Medical Services' debt of JD 2,651,001, the General Directorate of Civil Defense's debt of JD 3,449,364, the Jordanian Armed Forces - Arab Army's debt of JD 3,768,905 and the Ministry of Health's debt of JD 1,827,031, and the amounts owed to the Income and Sales Tax Department of JD 11,696,301, the above-mentioned offsetting was implemented during July 2020.

- Upon Jordan Petroleum Products Marketing Company's request submitted to the Ministry of Finance, and approved on January 16, 2019, for offsetting the Public Security Directorate's debts and the special tax due from the Company, the Public Security Directorate's debts of JD 9,489,474 have been offset against part of the special tax due from the Company during the year 2019.

- Upon the Jordan Petroleum Products Marketing Company's request submitted to the Ministry of Finance, and approved on March 27, 2019, for offsetting the Public Security Directorate's debts against the special tax due from the Company, the Public Security Directorate's debts of JD 5,373,483 have been offset against part of the special tax due from the Company during the year 2019.

- Upon Jordan Petroleum Products Marketing Company's request submitted to the Ministry of Finance, and approved on January 31, 2019, for offsetting the debts of the General Directorate of Civil Defense and the general tax due from the Company, the debts of the General Directorate of Civil Defense of JD 4,644,685 have been offset against part of the general tax due from the Company during the year 2019.

- Upon Jordan Petroleum Products Marketing Company's request submitted to the Ministry of Finance, and approved on November 25, 2019, to offset the debts of the Ministry of Health of JD 2,454,472, and the Jordanian Armed Forces of JD 2,730,983 against part of the special tax due from the Company, the above- mentioned offsetting has been implemented.

- Upon Jordan Petroleum Products Marketing Company's request submitted to the Ministry of Finance to offset the debts of the Ministry of Education of JD 1,638,914 against part of the special tax due from the Company, the above- mentioned offsetting has been implemented during September 2020.

b. This item includes fuel customers' receivable and others of JD 10,105,896 related to the refining and gas activities, JD 4,312,309 related to the oil factory, and JD 41,356,065 related to Jordan Petroleum Products Marketing Company as of December 31, 2020.

c. On March 6, 2016, the Company signed a settlement agreement related to the outstanding debt with Alia Company - Royal Jordanian Airlines, whereby 10% of the debt balance was paid during March 2016. Meanwhile, Alia Company - Royal Jordanian Airlines commits to paying the remaining amount in 60 installments, the first of which is due on March 31, 2016, and the last on February 28, 2021 at the effective borrowing average rate incurred by Jordan Petroleum Refinery Company. Moreover, Alia Company - Royal Jordanian Airlines undertakes to pay all the subsequent invoices on their due date. Accordingly, Jordan Petroleum Refinery Company has not recorded any additional provisions as a result of this settlement. Furthermore, the Ministry of Finance has informed Jordan Petroleum Refinery Company in Letter No. (18/4/15391) dated September 26, 2016, that the provision recorded for Alia Company - Royal Jordanian Airlines should be reversed, since Alia Company - Royal Jordanian Airlines is committed to paying its payments, provided that Alia Company - Royal Jordanian Airlines continues to comply with the settlement according to the agreement signed with the Company in March 2016 and pay its monthly withdrawals on time. Accordingly, Jordan Petroleum Refinery Company has reversed the provision recorded for Alia Company - Royal Jordanian Airlines of about JD 31 million in year 2016.

- In accordance with the Council of Minister's Resolution No. (11131), taken in its meeting held on August 16, 2015, a quantity discount was granted to jet fuel consumers on the selling price of Jet fuel approved by the monthly Fuel Pricing Committee according to the consumption segments from August 1, 2015 to December 31, 2016, provided that the said discount is calculated annually. Moreover, the Council of Ministers issued Resolution No. (293) in its meeting held on October 23, 2016, which stipulated amendment of the Jet fuel consumption segments for one year as of October 31, 2016. Additionally, in its meeting held on February 26, 2017, the Council of Ministers issued Resolution No. (1958) which retroactively approved amendment of the implementation commencement date of the resolution amending the discount segments under the Council of Ministers' Resolution No. (293) effective from August 1, 2015, instead of October 31, 2016. Based on the above resolutions, the discount due to Alia Company - Royal Jordanian Airlines for the period from August 1, 2015 to July 31, 2017 amounted to JD 29,947,993.

- Pursuant to the Company's Board of Directors' Resolution No. (5/2/1), taken in its meeting No. (1/2018), dated March 12, 2018, the Company deducted the amount of JD 15,523,797 from Alia Company - Royal Jordanian Airlines debt during the year 2017, provided that the remaining discount balance is reduced from the Company's monthly withdrawal invoices after deducting the outstanding and unpaid invoices from the date of signing a new agreement between the two Companies until July 31, 2018. The discount due for the period from August 1, 2017 to the expiry of the specified discount shall be treated under the Council of Ministers' resolutions by reducing (40%) of Alia Company - Royal Jordanian Airlines debts, and (60%) of the Company's monthly withdrawals. In case the relationship with the Government is terminated, the discount shall be calculated up to April 30, 2018, according to the same rates stated above. After this date, the Council of Ministers' resolutions shall be applied independently from Jordan Petroleum Refinery Company. Pursuant to the Council of Ministers' Resolution No. (4141), taken in its meeting held on August 20, 2017, the extension of the discount period granted to Alia Company - Royal Jordanian Airlines was approved for an additional year effective from October 31, 2017.

- Pursuant to the Council of Ministers' Resolution No. (5614), taken in its meeting held on December 17, 2017, the interest rate charged on Alia Company - Royal Jordanian Airlines' debt due to Jordan Petroleum Refinery Company, which was 4.4% per annum on December 20, 2016, has been reduced to 0.5% per annum. Moreover, interest income for the years 2015 and 2016 to date has been reversed in the form of a future balance, so that the resulting financial impact will be settled within the financial relationship between the Ministry of Finance and Jordan Petroleum Refinery Company. As of May 1, 2018, the Company has calculated the effective borrowing average interest rate annually in accordance with the debt settlement agreement with Alia Company - Royal Jordanian Airlines. Moreover, implementation of the above resolution has been suspended by the Company.

- Pursuant to the Council of Ministers' Resolution No. (1958), taken in its meeting held on February 26, 2017, it was approved to charge the discount granted to Alia Company to the Ministry of Finance's account directly without reducing the discount from the Company's sales revenue.

- During the period ended April 30, 2018, the Company recorded an amount of JD 11,659,699 to the Ministry of Finance account as a discount to Alia Company according to the above-mentioned Council of Ministers' resolutions. The amount of JD 4,663,880 has been reduced from the balance of the debt settlement agreement, and the amount of JD 6,995,819 was recorded as deposits to Alia Company, pursuant to the Company's Board of Directors' Resolution No. (5/2/1). The Company did not calculate any discounts as of May 1, 2018.

- The Company sent Letter No. (2/25/51/1/1/6814), dated September 30, 2018, to Alia Company – Royal Jordanian Airlines, stating that if Alia Company is willing to continue to implement the resolutions of the Council of Ministers regarding the discount and reduce the interest rate through Jordan Petroleum Refinery Company, the Company shall be provided with a letter from the Ministry of Finance stating its approval to record the amount of the discount and interest difference directly to the Ministry of Finance's accounts. These amounts shall be taken within the settlement of the financial relationship between Jordan Petroleum Refinery Company and the Government pursuant to the Council of Ministers' Resolution No. (7633), taken in its meeting held on April 30, 2018.

- Alia Company – Royal Jordanian Airlines has invited licensed companies to tender for supplying Royal Jordanian aircraft with jet fuel according to the resolution of the Ministry of Energy and Mineral Resources, which includes the resolution for the licensed marketing companies to start the activity of supplying jet fuel. The tender was awarded to Jordan Petroleum Products Marketing Company – a subsidiary. As a result, a fuel supply agreement was signed between Alia Company – Royal Jordanian Airlines and Jordan Petroleum Products Marketing Company on November 1, 2018. Moreover, the direct supply activity to Alia Company – Royal Jordanian Airlines has been transferred from Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company – a subsidiary company.

- Pursuant to with the Council of Ministers' Resolution No. (2674), taken in its meeting held on January 9, 2019, the quantity discount granted to Alia Company – Royal Jordanian Airlines was extended to November and December of 2018.

- Pursuant to the Council of Ministers' Resolution No. (3874), taken in its meeting held on March 27, 2019, the quantity discount granted to Alia Company – Royal Jordanian Airlines was extended from January 1, 2019 to December 31, 2019, provided that the discount is settled through the financial relationship between the Government and Jordan Petroleum Refinery Company.

- Pursuant to the Ministry of Finance's Letter No. (18/4/20267), dated September 27, 2019, which included the request of the Ministry of Finance to charge the discount difference due to Alia Company - Royal Jordanian Airlines according to the above-mentioned resolutions to the financial relationship between the Government and JPRC until the end of the due discount, Jordan Petroleum Refinery Company has recalculated the due discount up to July 31, 2018, but has not calculated the discount after this date, as the direct supply relationship between Jordan Petroleum Refinery Company and Alia Company – Royal Jordanian Airlines ended on October 31, 2018. This resulted in recording an amount of JD 9,645,385 in the balance of the financial relationship between the Company and the Government; a decrease in Alia Company - Royal Jordanian Airlines debt settlement agreement of JD 3,858,154; and the recording of an amount of JD 5,787,231 as discount deposits due to Alia Company –Royal Jordanian Airlines within accounts payable and other credit balances.

- Based on the agreement between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019, and after all the balances between the two Companies have been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Royal Jordanian Airlines related to the refining and gas activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235 payable to Alia Company - Royal Jordanian Airlines and booked in the Company's records for the refining and gas activity (note 18/K).

- This item includes accounts receivable of JD 11,837 related to the oil factory, and JD 8,827,839, related to Jordan Petroleum Products Marketing Company as of December 31, 2020.

d. The maturity date of checks under collection of the refining and gas activities extends up to January 5, 2021, and these checks amounted to JD 2,468,479. Meanwhile, the maturity date of checks under collection of the oil factory extends up to June 15, 2021, and these checks amounted to JD 2,733,902. Moreover, the maturity date of checks under collection of Jordan Petroleum Products Marketing Company extends up to November 1, 2021, and these checks amounted to JD 23,029,266.

e. The Ministry of Finance's item (relationship) includes an amount related to the refining and gas activity of JD 68,240,240 and JD 4,471,843 for Jordan Petroleum Products Marketing Company as of December 31, 2020.

- According to the Ministry of Finance's Letter No. (8AR/ 4/5197), dated February 18, 2020, the balance of the financial relationship with the Government as of December 31, 2018 amounted to JD 591,669,659, and was confirmed. Moreover, the National Electricity Company has to match its debt as per its own records with that as per the records of Jordan Petroleum Refinery Company. Accordingly, the National Electricity Company has confirmed the balance in its Letter No. (7216/2503), dated March 11, 2020, and requested that it be allowed to pay the balance over three years in monthly installments. The Company is still in the negotiation stage regarding the installment period.

- The Company has committed to reducing the Ministry of Finance's debt (the relationship) by JD 137,903,814 during the year 2019, according to the Company's borrowing agreement with banks of JD 455,505,000, on behalf of the Government to pay part of the debt owed by the Government in exchange for the issuance of pledges by the Ministry of Finance to pay the loan amount and interest thereon. The agreement was signed between the Company and the Jordanian Government represented by the Minister of Finance, according to the Council of Ministers' Resolution No. (9158), taken in its meeting held on March 24, 2020.

- Upon the request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance to offset part of the debt of the Ministry of Finance (the Ministry of Finance's main account - the relationship) in favor of the Company, and the general and special taxes contained in the customs statements in favor of the Customs Department, the Customs Department approved the offsetting on March 16, 2020, while the Clearing Committee approved it on July 6, 2020, for an amount of JD 58,042,756. The offsetting procedures were completed during July 2020.

- Upon the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request to offset part of the Ministry of Finance's account - the relationship owed to the Company of JD 137,667,786, and the balance of the deposits for the differences in pricing of derivatives and surpluses due to the Government of JD 44,167,683, and the balance of the deposits for constructing replacement tanks due to the Government of JD 93,500,103, for the balances as of September 30, 2020, the Ministry of Finance's Letter No. (18/4/694), dated January 10, 2021, was received, and included the approval to conduct the above-mentioned offsetting based on the offsetting instructions in force. The offsetting was carried out at the Ministry of Finance on January 4, 2021, provided that it is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the Company and the Government contained in the Company's Letter No. (2/25/51/1/8988), dated December 15, 2020.

- The below-mentioned balances of the general and special taxes included in the financial relationship balances between the Company and the Government match those in the records of the Income and Sales Tax Department as of December 31, 2020.

- According to the Council of Ministers' Resolution No. (5329), taken in its meeting held on July 10, 2019, which included approval for the assignment of the Jordan Petroleum Refinery Company to implement the terms of the Memorandum of Understanding for the processing and transportation of crude oil between the government of the Republic of Iraq and the government of the Hashemite Kingdom of Jordan, the Company signed the agreement, on August 1, 2019. The Company also issued a documentary credit in favor of the Central Bank of Iraq to cover the value of the amount of 10 thousand barrels per day throughout the year according to the monthly average price of a barrel of Brent crude oil minus USD 16. Moreover, the quantities of Iraqi oil were supplied at the end of August 2019. According to the minutes of meeting signed between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on March 10, 2020, the balances and accounts of Iraqi crude oil were reconciled until December 31, 2019. Likewise, according to the minutes of meeting signed between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on June 30, 2020, the balances and accounts of Iraqi crude oil were reconciled up to April 30, 2020. In addition, the supply of Iraqi oil stopped during May and June of 2020 due to low international prices, but resumed on July 1, 2020, and terminated by the end of November 2020. The Iraqi oil balances and accounts were reconciled until the expiry date of the current bid according to the minutes of meeting signed between the concerned parties in the Ministry of Finance, the Ministry of Energy and Mineral Resources, and the Jordan Petroleum Refinery Company on December 20, 2020. The Government is still negotiating with the Iraqi Ministry of Oil regarding the signing of a new supply agreement.

- The balances as of December 31, 2018 of the Ministry of Finance related to Jordan Petroleum Products Marketing Company were confirmed through the Ministry of Finance's approval of Jordan Petroleum Products Marketing Company's Letter No. (111/2/936), dated February 19, 2019.

- The balances as of December 31, 2019 of the Ministry of Finance related to Jordan Petroleum Products Marketing Company were confirmed through the Ministry of Finance's approval of Jordan Petroleum Products Marketing Company's Letter No. (111/2/1645), dated March 4, 2020.

- The balances as of December 31, 2020 of the Ministry of Finance related to Jordan Petroleum Products Marketing Company were confirmed through the Ministry of Finance's approval of Jordan Petroleum Products Marketing Company's Letter No. (111/2/1061) dated March 2, 2021.

End of the Relationship with the Government

Pursuant to the Council of Minister's Resolution No. (7633), taken in its meeting held on April 30, 2018, the Ministry of Finance shall calculate the amounts due to Jordan Petroleum Refinery Company until April 30, 2018, and such amounts shall be paid in installments during the years 2018, 2019 and 2020 with interest thereon of (30%, 40% and 30%). Moreover, these amounts shall be paid after the issuance of the General Budget Law and before the end of the second quarter of each year for the same year until full repayment in the year 2020. Meanwhile, the Ministry of Finance shall provide the Jordan Petroleum Refinery Company with a letter stating the amounts due to the Jordan Petroleum Refinery Company on April 30, 2018 and guaranteeing their payment with interest at the actual cost borne by the Company during the above period at the said rates.

As a result of the Government's failure to comply with the above resolution, and based on the agreement between the Company and the Government, the Council of Ministers' Resolution No. (6399) was taken in its meeting held on September 9, 2019. The resolution stipulated that the Company shall borrow an amount equivalent to about JD 457 million from banks to pay part of the balance of debts due to the Company from the Government until December 31, 2018 against the issuance of pledges by the Ministry of Finance to the assigned banks on the payment of the loans and interest thereon. During the first half of October 2019, the Company withdrew an amount of JD 455,505,000 from the banks assigned by the Ministry of Finance. In return, the Ministry of Finance issued pledges to these banks, promising to pay the loan principal and interest thereon. Consequently, the Company deducted the withdrawn amount of JD 455,505,000 from the balance of receivables due from the security authorities, ministries, departments, government agencies, and a part of the Ministry of Finance receivable in accordance with the agreement between the Company and the Ministry of Finance signed on June 16, 2020, as well as signed by the Minister of Finance, following the Council of Ministers' approval of the agreement and the authorization of the Minister of Finance to sign the agreement on behalf of the Jordanian Government, under the Council of Ministers' Resolution No. (9158), taken in its meeting held on March 24, 2020.

The Ministry of Finance has also committed itself to repaying all loan amounts and interest thereon to the banks, as these amounts were allocated within the General Budget Law for the year 2020 under the item "Loans Installments for handling government arrears", according to the Ministry of Finance's Letter No. (18/4/9200), dated May 14, 2020. Moreover, the Jordanian government has paid all the due installments and interest to the assigned banks on their due date. In the opinion of the Company's management and its legal advisors, the Company will not have any obligations regarding the above loans and pledges.

The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of April 30, 2018 (the end of the financial relationship with the Government) is as follows:

	April 30, 2018
	JD
Amounts Owed to the Company:	
Ministry of Finance' primary account (the relationship)	220,480,978
General sales tax deposits	101,792,998
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	101,513,938
Royal Air Force	136,424,517
Directorate of General Security	45,627,576
Directorate General of the Gendarmerie	9,553,718
Civil Defense	3,259,795
Departments, ministries, and Governmental agencies and institutions	3,280,986
National Electricity Company	76,413,291
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	376,073,821
Total Amounts owed to the Company	698,347,797
Less: Amounts Owed to the Government:	
Price differences deposits for oil derivatives pricing surplus	43,746,064
Special sales tax deposits	1,738,247
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees, stamps, and allowances according to (IPP)	21,244,292
Total amounts due to the Government	160,228,706
Balance Owed by the Government to the Company	538,119,091

- The balance of the financial relationship between the Company and the Government related to the refining and gas activity as of December 31, 2018 (confirmed by the Ministry of Finance's Letter No. (AR8/4/5197)) is as follows:

	December 31, 2018
	JD
Amounts Owed to the Company:	
Ministry of Finance's primary account (the relationship)	**267,790,407**
General sales tax deposits	**106,334,261**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	88,823,533
Royal Air Force	168,094,404
Directorate of General Security	45,626,257
Directorate General of the Gendarmerie	8,425,446
Civil Defense	3,269,279
Departments, ministries, and Governmental agencies and institutions	3,362,267
National Electricity Company	76,378,522
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	**393,979,708**
Total Amounts Owed to the Company	**768,104,376**
Less: Amounts Owed to the Government:	
Price differences deposits of oil derivatives pricing surplus	44,022,727
Special sales tax deposits	2,861,098
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees, stamps, and allowances according to IPP	36,050,789
Total Amounts Owed to the Government	**176,434,717**
Balance Owed to the Company from the Government	**591,669,659**

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2019 (after reducing the above-mentioned amount of JD 455,505,000 - Government loan) is as follows:

	December 31, 2019
	JD
Amounts Owed to the Company:	
Ministry of Finance primary account (the relationship)	**211,997,358**
General sales tax deposits	**114,624,265**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,074,301
Royal Air Force	59,938,960
Directorate of General Security	2,181
Departments, ministries, and Governmental agencies and Institutions	3,550,513
National Electricity Company	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	**136,713,423**
Total Amounts Owed to the Company	**463,335,046**
Less: Amounts Owed to the Government:	
Price differences deposits of oil derivatives pricing surplus	44,134,309
Special sales tax deposits	(2,189,866)
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees, stamps, and allowances according to IPP	48,609,966
Total Amounts Owed to the Government	**184,054,512**
Balance Owed to the Company from the Government	**279,280,534**

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of September 30, 2020 (confirmed by the Ministry of Finance according to the Ministry of Finance's approval to implement the offsetting on January 4,2021) is as follows:

	September 30, 2020
	JD
Amounts Owed to the Company:	
Ministry of Finance primary account (the relationship)	**194,763,517**
General sales tax deposits	**122,602,265**
Special sales tax deposits	**44,997,572**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,325,578
Royal Air Force	92,293,727
Directorate of General Security	2,475
Departments, ministries, and Governmental agencies and institutions	2,421,811
National Electricity Company	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	**168,191,059**
Total Amounts Owed to the Company	**530,554,413**
Less: Amounts Owed to the Government:	
Price differences deposits of oil derivatives pricing surplus	44,167,683
Deposits for constructing alternative tanks - Ministry of Energy	93,500,103
Fees, stamps, and allowances according to IPP	50,718,837
Total Amounts Owed to the Government	**188,386,623**
Balance Owed to the Company from the Government	**342,167,790**

- The balance of the financial relationship between the Company and the Government related to the refining and gas activities as of December 31, 2020 is as follows:

	December 31, 2020
	JD
Amounts Owed to the Company:	
Ministry of Finance primary account (the relationship)	**68,240,240**
General sales tax deposits	**123,188,580**
Special sales tax deposits	**33,757,592**
Debts of security authorities, Governmental departments and institutions, and the National Electricity Company: *	
Armed Forces / Directorate of Supply	1,374,855
Royal Air Force	103,436,845
Directorate of General Security	2,632
Departments, ministries, and Governmental agencies and institutions	3,290,168
National Electricity Company	72,147,468
Total Debts of Security authorities, Governmental Departments and Institutions, and the National Electricity Company	**180,251,968**
Total Amounts Owed to the Company	**405,438,380**
Less: Amounts Owed to the Government:	
Price differences deposits of oil derivatives pricing surplus	19,104
Deposits for constructing alternative tanks - Ministry of Energy	-
Fees, stamps, and allowances according to IPP	51,514,419
Total Amounts Owed to the Government	**51,533,523**
Balance Owed to the Company from the Government	**353,904,857**

* In accordance with the minutes of the Company's meetings with the Ministry of Finance held on November 8, 9 and 16, 2017, in order to determine the balances of the financial relationship between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Products Marketing Company and the Oil Factory) as at September 30, 2017, the Ministry of Finance takes it upon itself to repay the debts of the Armed Forces, the Royal Jordanian Air Force, the General Security Directorate, the General Directorate of the Gendarmerie, the other security authorities, and the Governmental Departments within the budget and the debts of the National Electricity Company for the refining and gas activities of JD 319,468,856 as of September 30, 2017. Moreover, the two parties have agreed that no provision shall be recorded for the debts of Royal Jordanian, the municipalities, the governmental universities, and financially or administratively independent Governmental institutions during the period of the relationship, provided that if these amounts are not collected through the court and the Company is obliged to write off some of them, the Ministry of Finance shall undertake to pay these debts and the related incurred costs.

f- The general sales tax deposits item includes an amount of JD 123,188,580 related to the refining and gas activities, and JD 1,321,421 related to the Jordan Petroleum Products Marketing Company as of December 31, 2020.

- In accordance with the Council of Ministers' Resolution No. (6953), taken in its meeting held on March 19, 2018, approval was obtained on exempting the quantities of gasoline (95) used in the production of gasoline (90) and (95) of the quantity (2,360,253) tons from the general and special sales tax for the period from May 1, 2013 until September 30, 2017. The resolution shall include any amount of gasoline (95) used in the mixing process for the production of gasoline (90 and 95) until the end of the financial relationship between the Government and the Jordan Petroleum Refinery Company. Moreover, the pending customs statements were processed at the Jordan Customs Department during July 2020.

- According to Law No. (107) of 2019, the Amended Special Tax Law, the general and special taxes, fees and revenue stamp fees have been combined in the price bulletin (IPP) under special taxes, and have been determined for each material as per the above-mentioned law.

- In accordance with the Council of Ministers' Resolution No. (6544), taken in its meeting held on September 23, 2019, all types of gasoline shall be included in Schedule No. 2 , annexed to the General Sales Tax Law for goods and services subject to the general sales tax at a rate of (zero).

- In its meeting held on January 3, 2016, under Resolution No. (13363), based on the recommendations of the Economic Development Committee in its meeting held on December 22, 2015, the Council of Ministers approved exempting the Company from general and special sales tax effective from May 1, 2013 on its imports related to the quantities sold to the marketing companies, provided that the general sales tax and special sales tax thereon are paid by those companies within the pricing structure of IPP. Moreover, the customs statements were processed at the Jordanian Customs Department during July 2020.

- The Income and Sales Tax Department's Letter No. (20/4/347) was received on February 16, 2021, and included the Department's approval to collect taxes on the Jordan Petroleum Refinery Company's sales to the three marketing companies through the marketing companies only. The letter also stated that the Jordan Petroleum Refinery Company is not obligated to pay taxes on its sales to the marketing companies. However, it is only obligated to pay tax on its sales to other customers.

- Upon the request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance to offset part of the debt of the Ministry of Finance (the Ministry of Finance' primary account – the relationship) for the benefit of the Company, and the general and special tax on the customs statements for the benefit of the Customs Department, the Customs Department approved this procedure on March 16, 2020, while the Offsetting Committee approved it on July 6, 2020, for an amount of JD 58,042,756. Meanwhile, the above offsetting procedure was completed during July 2020.

g. This item consists mainly of the current account of the Refinery's employees' Housing Fund and deposits at the Jordan Customs Department and other debts.

h. This item consists mainly of the prepaid expenses account related to the Company's insurance, rents, marketing, and security and protection; and contractors' prepayments for the establishment of gas stations, including an amount of JD 5,576,644 related to the refining and gas activity, and JD 11,653,061 related to Jordan Petroleum Products Marketing Company as of December 31,2020.

i. This item represents what was paid to the owners of the gas stations according to agreements through which Jordan Petroleum Products Marketing Company supplies these gas stations with their fuel needs. According to the agreements, the Company shall participate in building or modernizing the gas stations and installing pumps. Moreover, the gas stations shall bear the trade name of the Jordan Petroleum Products Marketing Company as their authorized distributor, and the related amounts shall be amortized over the contracts period or life of the asset, whichever is lower.

j. The movement on the provision for expected credit loss is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	16,982,422	14,678,474
Provision recorded during the year – net	4,990,170	2,631,148
Recovered during the year	(160,175)	(327,200)
Balance at the End of the Year	21,812,417	16,982,422

- The provision for the expected credit losses includes an amount of JD 6,025,143 as of December 31, 2020 (JD 6,185,318 as of December 31, 2019) related to the refining and gas activity, and JD 2,262,372 as of December 31, 2020 (JD 1,920,676 as of December 31, 2019) related to the oil factory, and JD 13,524,902 as of December 31, 2020 (JD 8,876,428 as of December 31, 2019) for Jordan Petroleum Products Marketing Company. The provision is calculated after taking into consideration the debts guaranteed by the Government.

10. Crude Oil, Finished Oil Products, and Supplies.

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Finished oil derivatives and lube oil	184,380,042	285,774,084
Crude oil and materials under process	47,189,794	41,863,633
Raw materials, spare parts, and other supplies	62,993,308	66,935,841
Goods in transit	9,856,245	20,567,297
Less: Provision for slow-moving and obsolete and sediments inventory*	(7,957,384)	(18,295,494)
	296,462,005	396,845,361

* The movement on the provision for slow-moving and obsolete and sediments inventory is as follows:

	2020	2019
	JD	JD
Balance at beginning of the year	18,295,494	18,877,426
(Provision) / Released during the year – net	(9,553,951)	1,100,414
Paid during the year	(491,186)	(1,674,056)
Less: written-off during the year	(292,973)	(8,290)
Balance at the End of the Year	7,957,384	18,295,494

11. Financial Assets at Fair Value through Comprehensive Income

This item consists of the following:

	December 31,			
	2020		2019	
	Number of Shares	JD	Number of Shares	JD
Listed Shares:				
Jordan Electricity Company	713,174	862,941	713,174	870,072
Safwa Islamic Bank	256,516	359,122	256,516	348,862
Arab Potash Company	47,300	993,300	47,300	967,285
Jordan Paper and Cardboard Factories Company	33,300	1,998	33,300	2,997
Public Mining Company	27,500	23,100	27,500	82,225
Palestine Development and Investment Company	28,060	15,517	28,060	21,915
Al Motarabita Investment Company	128,259	1,283	128,259	1,283
		2,257,261		2,294,639

12. Deferred Tax Assets

This item consists of the following:

	For the Year Ended December 31, 2020						
Items that resulted in Deferred Tax Assets:	Balance at the Beginning of the Year	Additions	Released	Balance at the End of the Year	Deferred Taxes	Transferred to Condolidated statement of profit or loss During the Year - Net	Value of deferred tax assets as of December 31, 2019
	JD	JD	JD	JD	JD	JD	JD
Expected credit losses provision	16,982,422	4,990,170	(160,175)	21,812,417	4,249,107	1,088,098	3,161,009
Gas cylinders provision	5,000,000	4,186,428	(4,186,428)	5,000,000	850,000	50,000	800,000
Employees' vacations provision	2,211,093	-	(249,822)	1,961,271	333,416	(20,359)	353,775
End-of-service indemnity provision	236,369	-	(198,510)	37,859	6,436	(31,383)	37,819
Slow-moving and obsolete and sediments inventory provision	18,295,494	-	(10,338,110)	7,957,384	1,352,755	(1,574,524)	2,927,279
Storage fees provision	9,889,819	3,064,510	(5,000,000)	7,954,329	1,352,236	(230,135)	1,582,371
lawsuits and other obligations provision	736,192	-	(113,842)	622,350	105,800	(11,991)	117,791
Acceptable tax (Losses) for the year	-	26,607,889	-	26,607,889	4,527,331	4,527,331	-
Differences from implementing IFRS (16) – a Subsidiary Company	692,808	1,290,410	-	1,983,218	412,569	267,079	145,490
	54,044,197	40,139,407	(20,246,887)	73,936,717	13,189,650	4,064,116	9,125,534

- The deferred tax assets for the year 2020 have been calculated at 17% for the refining, gas activities and oil factory activity and at 21% for Jordan Petroleum Products Marketing Company activity according to the Amended Income Tax Law No. (38/2018).

13. Investment Property - Net

This item consists of the following:

	Land	Buildings	Equipment	Total
For the Year Ended December 31, 2020	JD	JD	JD	JD
Cost:				
Balance at the beginning of the year	641,541	238,699	42,000	922,240
Balance at the End of the Year	641,541	238,699	42,000	922,240
Accumelated Depreciation:				
Balance at the beginning of the year	-	54,954	42,000	96,954
Additions	-	9,548	-	9,548
Balance at the End of the Year	-	64,502	42,000	106,502
Net Book Value	641,541	174,197	-	815,738
For the Year Ended December 31, 2019				
Cost:				
Balance at the beginning of the year	641,541	238,699	42,000	922,240
Balance at the End of the Year	641,541	238,699	42,000	922,240
Accumelated Depreciation:				
Balance at the beginning of the year	-	45,406	29,997	75,403
Additions	-	9,548	12,003	21,551
Balance at the End of the Year	-	54,954	42,000	96,954
Net Book Value	641,541	183,745	-	825,286
Annual Depreciation Rate %		2	20	

14. Property, lands, equipment and projects under construction:

This item consists of the following:

Year 2020	Lands	Buildings	Machinery and Production Equipment	Machinery and Support Services Equipment	Tanks and Pipelines	Electrical Machines and Equipment	Products Loading Units
	JD	JD	JD	JD	JD	JD	JD
Cost:							
Balance at the beginning of the year	44,466,200	76,747,539	101,883,854	46,103,672	83,984,422	35,927,823	31,910,797
Additions	744,862	390,639	3,828,857	877,273	64,126	1,000	-
Transfers from Projects under Construction	-	1,620,375	286,896	-	356,015	371,481	-
Disposals	-	(3,438)	(3,505)	-	-	-	-
Balance at the End of the Year	45,211,062	78,755,215	105,996,102	46,980,945	84,404,563	36,300,304	31,910,797
Accumulated Depreciation:							
Balance at the beginning of the year	-	27,412,015	101,844,344	40,137,925	67,231,094	31,043,241	31,910,796
Additions	-	2,903,599	1,424,275	1,032,223	1,272,769	12,583	-
Disposals	-	(1,171)	(3,505)	-	-	-	-
Balance at the End of the Year	-	30,314,443	103,265,114	41,170,148	68,503,863	31,055,824	31,910,796
Land valuation difference from subsidiary acquisition	237,308	-	-	-	-	-	-
Net Book Value as of December 31, 2020	45,448,370	48,440,772	2,730,988	5,810,797	15,900,700	5,244,480	1

Year 2020	Vehicles	Office Furniture and Fixtures	Library and Training Equipment	Distribution Stations Assets	Other Property and Equipment	Computers	Projects under Construction **	Total Excluding Lands and Projects under Construction	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Cost:									
Balance at the beginning of the year	44,065,957	4,283,233	26,883	21,978,526	111,008	10,204,313	39,884,879	457,228,137	541,579,216
Additions	1,544,167	795,661	-	3,267,587	-	129,287	6,307,473	10,898,597	17,950,932
Transfers from Projects under Construction	-	15,791	-	-	-	-	(2,650,548)	2,650,548	-
Disposals	(93,909)	(8,594)	-	(516,818)	-	-	-	(626,264)	(626,264)
Balance at the End of the Year	45,516,215	5,086,091	26,883	24,729,295	111,008	10,333,600	43,541,804	470,151,018	558,903,884
Accumulated Depreciation:									
Balance at the beginning of the year	34,897,141	3,627,719	26,883	17,561,338	111,008	8,400,221	-	364,203,725	364,203,725
Additions	2,334,371	640,857	-	1,863,828	-	826,673	-	12,311,178	12,311,178
Disposals	(69,229)	(6,088)	-	(126,657)	-	-	-	(206,650)	(206,650)
Balance at the End of the Year	37,162,283	4,262,488	26,883	19,298,509	111,008	9,226,894	-	376,308,253	376,308,253
Land valuation difference from subsidiary acquisition	-	-	-	-	-	-	-	-	237,308
Net Book Value as of December 31, 2020	8,353,932	823,603	-	5,430,786	-	1,106,706	43,541,804	93,842,765	182,832,939

Year 2019	Lands	Buildings	Machinery and Production Equipment	Machinery and Support Services Equipment	Tanks and Pipelines	Electrical Machines and Equipment	Products Loading Units
Cost:							
Balance at the beginning of the year	54,331,628	67,120,983	99,024,881	44,259,435	83,754,853	35,864,693	31,910,797
IFRS "16" implementation impact*	(9,865,428)	-	-	-	-	-	-
Beginning of the year adjusted balance	44,466,200	67,120,983	99,024,881	44,259,435	83,754,853	35,864,693	31,910,797
Additions	-	1,996,671	2,327,839	1,844,237	340,313	74,109	-
Transfers from Projects under Construction	-	7,777,074	531,634	-	232,096	-	-
Disposals	-	(147,189)	(500)	-	(342,840)	(10,979)	-
Balance at the End of the Year	44,466,200	76,747,539	101,883,854	46,103,672	83,984,422	35,927,823	31,910,797
Accumulated Depreciation:							
Balance at the beginning of the year	-	24,243,377	98,323,183	40,137,925	62,994,745	28,632,880	31,910,796
IFRS "16" implementation impact	-	-	-	-	-	-	-
Beginning of the year adjusted balance	-	24,243,377	98,323,183	40,137,925	62,994,745	28,632,880	31,910,796
Additions	-	3,210,958	3,521,661	-	4,258,949	2,412,087	-
Disposals	-	(42,320)	(500)	-	(22,600)	(1,726)	-
Balance at the End of the Year	-	27,412,015	101,844,344	40,137,925	67,231,094	31,043,241	31,910,796
Land valuation difference from subsidiary acquisition	237,308	-	-	-	-	-	-
Net Book Value as of December 31, 2019	44,703,508	49,335,524	39,510	5,965,747	16,753,328	4,884,582	1
Annual Depreciation Rate %	-	2 - 4	10	10	4	10	10

Year 2019	Vehicles	Office Furniture and Fixtures	Library and Training Equipment	Distribution Stations Assets	Other Property and Equipment	Computers	Projects under Construction **	Total Excluding Lands and Projects under Construction	Total
Cost:									
Balance at the beginning of the year	45,564,982	4,217,804	26,883	20,249,623	111,008	10,017,176	25,944,153	442,123,118	522,398,899
IFRS "16" implementation impact*	(2,741,551)	-	-	-	-	-	-	(2,741,551)	(12,606,979)
Beginning of the year adjusted balance	42,823,431	4,217,804	26,883	20,249,623	111,008	10,017,176	25,944,153	439,381,567	509,791,920
Additions	1,630,638	42,522	-	1,919,215	-	502,847	22,509,547	10,678,401	33,187,948
Transfers from Projects under Construction	-	28,017	-	-	-	-	(8,568,821)	8,568,821	-
Disposals	(388,112)	(5,110)	-	(190,312)	-	(315,710)	-	(1,400,652)	(1,400,652)
Balance at the End of the Year	44,065,957	4,283,233	26,883	21,978,526	111,008	10,204,313	39,884,879	457,228,137	541,579,216
Accumulated Depreciation:									
Balance at the beginning of the year	32,425,681	2,878,373	26,883	15,927,087	111,008	7,399,358	-	345,011,296	345,011,296
IFRS "16" implementation impact	(1,337,068)	-	-	-	-	-	-	(1,337,068)	(1,337,068)
Beginning of the year adjusted balance	31,088,613	2,878,373	26,883	15,927,087	111,008	7,399,358	-	343,674,228	343,674,228
Additions	4,096,926	800,447	-	1,656,832	-	1,065,363	-	21,023,223	21,023,223
Disposals	(288,398)	(51,101)	-	(22,581)	-	(64,500)	-	(503,726)	(503,726)
Balance at the End of the Year	34,897,141	3,627,719	26,883	17,561,338	111,008	8,400,221	-	364,203,725	364,203,725
Land valuation difference from subsidiary acquisition	-	-	-	-	-	-	-	-	237,308
Net Book Value as of December 31, 2019	9,168,816	655,514	-	4,417,188	-	1,804,092	39,884,879	93,024,412	177,612,799
Annual Depreciation Rate %	15	5 - 10	10	20	10	40	-		

* This item includes the impact of IFRS (16) implementation on Jordan Petroleum Products Marketing Company's assets (a subsidiary company). These assets were leased as per finance lease contracts according to IAS (17), and were transferred from property, lands and equipment to right-of-use of assets.

** The additions of projects under construction consist mainly from the studies payments related to the fourth expansion project and the payments of establishment of tanks, pipelines, and projects to modernize the gas stations of Jordan Petroleum Products Marketing Company (a subsidiary company).

- Projects under construction include assets for refining and gas activities of JD 42,184,650, of which JD 41,116,054 was for the fourth expansion project that was paid from the reserve allocated for this purpose. Moreover, it includes an amount of JD 1,357,154 as of December 31, 2020, related to the Jordan Petroleum Products Marketing Company for the establishment of gas stations.

- Property and equipment includes fully depreciated assets of JD 296,574,095 as of December 31, 2020 (JD 294,947,684 as of December 31, 2019).

15. Intangible Assets - Net

This item consists of the following:

	December 31, 2020	December 31, 2019
	JD	JD
Jordan Petroleum Products Marketing license *	30,000,000	30,000,000
Goodwill	9,960,314	9,960,314
Operating lease contracts	1,664,164	1,664,164
License agreement – trade name	444,009	444,009
Owned gas stations licenses	1,217,795	1,217,795
	43,286,282	43,286,282
Less: Accumulated amortization**	(23,000,000)	(20,000,000)
	20,286,282	23,286,282

* According to the Resolution of the Council Ministers, in their Letter No. (58/11/1/26041), dated September 30, 2012, it was agreed to grant Jordan Petroleum Products Marketing Company (a subsidiary) a license for operating and distributing oil derivatives. The value of the license was determined to be JD 30 million. Moreover, the Company shall pay the first installment, and the remaining balance shall be paid in five equal annual installments. In this regard, the Company paid the last installment during the year 2018. Moreover, the Company amortizes the license over 10 years, starting from the commencement date of its operations on May 1, 2013, based on the agreement signed with the Ministry of Energy and Mineral Resources on February 19, 2013. The agreement is renewable.

Goodwill includes an amount of JD 960,000, resulting from the acquisition by the Jordan Petroleum Products Marketing Company (a subsidiary company) of 60% of the shares of Al-Nuzha and Istiqlal Gas Station Fuel and Oil Company, and represents the valuation difference. In this regard, the recoverable amount from the Company has been determined through calculating its expected cash flows based on a 10-year budget approved by its management. Moreover, the expected cash flows for the year 2015 and following years were determined, using a growth rate of 4% for revenues and a growth rate of 2.5% for expenses. In the opinion of the Company's management, the used growth rates for revenues and expenses are reasonable in light of the Company's business nature as well as the overall growth of this sector in Jordan. A discount rate of 10% has been used to discount the expected cash flows at an internal rate of return of 15%.

- The subsidiary Company (Jordan Petroleum Products Marketing Company) wholly owned by Jordan Petroleum Refinery Company has acquired the entire share of Hydron Company on December 26, 2018. This acquisition resulted in intangible assets which were definitively calculated by management and financial advisors during the year 2019 as follows:

	December 31, 2020
	JD
Goodwill	9,000,314
Operating lease contracts	1,664,164
License agreement - trade name	444,009
Owned gas stations licenses	1,217,795
Total	12,326,282

** The movement on accumulated amortization for Jordan Petroleum Products Marketing Company license was as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	20,000,000	17,000,000
License amortization for the year	3,000,000	3,000,000
Balance at the End of the Year	23,000,000	20,000,000

16. Lease contracts:

This item consists of the following:

1. Right-of-use assets

The following is the movement on the right-of-use assets during the year:

	December 31,	
	2020	2019
	JD	JD
Cost:		
Balance at the beginning of the year	65,770,416	53,163,437
Transfers from property, lands and equipment – note (14)	-	12,606,979
Additions during the year	395,215	-
Disposals during the year	(829,066)	-
Balance at the End of the Year	65,336,565	65,770,416
(Less): Accumulated Depreciation:		
Balance at the beginning of the year	(4,971,753)	-
Transfers from property, lands and equipment – note (14)	-	(1,337,068)
Additions during the year	(3,726,975)	(3,634,685)
Disposals during the year	109,656	-
Balance at the End of the Year	(8,589,072)	(4,971,753)
Net Book Value	56,747,493	60,798,663

Amounts recorded in the consolidated statement of profit or loss:

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Right-of-use assets depreciation	3,726,975	3,634,685
Lease obligations interest expense	2,547,910	1,031,031
	6,274,885	4,665,716

2. Lease contracts obligations:

The following is the movement on lease contracts obligations during the year:

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Balance at the beginning of the year	55,622,317	58,375,858
Add: Interest during the year	2,547,910	1,031,031
(Less): Paid During the year	(6,384,258)	(3,784,572)
(Less): Disposal during the year	(604,823)	-
Balance at the End of the Year	51,181,146	55,622,317

Lease contracts accrual obligations analysis:

	For the Year Ended December 31,	
	2020	2019
	JD	JD
Lease liability – current portion	4,594,836	4,537,175
Lease liability – non-current portion	46,586,310	51,085,142
	51,181,146	55,622,317

17. Due to Banks

This item consists of overdraft current accounts and short-term loans granted by several local banks to finance the Company's activity at an interest and murabaha rate ranging from 2.25% to 7% annually during the year 2020 against the Company as a legal personality. This item includes an amount of JD 531,047,800 for the refining and gas activities and an amount JD 48,827,298 for the Jordan Petroleum Products Marketing Company as of December 31, 2020.

18. Payables and Other Credit Balances

This item consists of the following:

	December 31,	
	2020	2019
	JD	JD
Deposits of surplus differences of oil derivatives pricing (a)	4,536,221	45,420,322
Special sales tax deposits on oil derivatives (b)	38,285,733	46,602,862
Deposits for constructing alternative tanks – Ministry of Energy (c)	-	93,500,103
Suppliers and obligations from purchase orders and services and others	44,382,723	144,347,307
Gas cylinders provision (d)	5,000,000	5,000,000
Fees and allowances according to the oil derivatives price bulletin (IPP) (e)	51,514,419	48,609,966
Provision for work injuries compensation (f)	-	3,234,886
Lawsuits provision (Note 31/b)	622,350	736,192
Advance payment from customers (g)	6,751,394	6,726,490
Shareholders' deposits	13,639,658	11,486,901
Creditors and other credit balances	9,549,222	17,284,333
Retention deducted from contractors	469,402	929,471
Employees' vacations provision	1,961,271	2,211,093
Subsidiary companies import pricing differences (h)	8,863,678	9,635,394
Storage fees provision (i)	7,954,329	9,889,819
Balances retained against acquisition of subsidiary (J)	963,939	1,000,000
Alia company deposits – Royal Jordanian Airlines (k)	11,253,235	11,253,235
	205,747,574	457,868,374

a. This item includes an amount of JD 19,104 for the refining and gas activities, and an amount of JD 4,517,117 for the Jordanian Petroleum Products Marketing Company as of December 31, 2020.

- This item includes amounts from oil derivatives pricing differences between total cost including taxes, fees, transportation charges, and actual selling prices and the rounding-up of fractions differences effective from March 2, 2008 according to (IPP) and published price in the Kingdom. These differences are considered as the Government's right according to the Ministry of Energy and Mineral Resources' Letter No. (9/4/1/719), dated February 16, 2009, and the Ministry of Finance's Letter No. (18/4/9952), dated April 29, 2009. Consequently, the Company was obliged, effective from March 2008, to record the results of the differences of prices in favor of the Ministry of Finance. Additionally, the Government has claimed the differences in the pricing of oil derivatives effective from December 14, 2008, according to the resolution of the oil derivatives pricing committee, in its meeting held on December 13, 2008, provided that the pricing surplus is recorded as deposits under payables and other credit balances within the consolidated financial statements of the Company.

- Upon the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request to offset part of the Ministry of Finance's account - the relationship owed to the Company of JD 137,667,786, and the balance of the deposits for the differences in pricing of derivatives and surpluses due to the Government of JD 44,167,683, and the balance of the deposits for constructing replacement tanks due to the Government of JD 93,500,103, for the balances as of September 30, 2020, the Ministry of Finance's Letter No. (18/4/694), dated January 10, 2021, was received, and included the approval to conduct the above-mentioned offsetting based on the clearing instructions in force. The offsetting was carried out at the Ministry of Finance on January 4, 2021, provided that it is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the Company and the Government contained in the Company's Letter No. (2/25/51/1/8988), dated December 15, 2020.

- The movement on the pricing differences deposits of oil derivatives and surpluses is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	45,420,322	50,167,633
Recorded during the year	3,283,582	4,468,760
Paid during the year	(44,167,683)	(9,216,071)
Balance at the end of the Year	4,536,221	45,420,322

b. This item includes an amount of JD (33,757,592) for the refining and gas activities and an amount of JD 72,043,325 due from the Jordan Petroleum Products Marketing Company as of December 31, 2020.

- Under Law No. 107 for the year 2019, the amended special tax law, the general and special taxes, fees, revenue stamps have been combined in the bulletin (IPP) under special sales tax and have been determined for each material as per the above-mentioned law.

- Upon the request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance to offset part of the debt of the Ministry of Finance (the Ministry of Finance's main account - the relationship) in favor of the Company, and the general and special taxes contained in the customs statements in favor of the Customs Department, the Customs Department approved the offsetting on March 16, 2020, while the Clearing Committee approved it on July 6, 2020, for an amount of JD 58,042,756. The offsetting procedures were completed during July 2020.

- The Income and Sales Tax Department's Letter No. (20/4/347) was received on February 16, 2021, and included the Department's approval to collect taxes on the Jordan Petroleum Refinery Company's sales to the three marketing companies through the marketing companies only. The letter also stated that the Jordan Petroleum Refinery Company is not obligated to pay taxes on its sales to the marketing companies. However, it is only obligated to pay tax on its sales to other customers.

c. According to His Excellency the Prime Minister's Letter No. (58/11/1/5930), dated March 24, 2010, an amount of JD (34) per ton was added to the price of unleaded gasoline (both types) within the pricing mechanism of oil derivatives starting from April 16, 2010. Moreover, the related proceeds are recorded in a special account maintained by the Company for the Government, represented by the Ministry of Energy and Mineral Resources, to build tanks for the storage of crude oil and/ or oil derivatives at an average of (70) thousand tons in Aqaba, the operations of which were ceased, starting from December 1, 2016, according to the oil derivatives selling prices bulletin (IPP).

- This item represents the balance of the deposits for constructing replacement tanks fully due on the refinery activities. In this respect, the Jordan Petroleum Products Marketing Company paid the due amount in full during the year 2017. Moreover, effective from December 1, 2016, this item has been discontinued according to the oil derivatives sales price bulletin (IPP).

Upon the offsetting request submitted by the Jordan Petroleum Refinery Company to the Ministry of Finance, which includes a request to offset part of the Ministry of Finance's account - the relationship owed to the Company of JD 137,667,786, and the balance of the deposits for the differences in pricing of derivatives and surpluses due to the Government of JD 44,167,683, and the balance of the deposits for constructing replacement tanks due to the Government of JD 93,500,103, for the balances as of September 30, 2020, the Ministry of Finance's Letter No. (694/4/18), dated January 10, 2021, was received, and included the approval to conduct the above-mentioned offsetting based on the clearing instructions in force. The offsetting was carried out at the Ministry of Finance on January 4, 2021, provided that it is recorded in the financial statements for the year 2020, according to the balances of the financial relationship between the Company and the Government contained in the Company's Letter No. (8988/1/51/25/2), dated December 15, 2020.

d. The movement on the gas cylinders provision is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	5,000,000	5,000,000
Add: recorded during the year *	4,186,428	4,189,831
Less: Released during the year *	(4,186,428)	(4,189,831)
Balance at end of the Year	5,000,000	5,000,000

* During the year ended December 31, 2020, a provision of JD 4,186,428 was recorded for the disposal and repair of cylinders, in accordance with IPP amounting to JD (10) for each ton of gas sold. An amount of JD 4,186,428 has been released. Moreover, the number of gas cylinders sold during the year 2020 was around 33.5 million cylinders.

- In their meeting No. 1/2016, dated February 8, 2016, the Board of Directors approved reversing an amount of JD 19,370,614 for the year 2015, based on the Company's meeting with the Ministry of Finance, dated December 12, 2015, to settle the previous financial relationship. As such, it was agreed for the Company to maintain a portion of the gas cylinders' provision for an amount not exceeding JD 10 million.

End of Relationship with the Government

Pursuant to the Prime Minister's Resolution No. (7633), taken during the Prime Ministry's meeting held on April 30, 2018, the Ministry of Finance was mandated to follow up on implementing the resolutions reached and prepare a report thereon to the Council of Ministers regarding the Jordan Petroleum Refinery Company's retention of JD 5 million as a provision for the write-off, repair, and replacement of gas cylinders and transfer of the remaining JD 5 million to the Ministry of Finance. If the actual value of the write-off, repair and replacement of the cylinders exceeds the said amount, the difference shall be transferred from the deposits related to the Ministry of Finance. If, on the other hand, the actual value is lower, the difference shall be transferred to the Ministry of Finance, provided that this matter is addressed in the future through the pricing mechanism. Accordingly, the Company released an amount of JD 5 million during the period ended April 30, 2018 and recorded it in the Government of Jordan's account. Moreover, the Ministry of Finance approved this procedure as per the Ministry of Finance's Letter No. (4/18/28669), dated August 29, 2019.

e. This item represents the fees and charges included in the composition of the Petroleum Derivatives Selling Prices Bulletin (IPP) for the refining and gas activities only.

The movement on this item is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	48,609,966	36,050,789
Recorded during the year	2,904,453	12,559,177
Balance at the end of the Year	51,514,419	48,609,966

f. The Company reversed the occupational accidents indemnity provision balance during the period ended September 30, 2020, according to the Social Security Corporation's Letter No. (232/1/F Centre/7316), dated December 9, 2019. The letter states that the Social Security Corporation has decided to stop the reduction in the subscription rate of (1%) granted by the Social Security Corporation to the Company on the gross salaries, as compensation for the treatment of work injuries, effective from January 1, 2020. Accordingly, employees who get injured will be treated through the Social Security Corporation instead of the Jordan Petroleum Refinery Company.

g. This item represents advance payments from fuel and gas clients against purchases of oil derivatives.

h. This item represents pricing differences from imported finished oil derivatives between the cost of finished oil derivatives imported during the years 2017, 2018, 2019, 2020, and the refinery's gate price included in the oil derivatives pricing bulletin (IPP) concerning the imports of Jordan Petroleum Products Marketing Company (a subsidiary). In this regard, the Company recorded the difference between the actual import cost and the refinery gate price of oil derivatives as per the oil derivatives prices bulletin (IPP) under the item of import pricing differences within payables and other credit balances, as the Company is uncertain as to whether the differences are its right or that of the Ministry of Finance Accordingly, if it is a right for the Company, this balance recorded as a revenue for the Company, and if it is a right for the Ministry of Finance, it is transferred from the deposits account without affecting the statement of profits or losses.

i. The Company has recorded a provision for storage fees against the claim of the Jordan Oil Terminals Company (JOTC) under its Letter No. 1/64/2018, dated April 3, 2018. In the letter, JOTC claimed storage fees on fuel oil at 3.5% and 1%, by JD 3.5 per ton stored as of May 25, 2017. However, Jordan Petroleum Refinery Company rejected this claim. Based on this rejection, Letter No. (2/20/408), dated January 3, 2019, from the Energy & Minerals Regulatory Commission (EMRC) was received. The letter specified the initial storage fees at JD 2 per month, instead of JD 3.5 per ton. However, the fees shall be studied by the Energy & Minerals Regulatory Commission (EMRC) during the first half of the year 2019. Moreover, the claim shall be re-examined for the period from May 25, 2017 until the end of the financial relationship between the Company and the Government, together with the related impact on the Government. In this respect, EMRC has not determined the final storage fees yet. Meanwhile, the Jordan Petroleum Refinery Company still rejects the fuel storage fees calculation of fuel oil (1%), as this material was imported at the request of the National Electric Power Company and the generating companies to make up for the deficit of the National Electricity Company, in light of the interruption of the Egyptian gas supply to cover the local market need, and as the Company is committed to only paying the storage fees on fuel oil of 3.5% as of May 1, 2018, which marks the end of the financial relationship with the government.

The Company received Letter No.18/4/12022, dated June 23, 2020, from the Ministry of Finance, which includes the Ministry of Finance's request to the Company to pay the fuel oil storage fees for JOTC for the period from May 25, 2017 until April 30, 2018, as the government has borne the cost of storage fees according to the financial relationship between the Company and the government for that period. In this respect, the Company paid the amount until the end of the financial relationship with the government.

- The movement on this item is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	9,889,819	7,090,219
Recorded during the year	3,064,510	5,049,600
Paid during the year	(5,000,000)	(2,250,000)
Balance at the end of the Year	7,954,329	9,889,819

j. This item represents the amount retained by the Jordan Petroleum Products Marketing Company to meet any future liabilities that may arise on the Hydron Energy Company LLC in accordance with the agreement between both parties.

k. Based on the agreement between Jordan Petroleum Refinery Company and Alia Company - Royal Jordanian Airlines signed on November 26, 2019 and after all the balances between the two companies have been matched, both parties agreed to offset the accrued outstanding balance due from Alia Company - Airlines Royal Jordanian related to the refining and gas activity against the discount deposits balances and interest deposit balances of Alia Company - Royal Jordanian Airlines. Accordingly, the offsetting took place and resulted in an amount of JD 11,253,235 payable to Alia Company - Royal Jordanian Airlines and booked in the Company's records for the refining and gas activity.

19. Provision for Income Tax

The movement on the provision for income tax is as follows:

	2020	2019
	JD	JD
Balance at the beginning of the year	7,646,805	5,231,574
Add: Income tax expense for the year	674,001	9,293,321
Less: Income tax paid	(7,645,492)	(6,878,090)
Balance at the end of the Year	675,314	7,646,805

The Income tax (surplus) expense for the year shown in the consolidated statement of profit or loss represents the following:

	2020	2019
	JD	JD
Income tax for the year	674,001	9,293,321
Deferred tax assets impact for the year – note (12)	(4,064,116)	(1,341,048)
	(3,390,115)	7,952,273

- The Company reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2014. Moreover, the Company's tax return for the year 2015 was assessed, and the outstanding balances were paid. In addition, the Company submitted its tax returns for the years 2016, 2017 and 2018 and paid the declared tax thereof. Meanwhile, the Income and Sales Tax Department has reviewed the Company's accounts, but has not yet issued its final decision thereon. Furthermore, the Company has calculated and paid its tax for the year 2019, and submitted its tax return for the said year. In addition, the tax expense for the year 2019 has been calculated and paid in accordance with the provisions of the Jordanian Income Tax Law. Meanwhile, the tax expense for the year 2020 has been calculated in accordance with the provisions of the Jordanian Income Tax Law. In the opinion of the Company's management and its tax advisor, the provisions stated in the consolidated financial statements are sufficient to cover its tax obligations.

- The Jordanian Petroleum Products Marketing Company (a subsidiary company) reached a final and irrevocable tax settlement with the Income and Sales Tax Department until the end of the year 2018. Furthermore, the company has submitted its tax return for the year 2019, and paid the declared tax thereon. However, the Income and Sales Tax Department has not yet reviewed the Company's accounts for the year 2019. In addition, the tax expense for the year 2019 has been calculated in accordance with the provisions of the Jordanian Income Tax Law. In the opinion of the company's management and its tax advisor, the provisions stated in the consolidated financial statements are sufficient to cover its tax obligations.

- The income tax declaration have been submitted for all of the subsidiary companies of the Jordan Petroleum Products Marketing Company up to the year 2019, and the declared income tax was paid. Moreover, the tax expense of the subsidiary companies has been calculated for the year 2020 according to the Jordanian Income Tax Law. In the opinion of the Company's management and its tax advisor, the provisions stated in the consolidated financial statements are sufficient to cover its tax obligations.

- The Income and Sales Tax Department has reviewed and issued its final decision for the years 2011, 2012, and 2013. On May 10, 2015, the Department informed the Company of the review, which resulted in tax differences of JD 15,618,205. Moreover, the Company has requested the Prime Minister to exempt it from the income tax differences, legal compensations, and fines, as these amounts resulted from the Company's loans that exceeded the accepted borrowings to capital ratio under the Income and Sales Tax Law, and these borrowings were obtained to fulfill the diesel and fuel oil needs of power-generating companies, in light of the Egyptian gas interruption. Furthermore, the Council of Ministers, in its meeting held on January 3, 2016, approved exempting the Jordan Petroleum Refinery Company from the income tax differences, legal compensations, and fines for the years 2011, 2012, and 2013. Consequently, the Company recorded a provision for the income tax differences for the year 2014, as this year has not been included in the exemption decision of JD 5,422,683, provision for legal compensation for the year 2014 of JD 4,338,146, and provision for delay payments (0.004) of JD 1,897,939, against any probable future tax liabilities until the Income and Sales Tax Department reviews the year 2014. In this connection, the Income and Sales tax Department issued its final and irrevocable tax assessment for 2014, and on July 2, 2017, it informed the Company about the results of the said assessment, which resulted in additional taxes of JD 7,838,578, and a legal compensation of JD 6,270,866 on the above tax differences. Consequently, the Company increased the provision for tax differences to JD 7,838,578, and the provision for legal compensation to JD 6,270,866. Additionally, the provision for late payment of (0.004) was increased to JD 2,743,502 for the period ended September 30, 2017. Moreover, the Company submitted an objection to the Income and Sales Tax Department because these amounts resulted from its borrowings which exceeded the capital ratio under the Income and Sales Tax Law, and the borrowing was obtained to fulfill the diesel and fuel oil needs of the power-companies in light of the interruption of the Egyptian gas supply.

  On November 6, 2017, the final decision was issued in a notification letter by the Ministry of Finance/Income and Sales Tax Department, which stipulated reducing the differences amount to JD 6,531,687, and the legal compensation to JD 250,311. Accordingly, the Company paid the amounts stated in the notification letter and a penalty of JD 2,286,090 at a rate of (0.004) and recorded the difference of JD 2,590,680 as revenue for the Government in the consolidated statement of profit or loss for the year ended December 31, 2017.

- The income tax rate is 16% for the refining and gas activity and oil factory plus a national contribution of 1%, and 20% for the Jordan Petroleum Products Marketing Company and its subsidiaries plus a national contribution of 1%.

20. Capital and Reserves

A. Capital

In its extraordinary meeting held on April 29, 2015, the General Assembly decided to increase the Company's capital to JD 75 million through capitalizing JD 12/5 million from retained earnings and to distribute it as stock dividends at 20%. Moreover, the Company's General Assembly, in its extraordinary meeting held on April 28, 2016, decided to capitalize JD 25 million from retained earnings and to distribute it as free shares. Consequently, the Company's authorized and paid-up capital has become JD 100 million.

B. Statutory Reserve

In accordance with the Jordanian Companies Law, 10% of annual net income shall be allocated to the statutory reserve. The allocation shall not be stopped before the total amount allocated to this account is equivalent to one quarter of the Company's authorized capital. However, upon the approval of the Company's General Assembly, dated April 30, 2018, the statutory reserve deduction has been discontinued for the Company, while 10% of net income related to the subsidiaries companies activities shall continue to be deducted and allocated to the statutory reserve for the subsidiaries. In this regard, the said deduction for the subsidiary companies may not be discontinued before the total amounts accumulated in this account reach the amount of their authorized capital. Moreover, the deduction has been discontinued based on the resolution of the General Assembly taken in its meeting held on April 27, 2019, and its meeting held on June 15, 2020.

C. Voluntary Reserve

The amounts accumulated in this reserve represent what has been transferred from annual net income before taxes at a maximum rate of 20%. This reserve will be used for the purpose approved by the Board of Directors. Moreover, the General Assembly of Shareholders has the right to capitalize or distribute the whole reserve or part thereof as dividends to shareholders. In its ordinary meeting dated April 27, 2019, the General Assembly decided to allocate JD 8,538,579 to the voluntary reserve from retained earnings, and to use the accumulated voluntary reserve balance for the Fourth Expansion Project. In its ordinary meeting held on June 15, 2020, the General Assembly decided to allocate an amount of JD 10,428,215 to the voluntary reserve account from the retained earnings account, and also decided to use the accumulated voluntary reserve balance for the purposes of the Fourth Expansion Project.

D. Fourth Expansion Reserve

This item represents what is transferred from the annual profits before taxes at a maximum rate of 20%. In its ordinary meeting held on April 30, 2018, the General Assembly decided to allocate an amount of JD 7,836,292 from retained earnings to the Fourth Expansion Project reserve. In its ordinary meeting held on April 27, 2019, the General Assembly decided to allocate an amount of JD 8,538,579 from retained earnings to the Fourth Expansion Project reserve. In its ordinary meeting held on June 15, 2020, the General Assembly decided to allocate an amount of JD 10,428,215 from the retained earnings account to the Fourth Expansion Project reserve.

During the year 2020, an amount of JD 3,724,458 was paid to prepare the designs, studies, and technical, financial and legal consultations for the Fourth Expansion Project.

21. Financial Assets at Fair Value Reserve - net

This item represents the fair value reserve for the financial assets at fair value through comprehensive income which resulted from assets revaluation at fair value as of December 31, 2020.

22. Retained Earnings

In its extraordinary meeting held on April 29, 2015, the General Assembly decided to increase the Company's capital to JD 75 million through capitalizing JD 12/5 million from retained earnings and to distribute it as free shares at 20%. Moreover, the Company's General Assembly, in its extraordinary meeting held on April 28, 2016, decided to capitalize JD 25 million and to distribute it as stock dividends to the shareholders. Consequently, the Company's authorized and paid-up capital has become JD 100 million.

In its ordinary meeting held on April 27, 2019, the General Assembly approved the distribution of cash dividends at a rate of 25% from the Company's authorized and paid-up capital as dividends to shareholders, 20% from annual net profits to the voluntary reserve, and 20% to the Fourth Expansion Project reserve.

In its ordinary meeting held on June 15, 2020, the General Assembly approved the distribution of cash dividends at a rate of 17% from the Company's authorized and paid-up capital as dividends to shareholders, 20% from annual net profits to the voluntary reserve, and 20% to the Fourth Expansion Project reserve.

23. Sales - net

This item consists of the following:

	2020	2019
	JD	JD
Refining and gas cylinders filling sales*	399,040,533	542,525,233
Lube-oil factory sales	20,835,994	26,652,097
Jordan Petroleum Products Marketing Company sales	1,056,374,674	1,480,033,244
(Less): Fees, stamps, taxes and allowances according to selling prices of oil derivatives bulletin (IPP)	(518,963,468)	(585,854,635)
	957,287,733	1,463,355,939

* The finished oil derivatives sales of Jordan Petroleum Refinery Company to Jordan Petroleum Products Marketing Company (a subsidiary company) amounted to JD 396,884,459 for the year ended December 31,2020.

24. Cost of Sales

This item consists of the following:

	2020				2019
	Refinery and Gas Cylinders Filling Activity *	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Total	Total
	JD	JD	JD	JD	JD
Raw Materials:					
Crude oil and materials under process at the beginning of the year	41,651,775	211,858	-	41,863,633	59,043,633
Purchases of crude oil and raw materials used in production	112,497,816	9,270,863	-	121,768,679	336,023,362
Crude oil and materials under process at the end of the year	(46,957,016)	(232,778)	-	(47,189,794)	(41,863,633)
	107,192,575	9,249,943	-	116,442,518	353,203,362
Industrial Expenses:					
Employees' salaries and other benefits	22,482,496	1,075,175	2,747,876	26,305,547	28,855,909
Property and equipment depreciation	3,076,277	154,309	949,411	4,179,997	11,686,202
Amortization of right-of-use lease – Subsidiary	-	-	408,303	408,303	-
Materials, spare parts, and other supplies	4,118,482	78,593	833,288	5,030,363	8,016,600
Transportation fees and other expenses	8,573,905	634,339	6,453,281	15,661,525	24,929,271
Total Industrial Expenses	38,251,160	1,942,416	11,392,159	51,585,735	73,487,982
Total Production Cost	145,443,735	11,192,359	11,392,159	168,028,253	426,691,544
Add: Finished oil derivatives and lube oil at the beginning of the year	215,875,087	661,504	69,237,493	285,774,084	118,659,643
Purchases of finished goods during the year	181,300,027	-	493,403,915	674,703,942	1,110,886,970
Total Goods Available for Sale	542,618,849	11,853,863	574,033,567	1,128,506,279	1,656,238,157
Less: Finished oil derivatives and lube oil at the end of the year	(155,734,980)	(896,412)	(27,748,650)	(184,380,042)	(285,774,084)
	386,883,869	10,957,451	546,284,917	944,126,237	1,370,464,073
Subsidy of oil derivatives recorded on the Ministry of Finance account	(23,997,187)	-	(2,352,745)	(26,349,932)	(30,228,253)
Surplus of oil derivatives pricing difference recorded to the Ministry of Finance acct	52,479	-	3,231,103	3,283,582	4,468,760
	362,939,161	10,957,451	547,163,275	921,059,887	1,344,704,580

* Notwithstanding the Prime Ministry's Decision No. 7633, taken in its meeting held on April 30, 2018, the gas activity has not been separated from the refining activity, which the decision determined the return on investment (ROI) for the LPG filling stations for the purposes of calculating the commission amount with a percentage of 12%, also the commission amount was set for the period from May 1, 2018 till December 31, 2018 at JD 43 per ton sold. This is as such provided that any surplus/shortage resulted from the increase/decrease in the rate of return on investment compared to the targeted value will be treated when calculating the filling stations' commission amount downward/upward in the subsequent period. Meanwhile, the above mechanism may not cause any increase in the cylinder's cost charged to citizens or support by the Treasury / Ministry of Finance for this activity. Noting that the Company has provided the Energy Sector Regulatory Authority with all information and data related to the gas activity in order to determine the commission amount for the years 2019 and 2020 which reflects a return on investment rate for this activity of 12% annually. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. At the same time, the Company has provided the entities appointed by the said ministry with all the required data, and these entities provided the Ministry of Energy and Mineral Resources and the Energy Sector Regulatory Authority with the final report, and no resolution has been made up to date by the Government regarding the final commission value that reflects the rate of return on investment of 12% annually according to the above-mentioned Council of Ministers' Resolution No. (7633). In this regard, the Company is still negotiating with the Government to reach an agreement regarding the final commission amount.

- The average cost of buying a barrel of crude oil was USD 40/96 for the year ended December 31, 2020 (compared to USD 66/51 for year 2019).

25. Operating Income and Other

This item consists of the following:

	2020	2019 (Adjusted)
	JD	JD
Income from Ports Corporation *	1,440,000	1,440,000
Dividends shares income	99,005	131,770
Tanks rent, evaporation, and marketing companies uploading and downloading fees **	2,152,322	3,298,875
Delay interest	553,626	827,724
Foreign currency gains	1,213,834	2,011,288
Various other income	6,319,315	4,384,749
	11,778,102	12,094,406

* This item represents revenue due to Jordan Petroleum Refinery Company from using the services of the Company's employees by the Ports Corporation during the years 2020 and 2019, to assist in the work of Aqaba ports.

** This item represents tanks rent, evaporation, loading and downloading fees on the quantities imported by the marketing companies, as well as the storage of operating stock fees related to the marketing companies, as per the instructions of the Ministry of Energy and Mineral Resources to these companies to make available the required operating stock for their activities.

26. Selling and Distribution Expenses

This item consists of the following:

	2020	2019 (Adjusted)
	JD	JD
Salaries and other employees' benefits	22,604,905	25,137,813
Company's contribution to the Death, compensation and end of service indemnity Disability Fund	1,793,880	2,689,732
Property and equipment depreciation	7,515,041	8,544,444
Right of use assets depreciation (a subsidiary company)	3,310,351	3,634,685
Raw materials, spare parts, water, electricity and other supplies	3,210,388	3,140,130
Insurance fees	666,063	1,028,495
Fees, taxes, and stamps	1,226,952	1,530,335
Security and safety expenses	2,248,467	1,989,291
Rents	2,803,430	2,638,882
Gas stations management service fees	2,374,170	2,735,639
Various selling and distributing expenses	3,075,877	620,332
	50,829,524	53,689,778

27. General and Administrative Expenses

This item consists of the following:

	2020	2019
	JD	JD
Salaries and other employees' benefits	7,110,717	7,311,274
Company's contribution to the Death, compensation and end of service indemnity Disability Fund	417,697	589,687
Cash donations and contributions	2,326,673	542,823
Postage and telephone	64,872	82,784
Stationery and printing	79,341	81,356
Property and equipment depreciation	625,688	815,732
Right of use assets depreciation (a subsidiary company)	8,321	-
Technical and legal consultations	328,089	360,104
Advertisements	130,653	227,785
Maintenance and repairs	130,438	231,636
Rents	168,830	182,413
Subscriptions	221,313	280,808
Insurance fees	196,857	64,544
Water and electricity	98,786	149,479
Professional fees	112,267	148,672
Fees, taxes, and stamps	169,671	534,551
Various general and administrative expenses	875,751	952,859
	13,065,964	12,556,507

28. Settlement of Targeted Income with the Government before the End of the Relationship with the Government

The calculated difference for reaching the targeted income was recorded on a commercial basis in the Ministry of Finance's account. In this regard, the calculated loss difference for the period ended April 30, 2018 was recorded under the income settlement with the Government which affected the amounts due from the Ministry of Finance as stated in receivables and other debit balances. Moreover, no income settlement with the Government has been reached after April 30, 2018, the end of the relationship with the Government as of May 1, 2018. Meanwhile, the gas activity was not excluded from the refinery activity, even though, pursuant to the Prime Minister's Resolution No. (7633), taken in the Prime Ministry's meeting held on April 30, 2018, the Ministry of Finance was mandated to follow up on implementing the resolutions reached and prepare a report thereon to the Council of Ministers regarding the setting of the investment return rate on LPG filling stations for the purpose of calculating the commission amount at 12%. The commission amount is also set for the period from May 1, 2018 to December 31, 2018 at JD 43 per ton to resolve any surpluses or shortages that arise from the increase or decrease in the investment return rate compared to the targeted value in calculating the commission amount of LPG filling stations for the following year, whether upward/downward. This is as such, provided that the above mechanism does not result in any increase in the cylinder's cost to citizens or a subsidy by the Treasury / Ministry of Finance for this activity. Moreover, the Company has already provided the Energy Sector Regulatory Authority with all information and data related to the gas activity for determining the commission amount for the years 2019 and 2020 which reflect the investment return rate to this activity at 12% annum. In addition, the Ministry of Energy and Mineral Resources has appointed an auditor and an external studies company to determine the commission amount for the years 2019 and 2020. Accordingly, the Company provided the entities that were appointed by the Ministry of Energy and Mineral Resources with all the required data, and these authorities provided the Ministry of Energy and Mineral Resources and the Energy Sector Regulatory Authority with the final report. No decision has yet been made by the Government on the final commission amount, which reflects the rate of return on investment at a rate of 12% annually, in accordance with the above-mentioned Council of Ministers' Resolution No. (7633). In the meantime, the Company is still negotiating with the Government to reach an agreement on the final commission amount.

- The movement on the settlement of income with the Government for the period ended April 30, 2018 is as follows:

	April 30, 2018
	JD
(Loss) for the period before tax and before profit settlement	427,523
The Company's targeted profit after tax for the period *	4,390,332
Income tax for the period	965,905
Recorded on to the Government's account to reach targeted income	5,783,760

- Moreover, the change in the composition of the selling prices of oil derivatives for the years 2018 , 2019 and 2020, representing a decrease in the refinery gate price in the oil derivatives selling price bulletin (IPP) and an increase in the amount of Governmental fees and taxes has had a financial impact on the net sales of the refining activity for the above-mentioned years and the settlement of the financial relationship with the Government as of April 30, 2018, compared to the previous years.

* In accordance with the Prime Ministry's Letter No. (31/17/5/21025), related to the opinion of the Legislation and Opinion Bureau, Jordan Petroleum Refinery Company is responsible of the costs of the Indian cylinders rejected by the Jordan Institution for Standards and Metrology. Accordingly, Jordan Petroleum Refinery Company sent Letter No. (2/25/25/7/1741), dated February 14, 2017, to His Excellency the Minister of Finance. The letter stated that the cost of the Indian cylinders incurred by the Company up to December 31, 2016 amounted to JD 7,665,784, and that the net selling price of these cylinders amounted to JD 1,331,250, and therefore, the net losses amounted to JD 6,334,534. If the Company were to bear all these costs at the same time, the targeted (guaranteed) income would decrease by JD 5,067,628 for the year ended December 31, 2016. This would affect the Company negatively in the financial market. Consequently, the Council of Ministers approved, in its Letter No. (31/17/5/14/14153), dated March 28, 2017, that the Company would bear the net cost of the provision for the Indian cylinders of JD 6,334,534 over five years starting from the year 2016 for JD 1,266,907. This amount has been deducted from the targeted income for the Company of JD (15) million. Accordingly, the net targeted income for the years 2016 and 2017 became JD 13,733,093 for each year. An amount of JD 2,533,814 was amortized in the Statement of Profit or Loss for the refining and gas filling activity during the years 2016 and 2017, and the amortization of the remaining amount, which represents JD 3,800,720 has been deferred to be amortized over the upcoming three years.

The Company amortized an amount of JD 1,829,004 during the year 2018, and the remaining amount of JD 3,658,008 during the years 2019 and 2020. During the year 2019, the Company amortized the entire remaining amount of JD 3,658,008.

Pursuant to the Resolution No. (48) of the Company's Board of Directors, in its meeting No. 4/2018, dated April 28, 2018, Jordan Petroleum Refinery Company donated the Indian cylinders rejected by the Standards and Metrology Institution, in addition to their valves and 1,500 spare valves, and their containers to the Arab International Construction and Contracting Company, which is considered a subsidiary company of the Jordanian Armed Forces / Arab Army. Accordingly, the actual cost of the cylinders, valves, and containers stored in them has become JD 8,020,825. In this regard, IFRS requires that the full amount should be recognized when incurred without being deferred. Moreover, the Company's records indicate that if the loss had been recorded when incurred during the year 2016, it would have resulted in a decrease in profit and retained earnings of JD 5,067,628, instead of being decreased by JD 1,266,907 as at December 31, 2016, and an increase in profit for the year 2019 of JD 3,658,008.

- The following table represents the calculation of the Company's targeted income as of April 30, 2018:

	April 30, 2018
	JD
Actual cost of the Indian cylinders and valves	7,665,784
The cost of storage containers	355,041
Total cost of cylinders, valves, and containers	8,020,825
Amounts amortized in 2016 and 2017	(2,533,814)
Net remaining amount to be amortized over three years	5,487,011
Share of the period ended April 30,2018 of the amount	(609,668)
Targeted income for the period before the amortization	5,000,000
Targeted income for the company after the amortization	4,390,332

- The Company calculated the cost of the loss amortization of the Indian Gas Cylinders, valves, and containers for the years 2019 and 2020 and recorded it in the consolidated statement of profit or loss at JD 3,658,008 for the year 2019. Moreover, the total loss amount of JD 8,020,825 was fully amortized for the year 2019.

29. Earnings per Share from (Loss) profit for the year attributed to the Company's Shareholders

Earnings per share for the Company's shareholders is calculated by dividing (loss) profit for the year attributable to the Company's shareholders by the weighted-average number of shares during the year. It is calculated as follows:

	2020	2019
	JD	JD
(Loss) Profit for the year-shareholders	(14,326,451)	43,866,972
Weighted-average number of shares	100,000,000	100,000,000
Earnings per share from (loss) profit for the year – Basic and Diluted	(-/143)	-/439

- The weighted-average number of shares for (loss) profit diluted earnings per share for the year attributable to the Company's shareholders is calculated based on the number of authorized shares for the two years ended December 31, 2020 and 2019.

30. Non-Controlling Interests

This item represents non-controlling interests' shares of net owners' equity in the subsidiaries. The details are as follows:

	December 31, 2020		
Company	Non-controlling Percentage	Non-controlling Share from Net Profit (Loss)	Non-controlling Share from Net Assets
	%	JD	JD
Al-Nuzhah and Istiklal station for Fuel and Oil Company	40	112,172	1,081,301
Al-Karak Central Gas station for Fuel Company	40	67,009	605,384
Rawaby Al-Qwirah Gas Station for Fuel and Oil Company	40	73,001	783,628
Al-A'on for Marketing and Distributing Fuel and Oil Company	40	(388,373)	179,490
Jordanian German for Fuel Company	40	4,813	615,337
Al-Tariq Al-Da'ari Gas Station for Fuel Company	40	(7,323)	425,972
Al Kamel Gas Station for Fuel and Oil Company	40	248,151	1,177,123
Al-Wadi Al-abiad Gas Station for Fuel Company	40	20,424	608,283
Al-Tanmwieh Al-A'ola for Fuel Company Gas Stations	40	(26,917)	1,152,454
Al Qastal Gas Station for Fuel and Oil Company	40	(6,841)	437,823
Taj Amoun Gas Station for Fuel Company	20	24,619	1,547,669
Al Shira' Gas Station for Fuel and Oil Company	5	(102)	88,892
Al-Fallaq Gas Station for Fuel and Oil Company	40	(72,521)	434,240
		48,112	9,137,596

31. Contingent Liabilities and Financial Commitments

a. As of the consolidated statement of financial position date, the Company was contingently liable and financially committed as follows:

	December 31, 2020	December 31, 2019
	JD	JD
Letters of credit and bills of collections*	493,380,505	744,150,626
Letters of guarantee	9,158,340	10,960,616
Contracts for projects under construction	15,067,269	39,459,228

* This item consists of Standby L/Cs amounting to JD 99 million, equivalent to USD 140 million in favor of Saudi Aramco as of December 31, 2020 (JD 170 million, equivalent to USD 240 million as of December 31, 2019).

b. There are lawsuits in courts raised against the Company for financial claims estimated at JD 622 thousand as of December 31, 2020 (JD 736 thousand as of December 31, 2019). Moreover, some prior year's lawsuits were filed against both the Government and the Company. Consequently, the estimated contingent liabilities from unsettled lawsuits and the required provisions have been taken in accounts payable and other credit balances. In the opinion of the Company's management and its legal consultant, the booked provisions are sufficient to meet any future obligations.

- A lawsuit was raised against Jordan Petroleum Refinery Company on November 29, 2012 by the contractor Joint Venture Companies Christopher de Constantends (S.A), Whitermoon (S.A), and Engineering Group (K.Z.U) Limited, the executer of tender No. (16/2006), in which they claimed an amount of USD 7 million as compensation for work performed, representing invoices for additional work as well as compensation and interest for the delay of the work performed. On September 22, 2015, the Court issued its resolution obligating the Company to pay JD 3,605,014 with interest of 9% starting from September 20, 2015. Moreover, the Court rejected all other claims and contra-claims, and the Company recorded a provision of JD 4 million for this lawsuit during 2015. Execution Notice No. (21943/2017/B) was issued by the Amman Judicial Execution Department on December 3, 2017 obligating Jordan Petroleum Refinery Company to pay JD 3,605,014 with interest amounting to JD 574,940. The Company paid the full amount during 2017.

- During the year 2015, the Court of Cassation issued its verdict No. 1663/2015 in favor of Jordan Petroleum Refinery Company, prohibiting the Supreme Regulations Council and the Hashemite Municipality from claiming JD 6,385,064 for regulating a land owned by the Company.

c. According to the minutes of the Company's meetings with the Ministry of Finance and the Jordan Petroleum Refinery Company held on November 8, 9 and 16, 2017, to determine the balances of the financial relation between Jordan Petroleum Refinery Company and the Government (excluding Jordan Petroleum Product Marketing Company and the Oil Factory) for the balances as of September 30. 2017, it was agreed as follows:

1. To confirm the balance of the Ministry of Finance's main account of JD 195,194,153, and the balance of the general sales tax deposits of JD 97,388,860, and the balance of special sales tax deposits of JD 937,034 as of September 30, 2017 as a right for Jordan Petroleum Refinery Company for the refining and gas activity. Moreover, the Ministry of Finance has also taken a pledge for all of the debt balances of the Armed Forces, Royal Air Force, Public Security Directorate, the General Directorate of the Gendarmerie, other security forces, and governmental departments, within its budget as well as the debts of the National Electric Power Company for refining and gas activities of JD 319,468,856 as of September 30, 2017. In the meantime, the two parties have agreed that no provision would be recorded for the debts of Royal Jordanian Company, municipalities, governmental universities, and administratively and financially independent governmental institutions during the relationship period, provided that if those amounts are not collected through the judiciary, and the Company is required to write them off, the Ministry of Finance pledges to pay those debts and any related costs.

2. To confirm the pricing surplus differences deposits balances of JD 43,488,857, and deposits for constructing alternative tanks of JD 93,500,103 as well as fees, stamps and allowances according to (IPP) of JD 9,051,757 as of September 30, 2017 as a right for the Government.

3. The two parties have not reached an agreement on the value of the strategic inventory deposits, as the Government is claiming the amount of valuation in 2008 of JD 156,787,303. Meanwhile, Jordan Petroleum Refinery Company is objecting to this amount since these quantities are deposits booked by the Company and will be refunded as quantities in case the relationship with the Government is terminated.

4. The two parties have not reached an agreement as to which party will maintain the gas cylinders provision balance of JD 10 million.

5. The two parties have agreed that the provision for lawsuits and other liabilities balance of JD 6.3 million as of September 30, 2017 is a right to Jordan Petroleum Refinery Company. In this regard, any amount for a lawsuit won by the Company will be transferred to the Government. On the other hand, any judicial expense incurred by the Company during the period of its relationship with the Government will be borne by the Ministry of Finance except for the booked provision.

6. The two parties have agreed that the other provisions balance of JD 234 thousand as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.

7. The two parties have agreed that the income tax provision as of September 30, 2017 is the right of the Government and is transferred to the Income and Sales Tax Department on the due date in accordance with the Income and Sales Tax Law.

8. The two parties have agreed that the labor provisions balance (Provision for work injuries compensation; provision for employees' vacation; provision for end-of-service indemnity; and provision for death, compensation, and end-of-service indemnity) as of September 30, 2017 is the right of Jordan Petroleum Refinery Company.

9. The two parties have not reached an agreement as to which party will maintain the provision for doubtful debts balance (expected credit losses) of JD 10.5 million as of September 30, 2017.

10. The two parties have agreed that the provision for legal compensation balance of JD 6.27 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.

11. The two parties have agreed that the penalty and delay in payments provision balance of JD 2.74 million as of September 30, 2017 is a right to the Jordanian Government. Meanwhile, the full amount has been paid before the end of 2017.

12. The two parties have not reached an agreement as to who will maintain the provision for slow-moving and obsolete and sediments inventory balance of JD 19.9 million as of September 30, 2017.

d. According to the Council of Minister's Resolution No. (7633), taken in its meeting held on April 30, 2018, the financial relationship between the Company and the Government was terminated, and the Company started operating on a commercial basis as of May 1, 2018 (Note 3).

32. Death, Compensation, and End-of-Service Indemnity Fund

According to the Board of Directors' Resolution to merge the death, compensation, and indemnity fund with the staff end-of-service indemnity into one fund, namely the (death, compensation and end-of-service indemnity fund), and according to the General Announcement No. 11/2012, issued by the management of Jordan Petroleum Refinery Company, dated March 3, 2012, employees will receive at the end of service 150% of their monthly gross salary based on the last salary received. However, this amount shall not exceed JD 2,000 for every year of work for those whose gross monthly salaries do not exceed JD 2,000. If the monthly gross salary exceeds JD 2,000, the employee will receive one monthly gross salary for every year of work as an end-of-service compensation according to the last salary paid. The required provision will be annually determined by the Board of Directors, in light of the amount of contingent liability, to enable the Company to set up the full provision within five years according to Appendix No. (5) of the above-mentioned new fund regulations. Moreover, there is a no shortage in the required provision balance as of December 31, 2020.

33. Related Parties Transactions and Balances

The details of the balances and transactions with related to the Ministry of Finance are as follows:

	December 31, 2020	December 31, 2019
	JD	JD
Balances:		
Ministry of Finance primary account (the relationship) (Note 9/e)	72,712,083	211,270,511
Ministry of Finance – price differences deposits for oil derivatives pricing surplus (Note 18/a)	(4,536,221)	(45,420,322)
Ministry of Energy and Mineral Resources – deposits for setting up alternative tanks (Note 18/c)	-	(93,500,103)

	2020	2019
	JD	JD
Transactions		
Subsidy for oil derivatives recorded on the Ministry of Finance account (Note 24)	26,349,932	30,228,253
Ministry of Finance – surplus of oil derivatives pricing differences (Note 24)	(3,283,582)	(4,468,760)

- Executive management and members of the Board of Directors' salaries and remunerations amounted to JD1,343,395 for the year 2020 (JD 1,457,469 for the year 2019).

34. Ministry of Finance – Deposits for Strategic Inventory

End of Relationship with the Government

Pursuant to the Prime Ministry's Resolution No. (7633), taken in its meeting held on April 30, 2018, the Ministry of Finance was mandated to follow up on implementing the procedures and submit any related conclusions to the Council of Ministers regarding the transfer of the Government's strategic inventory, whose quantity and value have been determined, to the Jordan Oil Terminals Company (JOTC), provided that the value of this inventory is settled later. Additionally, Jordan Petroleum Refinery Company started transferring the strategic inventory to JOTC during April 2018 and is still transferring the quantities to JOTC according to the quantities requested by JOTC and the Ministry of Energy and Mineral Resources and depending on JOTC's storage capacity. Moreover, the Company transferred the special aftur related to the government for Jordan Air Force during July 2020, beside to transferring the special asphalt related to the government for the Ministry of Public works & Housing during year 2020 upon the Ministry of Energy and Mineral resources request, the company exported during February 2021 the fuel oil related to the government upon the request of the Ministry of Energy and Mineral resources, also a letter was sent to the Company from the Ministry of Finance and Ministry of Energy and Mineral Resources which includes that the crude oil related to the government to be sold to the Company from the beginning of March 2021 depending on the crude oil prices exported by Aramco company for March 2021. This action was approved by the Ministry of Finance, and the inventory amount was settled according to the Ministry of Finance's Letter No. 4/18/28669, dated August 29, 2019.

The table below illustrates the strategic inventory quantity as of December 31, 2020 and 2019:

	December 31,	
	2020	2019
	Quantity/ Tons	Quantity/ Tons
Crude Oil	42,926	42,926
Liquefied Petroleum Gas	-	15
Gasoline 90	-	232
Gasoline 95	-	17
Jet-Fuel	2	5,399
Kerosene	30,977	30,977
Diesel	-	7
Fuel Oil 3.5%	3,950	80,168
Asphalt	-	4,207
	77,855	163,948

35. Risk Management

The Company adopts financial policies for managing the various risks within a specific strategy. Moreover, the Company's management controls and monitors risks and performs the optimal strategic allocation of financial assets and financial liabilities. Risks include interest rate risk, market risk, credit risk, and foreign currency risk.

a. Capital Risk Management

The Company manages its capital to ensure its ability to continue as a going concern and maximize the return to shareholders through achieving an optimal balance between equity and debt. Moreover, no change in the Company's overall policy has occurred since the prior year.

b. Liquidity Risk

Liquidity risk, also known as funding risk, represents the difficulty that the Company will encounter in making available the necessary funds to fulfill its obligations. Moreover, the Company manages its liquidity risk through keeping adequate reserves, continuously monitoring the expected and actual cash flows, and matching the maturities of financial assets and financial liabilities.

c. Credit Risk

Credit risk relates to the other party's inability to meet its contractual obligations leading to the incurrence of losses by the Company. Moreover, the Company adopts a policy of dealing with creditworthy parties in order to mitigate the financial losses arising from defaults.

The Company's financial assets consisting mainly of receivables and other debit balances, financial assets at fair value through comprehensive income, and cash and cash equivalents do not represent important concentrations of credit risk. Furthermore, the debtors are widely spread among the clients' categories and their geographic areas. Strict credit control is maintained over the credit limits granted to each customer separately and on a continuous basis, and a provision is taken for the expected credit losses.

All of the Company's investments are classified as financial assets at fair value through comprehensive income.

- The risk of investment in shares relates to the change in the value of the financial instrument as a result of the changes in the closing prices of shares.

- The change in the financial market index, whereby the above securities are traded as of the consolidated financial statements date, represents a 5% increase or 5% decrease. The following is the impact of the change on the Company's owners' equity:

	2020	2019
	JD	JD
5% Increase	112,863	114,732
5% (Decrease)	(112,863)	(114,732)

d. Market Risk

Market risk is the loss in value resulting from the change in market prices such as interest rate, foreign currency exchange rate, and equity instruments prices, and consequently, the change in the fair value of the financial instruments cash flows on-and off-the consolidated statement of financial position.

1. Currencies Risk

The Company's major transactions are in Jordanian Dinar and US Dollar. The following are the book values of the Company's financial assets and financial liabilities denominated in foreign currencies as of December 31:

	2020	2019
	JD	JD
Assets - US Dollar	648,253	666,140
Liabilities - US Dollar	466,099,132	434,330,947

Currency risk relates to the changes in the prices of currencies in connection with foreign currency payments. As the Jordanian Dinar (the functional currency of the Company) is pegged to the US Dollar, the Company's management believes that the foreign currency risk is immaterial.

2. Interest Rate Risk

Interest rate risk is the risk of change in the value of the financial instrument due to changes in market interest rates.

Moreover, the Company continuously manages its exposure to interest rate risk and considers the various scenarios such as refinancing, renewal of the present positions, and alternative financing.

The below-mentioned sensitivity analysis is determined according to the exposure to interest rate risk related to the lending banks as of the consolidated financial statements date. Moreover, the analysis has been prepared assuming that the liability amount at the consolidated financial statements date was outstanding during the whole year. An increase or decrease of half a percentage point (0.5%) is used, representing the evaluation of the Company's management of the potential and acceptable change at market interest rates:

	2020	2019
	JD	JD
0.5% Increase	2,899,375	2,360,210
0.5% (Decrease)	(2,899,375)	(2,360,210)

36. Sectorial and Geographical Distribution

Information on geographical and sectorial distribution:

- The Company is organized, for management purposes, into four major business sectors.

a) **Refining:** This sector separates the components of imported crude oil into a set of various oil derivatives. This depends on licensing from the American UOP Company.

b) **Distribution:** Distribution links the production activity and refining activity, on one hand, and all customers in the various areas of the Kingdom, on the other. Moreover, distribution fulfills customers' demands for the Company's oil derivatives and gas.

c) **Manufacturing of Lube-oil:** This sector includes the manufacturing, production and filling of various types of oil required in the local and foreign markets.

d) **Manufacturing and Filling of Liquefied Gas:** This sector includes manufacturing, filling, repairing, and maintaining gas cylinders, and filling it in three of the Company's Gas Stations.

- All of the Company's assets, liabilities, and operations are inside the Hashemite Kingdom of Jordan.

- The following are the Company's activities distributed according to activity type:

	December 31, 2020				
	Refinery and gas cylinders filling activity	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
	JD	JD	JD	JD	JD
(Loss) Profit before tax for the year	(21,506,238)	7,831,677	(4,094,622)	100,729	(17,668,454)
Total sector's assets	735,728,238	31,003,156	322,450,338	4,789,005	1,093,970,737
Total sector's liabilities	614,333,424	23,427,307	239,955,649	271,945	877,988,325

	December 31, 2019				
	Refinery and gas cylinders filling activity	Lube Oil Factory	Jordan Petroleum Products Marketing Company	Other	Total
	JD	JD	JD	JD	JD
Profit before tax for the year	15,958,731	9,000,707	27,096,969	84,668	52,141,075
Total sector's assets	882,145,381	28,400,505	375,980,518	4,667,345	1,291,193,749
Total sector's liabilities	750,266,018	19,298,194	274,479,410	251,013	1,044,294,635

The following are the Company's business results analysis according to activity type (before consolidating the business results):

	Note	For the year Ended December 31, 2020				
		Refining activity & and gas cylinders filling	Oil factory	Jordan Petroleum Products Marketing Company	Other	Total
		JD	JD	JD	JD	JD
Net Sales		751,875,074	20,835,994	581,461,124	-	1,354,172,192
Less: Cost of sales		(759,823,620)	(10,957,451)	(547,163,275)	-	(1,317,944,346)
(Losses) Gross profit from sales		(7,948,546)	9,878,543	34,297,849	-	36,227,846
Add: Operating income and other		15,100,147	32,461	2,303,476	-	17,436,084
Gross profit		7,151,601	9,911,004	36,601,325	-	53,663,930
Less: Selling and distribution expenses		(30,594,123)	(1,479,242)	(23,992,980)	-	(56,066,345)
General and administrative expenses	27	(8,824,666)	(253,648)	(3,987,650)	-	(13,065,964)
Bank interest and commissions		(20,544,898)	(4,741)	(2,429,978)	100,729	(22,878,888)
Indian cylinders losses	28	-	-	-	-	-
Released from lawsuits provision	18	113,842	-	-	-	113,842
Released from (Provision) expected credit losses	9/J	160,175	(341,696)	(4,648,474)	-	(4,829,995)
Released from slow-moving and obsolete inventory and sediments	10	9,553,951	-	-		9,553,951
(Provision) for storage fees	18/I	(3,064,510)	-	-	-	(3,064,510)
Released from employees' vacations	18	249,822	-	-	-	249,822
Released from work injuries compensation	18/F	3,234,886	-	-	-	3,234,886
Income from storage of strategic inventory		7,842,786	-	-	-	7,842,786
Interest income resulting from government's delay		13,214,896	-	-	-	13,214,896
Lease liabilities interest	16	-	-	(2,547,910)	-	(2,547,910)
Interest resulting from the acquisition of a subsidiary		-	-	(88,955)	-	(88,955)
Amortization of intangible assets	15	-	-	(3,000,000)	-	(3,000,000)
(Loss) Profit for the Year before Income Tax		(21,506,238)	7,831,677	(4,094,622)	100,729	(17,668,454)
Income tax for the year	19	3,943,433	(1,331,384)	778,066	-	3,390,115
(Loss) Profit for the Year		(17,562,805)	6,500,293	(3,316,556)	100,729	(14,279,339)

	Note	For the year Ended December 31, 2019				
		Refining activity & and gas cylinders filling	Oil factory	Jordan Petroleum Products Marketing Company	Other	Total
		JD	JD	JD	JD	JD
Net Sales		1,047,896,712	26,652,097	939,595,338	-	2,014,144,147
Less: Cost of sales		(1,003,459,391)	(15,285,479)	(876,747,918)	-	(1,895,492,788)
Gross profit from sales		44,437,321	11,366,618	62,847,420	-	118,651,359
Add: Operating income and other		18,193,334	15,517	2,695,508	-	20,904,359
Gross profit		62,630,655	11,382,135	65,542,928	-	139,555,718
Less: Selling and distribution expenses		(35,472,799)	(1,860,789)	(24,334,609)	-	(61,668,197)
General and administrative expenses	27	(9,003,556)	(308,319)	(3,244,632)	-	(12,556,507)
Bank interest and commissions		(39,310,278)	(4,540)	(3,344,862)	84,668	(42,575,012)
Indian cylinders losses	28	(3,658,008)	-	-	-	(3,658,008)
(Provision) for lawsuits	18	-	-	-	-	-
(Provision) expected credit losses	9/J	-	(207,780)	(2,423,368)	-	(2,631,148)
(Provision) for slow-moving and obsolete inventory and sediments	10	(1,100,414)	-	-	-	(1,100,414)
(Provision) for storage fees	18/I	(5,049,600)	-	-	-	(5,049,600)
(Provision) employees' vacations	18	(176,922)	-	-	-	(176,922)
Released from work injuries compensation	18/F	491,708	-	-	-	491,708
Income from storage of strategic inventory		13,296,917	-	-	-	13,296,917
Interest income resulting from government's delay		33,311,028	-	-	-	33,311,028
Lease liabilities interest	16	-	-	(1,031,031)	-	(1,031,031)
Interest resulting from the acquisition of a subsidiary		-	-	(1,067,457)	-	(1,067,457)
Amortization of intangible assets	15	-	-	(3,000,000)	-	(3,000,000)
Profit for the Year before Income Tax		15,958,731	9,000,707	27,096,969	84,668	52,141,075
Income tax for the year	19	(1,287,830)	(1,438,997)	(5,225,446)	-	(7,952,273)
Profit for the Year		14,670,901	7,561,710	21,871,523	84,668	44,188,802

37. The Future Plan

After the Spanish contractor Tecnicas Reunidas finished preparing the FEED documents based on the documents of the owners of refining technology companies KBR and UOP of the United States, as well as after contracting with SCB to work as a financial advisor with the intention of attracting investors and financiers for the project and contracting with Freshfields to work as an international legal advisor, Technip Company (British Branch) was contracted, during June 2020, to manage the refinery expansion project, prepare the qualifying conditions for the execution contractors, evaluate contractors' offers, choose the most appropriate candidates, as well as supervising the project's implementation. Meanwhile, Technip Company has completed the pre-qualification stages for the implementation and financing contractors and the selection of the qualified ones in coordination with all the consultants. Moreover, the bidding documents for the establishment of the project have been sent to these contractors, and their proposals will be received by mid-July 2021.

In addition, JPRC is currently appointing Ernst & Young and Wood Mackenzie to prepare reports on which investors and financiers can rely as regards the accounting and commercial aspects, in order for them to assess their participation in the project and take the appropriate decision regarding their participation in financing.

AON Company has also been appointed as an insurance advisor for the fourth expansion project to cover aspects related to policies, programs, and insurance requirements for the project to meet the requirements of the financiers and investors. In addition, ECO and WKC have been assigned to work as an environmental expert (as they prepared an environmental assessment study for the project). The said companies have prepared a gap study to assess the environmental and social impact of the project, and they will prepare the terms of reference in coordination with the Ministry of Environment to cover all activities of the refinery (refining activity, liquefied gas activity, petroleum products marketing company activity and Lube-oil activity) in order to meet the requirements of investors regarding the inclusion of all the company's activities in the study. In this context, there is a plan for completing the selection of the contractor to be contracted with, no later than the fourth quarter of 2021, where the implementation of the project will begin after the completion of the works related to the financial closing, which is expected to be reached during the year 2022.

In terms of the relationship with the Government, the Company is still communicating with the Government to reach an agreement on the remaining matters related to their financial relationship, following the end of the financial relationship between the Government and the Company as of May 1, 2018, pursuant to the Council of Ministers' Resolution No. (7633) to defer the application of the oil derivatives specification until the completion of the fourth expansion project, provided that a specific implementation plan is adhered to.

Given that the crude-oil-producing countries, also known as OPEC+, did not reach an agreement on reducing production during March 2020, which was also accompanied by the Corona virus pandemic, the crude oil and finished oil derivatives' prices were negatively affected due to the increase in supply and decrease in demand and the finished oil derivatives' prices were negatively also affected globally and locally due to the lack of demand, as well as the decrease in demand caused by the change in social behavior resulting from the curfew applied in the Kingdom and different countries around the world. The demand for finished oil derivatives in the Kingdom was also affected, specifically, during the period from March 18, 2020 until the end of May 2020, as a result of the Kingdom-wide curfew. Moreover, the Jet-fuel sales are still being affected due to the precautionary measures to prevent the spread of the Corona Virus implemented by countries on the movement of aircraft and transportation between countries.

The decline in the international prices of crude oil and finished oil derivatives during the year 2020 led to a decrease in the value of the Company's inventory, as the Company evaluates its inventory at cost or realizable value, whichever is lower, in accordance with the International Financial Reporting Standards. This matter caused the Company to incur losses resulting from the decrease in the value of its inventory at the end of the year compared to the value of its inventory at the beginning of the year, despite the fact that the Company maintained its inventory quantities in a manner that would make up for the future losses arising from its inventory devaluation. Accordingly, the Company reduced all its costs to the minimum possible during the year 2020 and its will continue applied the same policy for the year 2021 and after that date, and during the year 2020, it imported the equivalent of four million barrels of crude oil at very low prices. This greatly alleviated the impact of the decline in the value of its inventory resulting from the decline in international prices of crude oil and oil derivatives. The company also imports shipments of Saudi crude oil with a high content of gasoline, kerosene and diesel and a low content of heavy fuel oil to maximize the refining activity revenues.

In light of the recovery of crude oil prices and oil derivatives as a result of the crude oil producing countries reaching an agreement to reduce their production, and as a consequence of the return to normal life in light of the world adaptation to coexist with the Corona virus pandemic, the Company hopes to recover the losses it incurred in the year 2020 during the subsequent financial periods.

Jordan Petroleum Products Marketing Company continues its activities of establishing new gas stations in various regions of the Kingdom. The following gas stations have been established since the beginning of the current year 2020 under the management of JoPetrol: Taj Ammon Gas Station/Istiklal Street; Al-Etan Gas Station/Al-Mafraq; and Al-tanmaweyeh Althania Gas Station/opposite the Ministry of Foreign Affairs and Expatriates. Moreover, the following gas stations have been established since the beginning of the current year under Hydron Energy Company management: Al-Kharabsheh Al-Harameen Gas Station/Sports City; Abu Aqoula Gas Station/Al-Ruwaished; Al-Zoubi Gas Station/Al-Baqa'a; Al-Dibs Gas Station/Sahab; Hararah Gas Station/Maan; Al Awadi Gas Station/ Al Mafraq; Al Awadi Gas Station/Al Aghwar; and Al Suroor Gas Station/ Al Mafraq.

Despite the exceptional circumstances witnessed by the global economy and the Hashemite Kingdom of Jordan stemming from the Corona virus pandemic since the beginning of the year 2020, in general, and the pandemic's impact on the Jordan Petroleum Products Marketing Company's activities, particularly, the sharp decrease in sales during the complete lockdown period, decreased consumption of finished oil derivatives from sectors affected by the pandemic such as airports, the repeated decline in world prices of oil derivatives for consecutive months, and the failure of the prices to return to their previous position, JoPetrol continues along the path of development and expansion and will open and manage the following gas stations by the end of the year 2021: Al-Hayat Tower Gas Station/Al-Qwaira; Al-Luzi Gas Station/Jubeiha; Al-Tareeq Al-Khalfi Gas Station/Aqaba; Al-Sakka Gas Station/100th Street; Al-al bayt University Station; Al Jaloudi Gas Station / Radio Area Khrais Gas Station/Irbid; Sakhr Al-Sukhour Gas Station / Giza; Al-Jundi Station / Zarqa; Sokhna Station; Al-Hourani Station / Radio Area; Al-Enaizat Station / Abu Nseir; and Al-Halles Station/ Al-Quwirah. Moreover, the Company will renovate older gas stations.

The Jordan Petroleum Products Marketing Company is also attracting solutions for digital transformation in the field of information systems through the implementation of the infrastructure development project for the company's main data center from servers and main and backup data processing units with the latest international technology.

The customer orders transfer system has also been upgraded through the activation of smart applications through smart systems for fuel orders and the transfer and automatic submission of station orders, in addition to activating the electronic payment service for all services provided by the Company through eFAWATEERcom, re-loading of cards, or e-pre-payments for home distribution orders and factories' and companies' orders.

The automation system for the gas stations and the electronic cards system have also been upgraded by adding the feature of activation of the card's password service, controlling the vehicle's expense and fuel consumption according to the mileage in kilo meters indicated by the vehicle's odometer, or through linking the vehicle to the Global Positioning System (GPS) tracker, as well as developing a Radio-frequency Identification (RFID) system for filling and electronically controlling the price changes for all the owned stations, which are managed from the control room.

Moreover, the human resources self-service system has been activated. As such, all employees' inquiries and requests are conducted electronically through smart applications. In addition, the technical support system has been activated for the Company's internal departments.

During the year 2021, it is planned that the Company will obtain international quality certificates in managing the quality of services and products, occupational health and safety systems, and environmental management systems with the highest internationally approved standards and intensify training for all employees on the latest occupational health and safety management systems, provide them with all necessary equipment, and apply the latest systems in the protection of facilities against theft and risks.

Moreover, the television monitoring system is applied to the domestic transport and distribution fleet tanks through the central control room, in addition to the automation of tank counters and their inventory.

Smart applications will be activated to organize technical support for customers at their stations, in addition to completing the inventory automation and electronic selling systems in all managed and supplied stations.

The Company will continue to attract aviation clients to supply them with Jet-fuel through the Queen Alia Airport, King Hussein Airport, and Marka Airport. Moreover, the Company will continue to expand new gas stations established by their owners and to sign supply contracts with them. The Company will also continue the strategy of increasing the number of gas stations owned by others to be either managed by JoPetrol or by Hydron Energy Company.

With regard to the lube oil activity, the Company completed the project of amending the packaging designs used to package its products, as the packaging designs of size (20) liters and (25) liters are being amended in order to reduce imitation of JoPetrol oils products and come up with more attractive designs. Moreover, experimental packages have been produced, and the new designs are being registered at the Chamber of Commerce and Industry to maintain their ownership and begin producing them.

As part of the factory's renovation plan, work is under way to purchase and install a new production line to fill (1) liter packages and the tender is offering, and it is still under evaluation.

Under the cost reduction plan, work is under way to purchase and install a mixing system for some of the additives as the tender is offering, in addition to expansion in importing of bulk additives in flexible tanks with a size of (20) cubic meters.

The lube oils laboratory is being renovated through purchasing new and modern testing devices in order to improve the laboratory's reliability, qualify it to test used lube oils, and raise the level of the after-sale service.

As for exporting, part of the factory's plan is to expand its exports to include Lebanon, Sudan Canada, Chad, all the regions of Chad, in addition to the neighboring regions, such as Libya and Cameroon. Moreover, delivery vehicles of finished goods to customers are being replaced through purchasing modern cars.

38. Fair Value Hierarchy

A. Fair value of financial assets and financial liabilities measured at fair value on a continuous basis:

Some of the financial assets and financial liabilities are measured at fair value at the end of each reporting year. The following table illustrates information on how the fair value of these financial assets and financial liabilities is determined (valuation techniques and key inputs):

Financial Assets	Fair Value as at December 31, 2020	Fair Value as at December 31, 2019	Fair Value Hierarchy	Valuation Techniques and Key Inputs	Significant Unobservable Inputs	Relationship of Unobservable Inputs to Fair Value
	JD	JD				
Financial assets at fair value:						
Financial assets at fair value through comprehensive income						
Companies' shares	2,257,261	2,294,639	Level 1	Stated prices in financial markets	Not applicable	Not applicable
Total financial assets at fair value	2,257,261	2,294,639				

There were no transfers between level 1 and level 2 during the financial year.

B. The fair value of financial assets and financial liabilities of the Company not specified at fair value on an ongoing basis:

We believe that the book value amounts of the financial assets and financial liabilities reflected in the Company's consolidated financial statements approximate their fair values.

Investment property were evaluated for the subsidiaries and gas stations upon acquiring.

39. Comparative Figures

During the year ended December 31, 2020, the Group adjusted the comparative figures for the year 2019 according to International Accounting Standard No. (8), with retrospective effect, to comply with the requirements of IFRS No. 10 "Consolidated Financial Statements". This treatment affected the items of the consolidated profit or loss statement. Moreover, the Group's results of operations and equity and cash flows were not affected, as they resulted from adjustments related to offsetting some transactions between the Company and its subsidiary companies.

- The effect of the adjustments on the items related to the year 2019 is as follows:

	December 31, 2019		
	Balance before the Adjustments	Effect of the Adjustments	Adjusted Balance
	JD	JD	JD
Consolidated Profit or loss Statement			
Operating revenues and other (Note 25)	20,904,359	(8,809,953)	12,094,406
Selling and distribution expenses (Note 26)	(61,668,197)	7,978,419	(53,689,778)
Bank interest and charges	(42,575,012)	831,534	(41,743,478)
		-	