JORDAN RIVER FOUNDATION
(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2020

Building a better
working world

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INDEPENDENT AUDITOR'S REPORT
To the Board of Trustees of Jordan River Foundation
Amman- Jordan

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Jordan River Foundation (the Foundation) and its subsidiary (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, and the consolidated statement of revenues and expenses, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Foundation as at 31 December 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

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

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

In preparing the 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 ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of accounts, which are in agreement with the financial statements.

Ernst & Young/ Jordan

Ernst & Young

Shorouk Nawaaf Al-Khateeb
Registration No. 1038

Amman – Jordan
22 September 2021

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF 31 DECEMBER 2020

	Notes	2020	2019
		JD	JD
ASSETS			
Non-current assets			
Property and equipment	5	5,667,263	6,178,035
Right of use assets	6	59,304	81,956
		5,726,567	6,259,991
Current Assets			
Inventories	7	646,084	527,811
Trade receivables	8	539,059	310,918
Other current assets	9	69,973	178,859
Cash on hand and at banks	10	6,126,883	6,760,984
		7,381,999	7,778,572
Total Assets		13,108,566	14,038,563
NET ASSETS AND LIABILITIES			
Net Assets-			
Deficit in unrestricted net assets		(1,622,947)	(1,022,031)
Restricted net assets	13	9,173,536	9,173,536
		7,550,589	8,151,505
Liabilities -			
Non- current liabilities			
Lease liability- long term	6	23,365	45,201
Long term loan	14	238,348	123,922
		261,713	169,123
Current liabilities			
Trade and other payables	11	199,585	265,404
Unearned revenue and restricted funds	12	4,723,066	5,342,331
Loan from Queen Rania Foundation	18	200,000	-
Current portion of long term loan	14	146,550	85,200
Lease liability- short term	6	25,000	25,000
		5,294,201	5,717,935
Total Liabilities		5,555,914	5,887,058
Total net assets and liabilities		13,108,566	14,038,563

The attached notes from 1 to 23 form part of these consolidated financial statements

	Notes	2020	2019
		JD	JD
Revenues -			
Sales		2,274,011	2,601,038
Donations		1,264,016	1,620,916
Revenue from activities		9,042,851	8,896,939
Other income	15	1,453,951	1,523,907
Total Revenues		14,034,829	14,642,800
Expenses -			
Cost of sales		(1,149,463)	(1,377,715)
Project operating expenses	16	(7,558,744)	(8,654,695)
Administrative expenses	17	(5,891,611)	(5,349,888)
Finance cost		(10,111)	(13,664)
Depreciation of right of use assets	6	(22,652)	(22,652)
Finance cost –lease liabilities	6	(3,164)	(4,593)
Total expenses		(14,635,745)	(15,423,207)
Deficit for the year		(600,916)	(780,407)

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Deficit in unrestricted net assets	Restricted net assets	Total
	JD	JD	JD
For the year ended 31 December 2020-			
Balance at 1 January	(1,022,031)	9,173,536	8,151,505
Deficit for the year	(600,916)	-	(600,916)
Balance at 31 December 2020	(1,622,947)	9,173,536	7,550,589
For the year ended 31 December 2019-			
Balance at 1 January	(241,624)	9,173,536	8,931,912
Deficit for the year	(780,407)	-	(780,407)
Balance at 31 December 2019	(1,022,031)	9,173,536	8,151,505

The attached notes from 1 to 23 form part of these consolidated financial statements

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	2020	2019
		JD	JD
OPERATING ACTIVITIES			
Deficit for the year		(600,916)	(780,407)
Adjustments for -			
Depreciation	5	462,308	463,513
Depreciation of right of use assets	6	22,652	22,652
Finance cost –lease liabilities	6	3,164	4,593
Loss (gain) from sale of property and equipment		110,018	(1,632)
Change in working capital			
Inventories		(118,273)	515,333
Trade receivables and other current assets		(115,742)	(7,621)
Trade and other payables		(67,269)	(347,872)
Unearned revenue and restricted funds	12	(10,089,928)	(11,859,985)
Net cash flows used in operating activities		(10,393,986)	(11,991,426)
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(61,554)	(807,454)
Proceeds from sale of property and equipment		-	17,950
Net cash flows used in investing activities		(61,554)	(789,504)
FINANCING ACTIVATES			
Restricted funds	12	9,470,663	12,342,415
Proceed from bank loans		305,900	143,622
Loan from Queen Rania Foundation		200,000	-
Repayment of bank loans		(130,124)	(60,000)
Lease payments	6	(25,000)	(25,000)
Net cash flows from financing activities		9,821,439	12,401,037
Net decrease in cash and cash equivalents		(634,101)	(379,893)
Cash and cash balances at the beginning of the year		6,760,984	7,140,877
Cash and cash balances at the end of the year		6,126,883	6,760,984

The attached notes from 1 to 23 form part of these consolidated financial statements

(1) GENERAL

Jordan River Foundation (the Foundation) was established on 11 May 1998 as a result of the merger between Jordan Development Foundation and Jordan River for Development Projects, registered under the Law of Social Societies and Agencies No. 33 of 1966 and its amendments.

The main objectives of the foundation are to develop local communities in the health, education, vocational and education sectors, prepare and execute development projects to achieve community prosperity and prepare and develop programs related to family and children security.

The Foundation's financial statements were approved by its Board of Trustees on 18 August 2021.

The Foundation's headquarter is in Amman - the Hashemite Kingdom of Jordan.

(2) BASIS OF PREPARATION

The consolidated financial statements have been prepared under the historical cost basis.

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements are presented in Jordanian Dinars, which is the functional currency of the Foundation.

Basis of consolidation of financial statements

The consolidated financial statements comprise of the financial statements of the Foundation and its subsidiary as follows as of 31 December 2020:

Name of the foundation	Ownership percentage		Incorporation country
	2020	2019	
Jordanian Regional Center for Development and Training	100%	100%	Jordan

* Jordanian Regional Center for Development and Training was established on 12 November 2008 in the Kingdom of Jordan as a not for profit foundation with authorized paid share capital of JD 5,000 divided into 5,000 shares with a nominal value of JD 1 per share.

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

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

When the Group has less than a majority of the voting or similar rights of an investee. The Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee.
- Rights arising from other contractual arrangements.
- The Group's voting rights and potential voting rights.

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary.

Income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies to conform to the Group's accounting policies. All intra-group assets and liabilities, equity, profit and losses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the financial statements are consistent with those used in the preparation of the annual financial statements for the year ended 31 December 2019 except for that the Foundation adopted these changes starting from 1 January 2020:

Amendments to IFRS 3: Definition of a Business

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

These amendments had no impact on the financial statements of the Foundation.

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

The IASB issued amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.

These amendments had no impact on the financial statements of the Foundation.

Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

Interest Rate Benchmark Reform Amendments to IFRS 9 and IFRS 7 includes a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainties about the timing and or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the financial statements of the Foundation.

Amendments to IFRS 16 Covid-19 Related Rent Concessions

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. This relates to any reduction in lease payments which are originally due on or before 30 June 2021. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification.

The amendment applies to annual reporting periods beginning on or after 1 June 2020. Earlier application is permitted. These amendments have no impact on the financial statements of the Foundation.

(3) USE OF ESTIMATES

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

(4) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment

Property and equipment are stated at cost less accumulated depreciation and any impairment in value. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the statement of revenues and expenses.

Depreciation is computed on a straight-line basis over the estimated useful lives using the following rates:

	%
Building & renovation	2-10
Furniture and fixture	10
Vehicles	15
Software	15

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

Leases

The Foundation assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Foundation applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Foundation recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Right-of-use assets

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

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

Lease obligations

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

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

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

Short-term leases and leases of low-value assets

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

Significant judgement in determining the lease term of contracts with renewal options
The Foundation determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

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

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

Inventories
Inventories are valued at the lower of cost on weighted average basis or net realizable value. Cost of inventories consists of cost incurred in brining inventories to its present location and condition and measured using weighted average method.

Accounts receivable
Trade receivables are stated at original invoice amount less allowance for any uncollectible amounts. An estimate for doubtful debts is made applying IFRS 9 simplified approach to calculate and record allowance for expected credit loss ECL on all its trade receivables. Trade receivables are written off when there is no probability for collecting it.

Cash and bank balances

Cash and bank balances represent cash on hand, bank balances and short term deposits.

Accounts payable and other current liabilities

Payables and other current liabilities are recognized for amounts to be paid in the future for services or goods received, whether billed by the supplier or not.

Loans

All loans are initially recognized at fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest bearing loan and bonds are subsequently measured at amortized cost using the effective interest method.

Provisions

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

Revenues and expenses

Revenue is recognized based on the new IFRS 15 as the standard establishes a five step model to account for revenue arising from contracts with customers. Revenue is recognized from sale of equipment / goods at the point in time when control of the and is transferred to the customer, generally on delivery of the equipment/ goods.

Interest income is recognized using the effective interest rate method.

Expenses are recognized on an accrual basis.

Income tax

The Foundation calculates income tax provision in accordance with the income tax law applicable in the Kingdom and in accordance with IAS12 which states that deferred tax is provided for temporary differences, at each reporting date, between the tax basis of assets and liabilities and their carrying amounts for financial reporting purposes.

Foreign currencies

Monetary assets and liabilities denominated in foreign currencies are retranslated to Jordanian Dinars at year end using the average rate of exchange ruling at 31 December. In which all transactions are translated from foreign currencies to Jordanian Dinars using the average rate of exchange in the date of these transactions. All differences are taken to the statement of revenues and expenses.

Offsetting

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

(5) PROPERTY AND EQUIPMENT

	Land	Building and renovation	Furniture and fixtures	Vehicles	Software	Recipes	Total
2020-	JD	JD	JD	JD	JD	JD	JD
Cost–							
At 1 January 2020	13,486	6,460,143	2,147,121	424,124	170,841	-	9,215,715
Additions	-	-	33,134	21,550	2,500	4,370	61,554
Disposals	-	(122,753)	-	-	-	-	(122,753)
At 31 December 2020	13,486	6,337,390	2,180,255	445,674	173,341	4,370	9,154,516
Accumulated Depreciation-							
At 1 January 2020	-	1,211,257	1,430,678	280,448	115,297	-	3,037,680
Charge for the year	-	118,110	262,546	60,175	21,477	-	462,308
Disposals	-	(12,735)	-	-	-	-	(12,735)
At 31 December 2020	-	1,316,632	1,693,224	340,623	136,774	-	3,487,253
Net book value							
At 31 December 2020	13,486	5,020,758	487,031	105,051	36,567	4,370	5,667,263

	Land	Building and renovation	Furniture and fixtures	Vehicles	Software	Total
2019-	JD	JD	JD	JD	JD	JD
Cost–						
At 1 January 2019	13,486	6,140,517	1,687,655	444,124	142,479	8,428,261
Additions	-	319,626	459,466	-	28,362	807,454
Disposals	-	-	-	(20,000)	-	(20,000)
At 31 December 2019	13,486	6,460,143	2,147,121	424,124	170,841	9,215,715
Accumulated Depreciation-						
At 1 January 2019	-	1,063,183	1,218,562	234,619	61,485	2,577,849
Charge for the year	-	148,074	212,116	49,511	53,812	463,513
Disposals	-	-	-	(3,682)	-	(3,682)
At 31 December 2019	-	1,211,257	1,430,678	280,448	115,297	3,037,680
Net book value						
At 31 December 2019	13,486	5,248,886	716,443	143,676	55,544	6,178,035

(6) LEASES

Set out below, are the carrying amounts of the Foundation's right-of-use assets and lease liabilities and the movements during the year:

	Right of use assets	Lease Liabilities*
	JD	JD
At 1 January 2020	81,956	70,201
Depreciation	(22,652)	-
Interest expense	-	3,164
Payments	-	(25,000)
At 31 December 2020	59,304	48,365

	Right of use assets	Lease Liabilities*
	JD	JD
At 1 January 2019	104,608	90,608
Depreciation	(22,652)	-
Interest expense	-	4,593
Payments	-	(25,000)
At 31 December 2019	81,956	70,201

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

31 December 2020			31 December 2019		
Short term	Long term	Total	Short term	Long term	Total
JD	JD	JD	JD	JD	JD
25,000	23,365	48,365	25,000	45,201	70,201

(7) INVENTORIES

	2020	2019
	JD	JD
Raw materials	428,331	215,591
Work in process	-	90,575
Finished goods	229,459	233,351
	657,790	539,517
Allowance for slow moving inventories	(11,706)	(11,706)
	646,084	527,811

The carrying amount of slow-moving inventories amounted to JD 11,706 as at 31 December 2020 (2019: JD 11,706).

(8) TRADE RECEIVABLES

	2020	2019
	JD	JD
Trade receivables	558,882	330,741
Less: Allowance for expected credit losses and for doubtful debts *	(19,823)	(19,823)
	539,059	310,918

The Foundation's management believes that all receivables balances will be collected in full.

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

	Past due but not impaired				
	1 – 60 Days	61 – 90 days	91 – 180 days	181-> days	Total
	JD	JD	JD	JD	JD
2020	103,942	85,951	273,837	75,329	539,059
2019	290,479	1,650	9,918	8,871	310,918

(9) OTHER CURRENT ASSETS

	2020	2019
	JD	JD
Prepaid expense	20,153	2,663
Employees' receivable	17,848	33,516
Advances to suppliers	-	120,428
Refundable deposits	31,972	22,252
	69,973	178,859

(10) CASH ON HAND AND AT BANKS

	2020	2019
	JD	JD
Cash on hand	2,028	3,175
Current and saving accounts	1,224,697	1,258,908
Deposits *	4,900,158	5,498,901
	6,126,883	6,760,984

The Foundation's deposits with banks earn annual interest rates ranging between 2% to 4.25% (2019: 2% to 4.25%).

(11) TRADE AND OTHER PAYABLES

	2020	2019
	JD	JD
Trade payables	182,230	196,641
Advances from customers	-	20,758
Accrued expenses	17,355	48,005
	199,585	265,404

(12) UNEARNED REVENUE AND RESTRICTED FUNDS

	2020	2019
	JD	JD
Unearned revenue	1,902,233	2,661,630
Restricted funds	2,820,833	2,680,701
	4,723,066	5,342,331

The movement on Unearned revenue and restricted funds is as follows:

	2020	2019
	JD	JD
At 1January	5,342,331	4,859,901
Funds received during the year	9,470,663	12,342,415
Funds released during the year	(10,089,928)	(11,859,985)
At 31 December	4,723,066	5,342,331

(13) NET RESTRICTED ASSETS

This item represents restricted funds which are related to projects implemented and completed in previous years shown as part of net assets as per Foundation's management decision.

(14) BANK LOANS

	2020		Total	
	Loan instalments			
	Current portion	Long term portion	2020	2019
	JD	JD	JD	JD
Arab Bank loan 1	55,900	-	55,900	118,422
Arab Bank Loan 2	52,329	26,669	78,998	90,700
Arab Bank Loan 3	38,321	211,679	250,000	-
	146,550	238,348	384,898	209,122

Arab Bank loan 1

During 2019, the Foundation obtained a revolving loan from Arab Bank to Energy production project. The loan's ceiling is JD 143,622 bearing annual interest rate of 4.5%. the loan is repayable in 36 monthly installments, with the first installment was due on 12 July 2019.

Arab Bank loan 2

During 2018, the Foundation obtained a loan from Arab Bank to finance vehicle purchases. The loan's ceiling is JD 108,000 bearing annual interest rate of 8.5%. the loan is repayable in 48 monthly installments, with the first installment was due on 6 July 2019.

Arab Bank loan 3

During 2020, the Foundation obtained a loan from Arab Bank as part of the Central Bank of Jordan instructions for the working capital support of the small and medium size businesses during the Covid-19 pandemic. The loan's ceiling is JD 250,000 bearing annual interest rate of 2%. the loan is repayable in 36 monthly installments, with the first installment due after six months from the date of signing the agreement date 18 July 2020.

(15) OTHER INCOME

	2020	2019
	JD	JD
Interest income	406,874	408,536
Other income*	1,047,077	1,115,371
	1,453,951	1,523,907

* This item represents the balance utilized from the unearned revenue and restricted funds to finance part of the Foundation’s administrative expenses as per the agreements signed with the donors.

(16) OPERATING PROJECTS EXPENSES

	2020	2019
	JD	JD
Salaries, social security and health insurance	3,787,751	2,904,826
Projects expenses	622,125	1,550,576
Activities events and exhibitions	1,972,186	1,814,122
Wages	429,649	1,140,988
Hospitality	110,669	317,287
Equipment and tools	270,979	343,164
Utilities	118,686	145,440
Office supplies and stationary	102,571	185,048
Service fees	17,480	41,096
Rent	36,364	91,012
Consultants and outsourcing	29,276	12,213
Maintenance	22,201	37,480
Printing	10,527	28,712
Communications	19,040	25,664
Staff capacity building (employee training)	-	1,392
Vehicles insurance	9,240	10,292
Others	-	5,383
	7,558,744	8,654,695

(17) ADMINISTRATIVE EXPENSES

	2020	2019
	JD	JD
Salaries, social security and health insurance	3,563,821	3,374,928
Activities events and exhibitions	912,596	212,745
Travel and transportation	165,178	70,326
Wages	737	23,522
Depreciation	462,308	463,513
Hospitality	19,466	6,903
Subscriptions	-	23,478
Equipment and tools	53,217	46,876
Utilities	76,610	219,849
Office supplies and stationery	22,135	32,746
Service fees	154,462	192,134
Rent	65,271	6,180
Advertisements promotional and publications	46,590	53,781
Consultants and outsourcing	115,592	159,802
Maintenance	63,415	105,761
Printing	11,013	18,479
Shipping and freight out	21,811	22,911
Communications	16,252	15,957
Kitchen expenses	18,725	25,296
Sales commission	22,083	18,277
Bank fees	9,590	6,710
Staff capacity building (employee training)	507	20,172
Insurance	11,885	17,101
Others	58,347	212,441
	5,891,611	5,349,888

(18) RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent board of trustees and key management personnel of the Foundation, as well as entities that have influence on the Foundation. Pricing policies and terms of the transactions with related parties are approved by the Foundation's management.
Transactions with related parties included in the financial statements are as follows:

Statement of assets and liabilities:

	2020	2019
	JD	JD
Loan from Queen Rania Foundation	200,000	-

On 5 July 2020, the Foundation signed an agreement with Queen Rania Foundation to provide the Foundation with a loan amounting to JD 200,000 to support its operations. The loan does not bear interest and is repayable upon Queen Rania Foundation request.

(19) INCOME TAX

The Foundation is exempt from tax in accordance with the Jordanian Income Tax laws and Jordan River Foundation Law 33 for the year 2001.

(20) RISK MANAGEMENT

Interest rate risk –

The Foundation is exposed to interest rate risk on its interest bearing assets such as bank deposits and bank loans.

The sensitivity of the separate statement of revenues and expenses is the effect of the assumed changes in interest rates on the Foundation's surplus for one year and is calculated based on the financial assets holding floating interest rate at 31 December.

The following table demonstrates the sensitivity of the statement of revenues and expenses to reasonably possible changes in interest rates as at 31 December 2020 and 2019, with all other variables held constant.

2020 -	Increase/Decrease in interest rate	Effect on deficit for the year
	Point	JD
Currency		
JD	100	4,115

2019 -	Increase/ Decrease in interest rate	Effect on deficit for the year
	Point	JD
Currency		
JD	100	5,289

Credit risk –

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation, leading to a financial loss.

The Foundation seeks to limit its credit risk with respect to banks by only dealing with reputable banks. The foundation is not exposed to significant credit risk as majority of the foundation's sales are in cash and it sets credit limits to its customers and maintains the outstanding receivable regulary.

Liquidity risk –

Liquidity risk is the risk that the Foundation will not meet its obligations under its financial liabilities based on contractual maturity dates.

The Foundation monitors its liquidity by ensuring availability of funds to meet its obligations at their maturity date.

The table below summarizes the maturities of the Foundation's financial liabilities (undiscounted) at 31 December 2020 and 2019 based on contractual payment dates and current market interest rates:

	Less than 1 year	More than 1 year	Total
31 December 2020	JD	JD	JD
Trade and other payables	199,585	-	199,585
Lease liability	25,000	25,000	50,000
Loan from Queen Rania Foundation	200,000	-	200,000
Bank loan	96,089	314,845	410,934
	520,674	339,845	860,519

	Less than 1 year	More than 1 year	Total
31 December 2019	JD	JD	JD
Trade and other payables	265,404	-	265,404
Lease liability	25,000	50,000	75,000
Bank loan	92,442	134,456	226,898
	382,846	184,456	567,302

Currency risk –

Most of the Foundations' transactions are in US Dollars and JOD Dinars. The Jordanian Dinar exchange rate is fixed against the US Dollar (US $ 1.41 for 1 JOD). Accordingly, the Foundation is not exposed to significant currency risk

(21) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, accounts receivable, and some other current assets. Financial liabilities consist of accounts payable, bank loan, lease liabilities, and some other current liabilities.

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

(22) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

IFRS 17 Insurance Contracts

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

The new standard will be effective for annual periods beginning on or after 1 January 2023 with comparative figures required. Early application is permitted provided that the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17.

This standard is not applicable for the Foundation.

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

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

what is meant by a right to defer settlement,

the right to defer must exist at the end of the reporting period,

that classification is unaffected by the likelihood,

that an entity will exercise its deferral right,

and that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

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

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

The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments should be applied.

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

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

Property, Plant and Equipment: Proceeds before Intended Use – Amendments to IAS 16
In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities from deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

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

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

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

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The amendments are not expected to have a material impact on the Foundation**.**

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

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

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

The Foundation will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the Foundation.

(23) THE IMPACT OF (COVID-19) OUTBREAK ON THE FOUNDATION

The World Health Organization made an assessment during March 2020 that the outbreak of the coronavirus (COVID-19) can be characterized as a pandemic. This coronavirus outbreak has impacted the global economy and global markets, which has led to fundamental disruption in the global economy and various business sectors. Consequently, this was reflected in most sectors that were affected by the suspension of business activities and the expanded quarantine that was imposed in addition to the impact of other government measures taken to combat the virus.

The outbreak of this epidemic did not have a material impact on the Foundation's consolidated financial statements as at 31 December 2020. The Foundation obtained a loan from Arab Bank as part of the Central Bank of Jordan instructions for the working capital support of the small and medium size businesses during the Covid-19 pandemic. Management will continue to monitor future developments that may affect the Foundation's future results, cash flows, and financial position.