

JORDAN RIVER FOUNDATION
(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2024



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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 accompanying 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 2024, 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 material accounting policy information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Group as at 31 December 2024, and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

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' *International Code of Ethics for Professional Accountants* (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), 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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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 Foundation maintains proper books of accounts which are in agreement with the financial statements.

For and on behalf of Ernst & Young – Jordan.


Shorouk Nawaf Al-Khateeb
License No. 1038

Amman - Jordan
5 November 2025

ERNST & YOUNG
Amman - Jordan

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Notes	2024 JD	2023 JD
ASSETS			
Non-current assets -			
Property and equipment	5	5,488,750	5,390,971
Intangible assets	6	1,145	1,556
Project in progress	7	-	40,337
Right-of-use assets	8	288,909	335,205
		<u>5,778,804</u>	<u>5,768,069</u>
Current Assets -			
Inventories	9	1,533,542	1,456,527
Trade receivables	10	482,764	695,887
Other current assets	11	406,961	547,510
Cash on hand and at banks	12	8,240,358	7,170,719
		<u>10,663,625</u>	<u>9,870,643</u>
Total Assets		<u>16,442,429</u>	<u>15,638,712</u>
Net Assets and Liabilities			
Net assets			
Net assets	19	7,325,955	6,907,027
		<u>7,325,955</u>	<u>6,907,027</u>
Liabilities			
Non- current liabilities -			
Lease contract liabilities- long-term	8	185,846	218,971
		<u>185,846</u>	<u>218,971</u>
Current liabilities -			
Trade and other payables	13	890,629	859,001
Unearned revenue and restricted funds	14	7,937,788	7,548,139
Lease contract liabilities- short term	8	102,211	105,574
		<u>8,930,628</u>	<u>8,512,714</u>
Total liabilities		<u>9,116,474</u>	<u>8,731,685</u>
Total net assets and liabilities		<u>16,442,429</u>	<u>15,638,712</u>

The attached notes from 1 to 26 form part of these consolidated financial statements

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
FOR THE YEAR ENDED 31 DECEMBER 2024

	<u>Notes</u>	<u>2024</u>	<u>2023</u>
		JD	JD
Revenues -			
Sales		5,997,149	5,144,634
Donations		1,153,781	2,296,239
Revenue from activities		8,438,535	8,195,797
Other income	15	2,026,676	1,449,327
Total Revenues		<u>17,616,141</u>	<u>17,085,997</u>
Expenses -			
Cost of sales		(2,387,371)	(2,142,053)
Project operating expenses	16	(8,438,535)	(8,210,816)
Administrative expenses	17	(6,338,445)	(5,639,655)
Finance costs		(32,862)	(26,939)
Total Expenses		<u>(17,197,213)</u>	<u>(16,019,463)</u>
Surplus for the year		<u>418,928</u>	<u>1,066,534</u>

The attached notes from 1 to 26 form part of these consolidated financial statements

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2024

	Surplus in unrestricted net assets	Total
	JD	JD
For the year ended 31 December 2024		
Balance at 1 January	6,907,027	6,907,027
Surplus for the year	418,928	418,928
Balance at 31 December 2024	7,325,955	7,325,955
For the year ended 31 December 2023		
Balance at 1 January	5,840,493	5,840,493
Surplus for the year	1,066,534	1,066,534
Balance at 31 December 2023	6,907,027	6,907,027

The attached notes from 1 to 26 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 2024

	Notes	2024 JD	2023 JD
<u>OPERATING ACTIVITIES</u>			
Surplus for the year		418,928	1,066,534
Adjustments -			
Depreciation	5	362,477	366,035
Amortization	6	614	2,017
Depreciation on right of use assets	8	46,296	32,194
Interest on loans		-	116
Interest expenses on lease contract liabilities	8	32,862	26,823
Provision for slow moving inventory	9	35,943	21,228
Provision for lawsuits	13	-	11,578
Provision for expected credit losses	10	21,000	113,571
(Gain) loss from sale of property and equipment		(5,148)	78,818
De-recognition of lease contract liabilities		-	11,554
Interest income	15	(579,138)	(326,742)
Change in working capital			
Inventories		(112,958)	(492,803)
Trade receivables and other current assets		359,792	(384,406)
Trade and other payables		31,628	164,325
Unearned revenue and restricted funds, net		389,649	1,508,585
Net cash flows from operating activities		<u>1,001,945</u>	<u>2,199,427</u>
<u>INVESTING ACTIVITIES</u>			
Purchase of property and equipment	5	(420,407)	(491,476)
Addition to Project in progress	7	-	(40,337)
Additions to intangible assets	6	(203)	(2,045)
Proceeds from sale of property and equipment		5,636	400
Interest received		552,018	311,542
Deposits at banks with original maturity date more three months	12	(717,383)	(1,348,102)
Net cash flows used in investing activities		<u>(580,339)</u>	<u>(1,570,018)</u>
<u>FINANCING ACTIVITIES</u>			
Proceed from loans		-	-
Repayment of loans		-	(87,290)
Interest paid		-	(116)
Lease payments	8	(69,350)	(69,350)
Net cash flows used in financing activities		<u>(69,350)</u>	<u>(156,756)</u>
Net increase in cash and cash equivalents		352,256	472,653
Cash and cash balances at the beginning of the year		1,040,744	568,091
Cash and cash balances at the end of the year	12	<u>1,393,000</u>	<u>1,040,744</u>

The attached notes from 1 to 26 form part of these consolidated financial statements

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

(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 Group 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 Group's consolidated financial statements were approved by its Board of Trustees on 29 April 2025.

The Group's headquarter is in Amman, Jordan.

(2-1) 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 Group.

(2-2) Basis of consolidation of financial statements

The consolidated financial statements comprise of the financial statements of the Foundation and its subsidiary as follows as at 31 December 2024:

<u>Name of the foundation</u>	<u>Ownership percentage</u>		<u>Incorporation country</u>
	<u>2024</u>	<u>2023</u>	
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.

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

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 consolidation.

(2-3) CHANGES IN ACCOUNTING POLICIES

The accounting policies used in the preparation of the consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2023 except for the adoption of new amendments effective as at 1 January 2024 shown below:

Amendments to IFRS 16 - Lease Liability in a Sale and Leaseback

The amendments in IFRS 16 specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains.

The amendments had no impact on the Group's financial statements.

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

The amendments to IAS 1 specify the requirements for classifying liabilities as current or non-current.

The amendments clarify:

- What is meant by a right to defer settlement
- That a 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
- 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

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

In addition, an entity is required to disclose when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.

The amendments had no impact on the Group's financial statements.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

The amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk.

The amendments had no impact on the Group's financial statements.

(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) MATERIAL 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.

Land is not depreciated. Depreciation is computed on a straight-line basis over the estimated useful lives using the following rates:

	<u>%</u>
Building & renovations	2-10
Furniture and fixture	10
Vehicles	15
Software	15

The useful life and depreciation methods 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.

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is measured initially at its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses, if any. The useful lives of these intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on intangible assets with finite lives is recognized in the statement of comprehensive income in the expense category.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

Amortization is calculated on a straight-line basis over the estimated useful lives of assets as follows:

	%
Recipes	40

Projects in progress

Projects in progress are stated at cost. This includes the cost of construction materials, direct salaries and wages on the projects and other direct costs.

Leases

The Group 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 Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group 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 Group 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 Group 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 Group 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 Group and payments of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

The variable lease payments that do not depend on an index or a rate are 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 Group 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 Group applies the short-term lease recognition exemption to some of its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered of low value (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 Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

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

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

The Group included the renewal period as part of the lease term for leases of 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.

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

Inventories

Inventories are valued at the lower of cost and net realizable value. Cost includes all expenses incurred to bring the products to its present location and condition and are accounted for as follows:

Raw materials: purchase cost using weighted average cost method.

Work in progress: cost of direct materials, direct labor and a proportion of manufacturing overheads based on normal operating capacity.

Finished goods: lower of cost and net realizable value using weighted average cost method.

Accounts receivable

Trade receivables are measured at the transaction price determined under IFRS 9. The Group recognizes a provision for expected credit losses (ECLs) for trade receivables. The Group applies a simplified approach in calculating ECLs. The Group recognizes a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Cash on hand and at banks

For the purpose of preparation of consolidated statement of cash flows, the cash and cash equivalents represent cash in hand and bank balances net of short term deposits which have maturity dates of three months, it doesn't include risk change in value.

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

Fair value

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

The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

The principal or the most advantageous market must be accessible to by the Group.

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

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

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

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

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

Impairment of non-financial assets

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

Impairment of Financial Assets

The Group performs an assessment as of the preparation date of the statement of financial position to determine whether there is objective evidence that any financial asset or Group of financial assets has experienced a permanent decline in value. The value of a financial asset or Group of financial assets is considered to be impaired only if there is objective evidence of impairment resulting from one or more events that occurred after the initial recognition of the asset (a 'loss event'), and this event has an impact on the future expected cash flows of the financial asset or Group of financial assets that can be reasonably estimated. Indicators of permanent impairment may include signs that the borrower or a Group of borrowers is facing significant financial difficulties or neglect or default in interest payments or principal amounts, and they are likely to be subject to bankruptcy or another form of financial restructuring. When observable data indicates a measurable decline in the estimated future cash flows, such as changes in economic conditions associated with the default.

Derecognition of Financial Assets

A financial asset (or, if applicable, part of a financial asset or a Group of similar financial assets) is derecognized in the records in the following cases:

- The right to receive any cash flows from the financial asset has expired.
- The Group transfers its rights to receive cash flows from the financial asset or has committed to paying the full cash flows without delay to a third party by including them in agreements: and whether (a) the Group has substantially transferred all risks and rewards associated with the asset, or (b) the Group has not transferred or substantially retained all the risks and rewards associated with the asset but has transferred the right to control it.

If the Group transfers its right to receive cash flows from the assets or includes them in agreements and does not transfer or substantially retain all the risks and rewards associated with the financial assets, and has not transferred control over them; the asset is recognized to the extent that the Group retains its relationship with it. In this case, the Group also recognizes the associated liabilities. The associated liabilities and transferred assets are measured in a way that reflects the rights and obligations retained by the Group.

Current vs Non-Current Classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification.

An asset is classified as current when:

- It is expected to be realized or intended to be sold or consumed in the normal operating cycle.
- It is held primarily for trading purposes.
- It is expected to be realized within twelve months after the reporting period, or
- It is cash or a cash equivalent unless restricted from exchange or use to settle a liability for at least twelve months after the reporting period.

Liabilities are classified as current when:

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

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

Donations and grants

Donations are recognized upon collection, and accordingly, revenue is recorded in the consolidated statement of revenues and expenses upon receipt or recognized as restricted revenues in the consolidated statement of financial position, based on the donor's intent.

Donations and grants related to assets are recognized as deferred revenue and amortized to income on a straight-line basis over the useful life of the related asset.

Revenue from services is recognized when the service is rendered, represented by the activities provided by the foundation.

Other income is recognized on an accrual basis.

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 the 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 an effective interest rate method.

Expenses are recognized on an accrual basis.

Unearned Revenues

Unearned revenues represent funds received in advance for specific donor-funded projects or activities, where the related performance obligations have not yet been fulfilled as of the reporting date. These amounts are recognized as liabilities in the consolidated statement of financial position until the associated services or deliverables are rendered, at which point they are transferred to income in accordance with the revenue recognition policy.

Restricted Funds

Restricted funds include donations and grants received with donor-imposed stipulations on their use. These funds are classified as restricted in consolidated financial statements and are recognized as revenue in the consolidated statement of revenues and expenses only when the specified conditions are met. If not yet utilized, such funds are presented under restricted fund balances or liabilities in the consolidated statement of financial position.

Income tax

The Group calculates income tax provisions in accordance with the applicable income tax laws of the Kingdom and in line with the requirements of IAS 12 – Income Taxes.

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 Group intends to either settle on a net basis, or to realize the asset and settle the liability simultaneously.

**JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024**

(5) PROPERTY AND EQUIPMENT

	Land		Building and renovations		Furniture and fixtures		Vehicles		Software		Total	
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
2024 - Cost												
At 1 January 2024	13,486	6,286,032	1,066,391	434,278	201,900	8,002,087						
Additions	-	60,929	232,760	49,088	77,630	420,407						
Transferred from projects in progress (note 7)	-	40,337	-	-	-	40,337						
Disposals	-	-	(5,636)	-	-	(5,636)						
At 31 December 2024	13,486	6,387,298	1,293,515	483,366	279,530	8,457,195						
Accumulated Depreciation												
At 1 January 2024	-	1,345,042	755,575	401,897	108,602	2,611,116						
Depreciation for the year (note 17)	-	127,101	126,139	42,585	66,652	362,477						
Disposals	-	-	(5,148)	-	-	(5,148)						
At 31 December 2024	-	1,472,143	876,566	444,482	175,254	2,968,445						
Net book value as at 31 December 2024	13,486	4,915,155	416,949	38,884	104,276	5,488,750						

**JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024**

	Land		Building and renovations		Furniture and fixtures		Vehicles		Software		Total	
	JD		JD		JD		JD		JD		JD	
2023 - Cost												
At 1 January 2023	13,486		6,497,256		2,321,459		402,717		257,331		9,492,249	
Additions	-		220,653		150,591		31,561		88,671		491,476	
Disposals	-		(431,877)		(1,405,659)		-		(144,102)		(1,981,638)	
At 31 December 2023	13,486		6,286,032		1,066,391		434,278		201,900		8,002,087	
Accumulated Depreciation												
At 1 January 2023	-		1,553,565		2,040,822		368,781		184,333		4,147,501	
Depreciation for the year (note 17)	-		123,905		184,035		23,714		34,381		366,035	
Disposals	-		(332,428)		(1,469,282)		9,402		(110,112)		(1,902,420)	
At 31 December 2023	-		1,345,042		755,575		401,897		108,602		2,611,116	
Net book value as at 31 December 2023	13,486		4,940,990		310,816		32,381		93,298		5,390,971	

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

(6) INTANGIBLE ASSETS

	Recipes	
	2024	2023
	JD	JD
Cost:		
Balance as at 1 January	7,615	5,570
Additions	203	2,045
Balance as at 31 December	<u>7,818</u>	<u>7,615</u>
Accumulated amortization:		
Balance as at 1 January	6,059	4,042
Amortization for the year (note 17)	614	2,017
Balance as at 31 December	<u>6,673</u>	<u>6,059</u>
Net book value as at 31 December	<u>1,145</u>	<u>1,556</u>

(7) PROJECT IN PROGRESS

	2024	2023
	JD	JD
Balance at 1 January	40,337	-
Additions	-	40,337
Transferred to Property and Equipment (note 5)	(40,337)	-
Balance at 31 December	<u>-</u>	<u>40,337</u>

This item represented the implementation of solar panels at Daimeh Restaurant. The project was completed and transferred to property and equipment during 2024, and all related costs were fully incurred as at 31 December 2024.

(8) LEASES

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

	Right-of-use assets	Lease contract liabilities*
	JD	JD
2024 -		
Balance as at 1 January	335,205	324,545
Addition	-	-
Right of use depreciation (note 17)	(46,296)	-
Interest expense on lease contract liabilities	-	32,862
Payments	-	(69,350)
Balance as at 31 December	<u>288,909</u>	<u>288,057</u>

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

	Right-of-use assets	Lease contract liabilities*
	JD	JD
2023 -		
Balance as at 1 January	106,624	94,743
Addition	274,775	274,775
Depreciation (note 17)	(32,194)	-
Interest expense on lease contract liabilities	-	26,823
Derecognition of lease contract liabilities	(14,000)	(2,446)
Payments	-	(69,350)
Balance as at 31 December	<u>335,205</u>	<u>324,545</u>

*Lease contract liabilities details as at 31 December 2024 and 2023 are as follow:

31 December 2024			31 December 2023		
Short term	Long term	Total	Short term	Long term	Total
JD	JD	JD	JD	JD	JD
102,211	185,846	288,057	105,574	218,971	324,545

(9) INVENTORIES

	2024	2023
	JD	JD
Raw materials	682,567	808,010
Work in process	339,462	345,483
Finished goods	612,887	368,465
	<u>1,634,916</u>	<u>1,521,958</u>
Provision for slow moving inventories*	(101,374)	(65,431)
	<u>1,533,542</u>	<u>1,456,527</u>

* Movement on provision for slow moving inventories during the year was as follows:

	2024	2023
	JD	JD
Balance at 1 January	65,431	44,203
Provision for the year	35,943	21,228
Balance at 31 December	<u>101,374</u>	<u>65,431</u>

(10) TRADE RECEIVABLES

	2024	2023
	JD	JD
Trade receivables	608,282	800,405
Less: Provision for expected credit losses*	(125,518)	(104,518)
	<u>482,764</u>	<u>695,887</u>

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

* Movement on provision for expected credit losses during the year was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at 1 January	104,518	69,351
Provision for the year (note 17)	21,000	113,571
Written-off during the year	-	<u>(78,404)</u>
Balance at 31 December	<u>125,518</u>	<u>104,518</u>

The Group's management believes that all receivables' balances will be collected in full. The Group does not obtain guarantees against these receivables and therefore they are not guaranteed.

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

	<u>1 – 90</u>	<u>91 – 180</u>	<u>More than</u>	<u>Total</u>
	Days	Days	180 days	JD
	JD	JD	JD	JD
2024	482,764	-	-	482,764
2023	570,277	91,742	33,868	695,887

(11) OTHER CURRENT ASSETS

	<u>2024</u>	<u>2023</u>
	JD	JD
Advance payments to suppliers	161,556	242,697
Prepaid expense	118,285	143,202
Refundable deposits	45,124	77,406
Employees receivable	32,944	50,810
Accrued interest income	17,809	15,200
Goods received but not invoiced	-	13,042
Others	31,243	5,153
	<u>406,961</u>	<u>547,510</u>

(12) CASH ON HAND AND AT BANKS

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash at banks	8,240,358	7,169,719
Cash on hand	-	1,000
	<u>8,240,358</u>	<u>7,170,719</u>

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

For the purpose of the statement of cash flows, cash and cash equivalents consist of the following amounts which appear in the statement of financial position:

	<u>2024</u>	<u>2023</u>
	JD	JD
Cash at banks	8,240,358	7,169,719
Cash on hand	-	1,000
	<u>8,240,358</u>	<u>7,170,719</u>
Less: deposits at banks with original maturity date more than three months*	<u>(6,847,358)</u>	<u>(6,129,975)</u>
	<u>1,393,000</u>	<u>1,040,744</u>

* The Group's deposits with banks matures with original maturity date with a period more than three months up to a year. The annual interest rate for these deposits ranges between 6.30% to 6.70% (2023: 5.75% to 6.30%).

(13) TRADE AND OTHER PAYABLES

	<u>2024</u>	<u>2023</u>
	JD	JD
Trade payables	803,346	726,724
Lawsuits provision *	46,338	46,338
Accrued expenses	25,099	33,988
Advances from customers	6,523	6,295
Others	9,323	45,656
	<u>890,629</u>	<u>859,001</u>

* Movement on lawsuits provision during the year was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
Balance at 1 January	46,338	34,760
Provision for the year (note 17)	-	11,578
Balance at 31 December	<u>46,338</u>	<u>46,338</u>

(14) UNEARNED REVENUE AND RESTRICTED FUNDS

	<u>2024</u>	<u>2023</u>
	JD	JD
Unearned revenue*	2,288,954	2,469,771
Restricted funds**	<u>5,648,834</u>	<u>5,078,368</u>
	<u>7,937,788</u>	<u>7,548,139</u>

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

* The movement on unearned revenue was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
At 1 January	2,469,771	2,710,059
Additions	73,317	-
Recognized in other income	<u>(254,134)</u>	<u>(240,288)</u>
At 31 December	<u>2,288,954</u>	<u>2,469,771</u>

This item represents assets received from donors with specific conditions requiring their use over time. These assets were recognized as property, plant, and equipment in prior years as per Group's management decision, and the corresponding funding was recorded as deferred revenue.

The deferred revenue is being amortized over the useful lives of the related assets, in accordance with the Group's depreciation policy.

** The movement on restricted funds was as follows:

	<u>2024</u>	<u>2023</u>
	JD	JD
At 1 January	5,078,368	3,009,223
Funds received during the year	9,009,001	10,264,942
Funds released during the year	<u>(8,438,535)</u>	<u>(8,195,797)</u>
At 31 December	<u>5,648,834</u>	<u>5,078,368</u>

(15) OTHER INCOME

	<u>2024</u>	<u>2023</u>
	JD	JD
Interest income	579,138	326,742
Others*	<u>1,447,538</u>	<u>1,122,585</u>
	<u>2,026,676</u>	<u>1,449,327</u>

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

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

(16) PROJECT OPERATING EXPENSES

	<u>2024</u>	<u>2023</u>
	JD	JD
Projects expenses	3,755,320	3,894,471
Salaries, social security, and health insurance	3,604,862	3,407,312
Travel and transportation	270,106	265,373
Hospitality	181,802	147,110
Office supplies and stationery	152,007	131,300
Maintenance	102,283	97,270
Equipment and tools	77,425	79,636
Activities events and exhibitions	70,475	29,283
Rent	66,429	43,637
Telephone expense	49,303	32,050
Service fees	44,698	31,422
Utilities	30,171	32,650
Professional fees	24,808	2,650
Insurance	3,590	2,338
Bank and governmental fees	2,645	4,523
Others	2,611	9,791
	<u>8,438,535</u>	<u>8,210,816</u>

(17) ADMINISTRATIVE EXPENSES

	<u>2024</u>	<u>2023</u>
	JD	JD
Salaries, social security, and health insurance	3,987,487	3,357,446
Depreciation and amortization expense (note 5 and 6)	363,091	368,052
Maintenance	192,419	171,591
Utilities	182,645	192,398
Advertisement	178,134	147,634
Wages	169,420	181,485
Professional fees	167,890	134,024
Office supplies and stationery	153,714	122,919
Sales commission	145,864	115,006
Travel and transportation	125,417	96,548
Service fees	115,342	120,895
Activities events and exhibitions	112,799	102,662
Rent	108,663	97,443
Deprecation for right of use assets (note 8)	46,296	32,194
Slow moving inventory expense (note 9)	35,943	21,228
Packaging and labels	32,570	23,627
Spoilage and damage	30,147	17,952
Insurance	21,948	13,481
Bank and governmental fees	21,475	15,251
Provision for expected credit losses (note 10)	21,000	113,571
Hospitality	19,340	22,240
Telephone expense	17,966	15,796
Shipping and freight	17,324	29,343
Projects expenses	16,301	35,070
Equipment and tools	333	1,110
Lawsuits provision expense (note 13)	-	11,578
Others	54,917	79,111
	<u>6,338,445</u>	<u>5,639,655</u>

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

(18) RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent board of trustees and key management personnel of the Group, as well as entities that have influence on the Group. Pricing policies and terms of the transactions with related parties are approved by the Group's management.

No balances with related parties were included in the consolidated financial statements as at 31 December 2024.

(19) NET UNRESTRICTED ASSETS

This balance represents the accumulated unrestricted net assets, which include the surplus from the current and prior years. Restricted project funds from prior years, where donor-imposed conditions have been fulfilled, have been reclassified as unrestricted net assets.

(20) INCOME TAX

The Foundation is exempted from income and sales tax in accordance with the Jordanian Income Tax laws and Jordan River Foundation Law number (33) of 2001.

(21) RISK MANAGEMENT

Interest rate risk -

The Group is exposed to interest rate risk on its interest-bearing assets such as bank deposits.

The sensitivity of the consolidated statement of revenues and expenses is the effect of the assumed changes in interest rates on the Group'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 consolidated statement of revenues and expenses to reasonably possible changes in interest rates as at 31 December 2024 and 2023, with all other variables held constant.

2024 -	<u>Increase in interest rate</u>	<u>Effect on surplus for the year</u>
	Point	JD
Currency JD	100	68,474
2023 -	<u>Increase in interest rate</u>	<u>Effect on surplus for the year</u>
	Point	JD
Currency JD	100	61,300

In the event of a decrease in the indicator, the effect will be equal to the above change with an opposite sign.

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

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

Liquidity risk -

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

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

The table below summarizes the maturities of the Group's financial liabilities (undiscounted) at 31 December 2024 and 2023 based on contractual payment dates and current market interest rates:

	Less than 1 year JD	More than 1 year JD	Total JD
31 December 2024			
Trade and other payables	890,629	-	890,629
Lease liabilities	115,461	415,987	531,448
	<u>1,006,090</u>	<u>415,987</u>	<u>1,422,077</u>
	Less than 1 year JD	More than 1 year JD	Total JD
31 December 2023			
Trade and other payables	859,001	-	859,001
Lease liabilities	116,641	471,056	587,697
	<u>975,642</u>	<u>471,056</u>	<u>1,446,698</u>

Currency risk -

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

(22) CONTINGENCIES AND COMMITMENTS

- 1) At 31 December 2024, the Group had outstanding letters of guarantee amounting to JD 440,859 (31 December 2023: JD 783,897) against cash margins of JD 45,124 (31 December 2023: JD 77,406).
- 2) At 31 December 2024, the Group was a defendant in a number of lawsuits which amounted to JD 22,217 (31 December 2023: JD 46,338). The Group recorded a provision for other commitments against these lawsuits in the amount of JD 46,338 as at 31 December 2024 (2023: JD 46,338) (note 13).

(23) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash on hand and at bank, trade receivables, and some other current assets. Financial liabilities consist of trade payables, lease liabilities and some other current liabilities.

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

(24) SUBSEQUENT EVENTS TO FINANCIAL STATEMENTS

Subsequent to the financial statement date, the Group became aware of potential risks related to four project contracts under the JRF, which were suspended and subsequently terminated following recent Stop Work Orders (SWO) announced by the U.S. President. This action has impacted Group's overall portfolio by an approximate amount of JD 1,200,000.

While no official termination notice has been received as at the financial statements date, the Group continues to monitor developments closely and is assessing the potential financial and operational implications should these funds become unrecoverable. However, the Group anticipates that this will not impact the overall value of the Group portfolio for 2025, and the target is expected to be achieved unless further funding cuts occur from non-direct U.S. donors, such as UNHCR and UNICEF.

(25) STANDARDS ISSUED BUT NOT YET EFFECTIVE

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

**Amendments to the Classification and Measurement of Financial Instruments—
Amendments to IFRS 9 and IFRS 7**

In May 2024, the IASB issued Amendments to IFRS 9 and IFRS 7, Amendments to the Classification and Measurement of Financial Instruments (the Amendments). The Amendments include:

- A clarification that a financial liability is derecognised on the 'settlement date' and introduce an accounting policy choice (if specific conditions are met) to derecognise financial liabilities settled using an electronic payment system before the settlement date
- Additional guidance on how the contractual cash flows for financial assets with environmental, social and corporate governance (ESG) and similar features should be assessed
- Clarifications on what constitute 'non-recourse features' and what are the characteristics of contractually linked instruments
- The introduction of disclosures for financial instruments with contingent features and additional disclosure requirements for equity instruments classified at fair value through other comprehensive income (OCI)

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, with an option to early adopt the amendments for classification of financial assets and related disclosures only.

The Group is currently not intending to early adopt the Amendments.

Contracts Referencing Nature-dependent Electricity — Amendments to IFRS 9 and IFRS 7

In December 2024, the IASB issued amendments to IFRS 9 and IFRS 7 to address the accounting and disclosure requirements for contracts referencing nature-dependent electricity, such as wind, solar, and hydro power. These amendments aim to provide clearer guidance on the classification, measurement, and recognition of these contracts, which are inherently variable due to their dependence on natural conditions.

The changes seek to improve the consistency and comparability of financial statements by clarifying whether such contracts should be treated as financial instruments or executory contracts and how they should be measured. Additionally, the amendments enhance disclosure requirements to provide greater transparency about the risks and financial impacts associated with these contracts, thereby offering users more relevant and reliable information. This initiative supports the global transition to renewable energy by addressing the unique accounting challenges posed by nature-dependent electricity contracts.

The Amendments are effective for annual periods starting on or after 1 January 2026. Early adoption is permitted, but will need to be disclosed.

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

Lack of exchangeability – Amendments to IAS 21

In August 2023, the IASB issued amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates to specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking. The amendments also require disclosure of information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, the entity's financial performance, financial position and cash flows.

The amendments will be effective for annual reporting periods beginning on or after 1 January 2025. Early adoption is permitted, but will need to be disclosed. When applying the amendments, an entity cannot restate comparative information.

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

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT
31 DECEMBER 2024

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

This standard will result in new presentation of the income statement with some new required totals, in addition to the disclosure of management-defined performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures

In May 2024, the IASB issued IFRS 19, which allows eligible entities to elect to apply its reduced disclosure requirements while still applying the recognition, measurement and presentation requirements in other IFRS accounting standards. To be eligible, at the end of the reporting period, an entity must be a subsidiary as defined in IFRS 10, cannot have public accountability and must have a parent (ultimate or intermediate) that prepares consolidated financial statements, available for public use, which comply with IFRS accounting standards.

IFRS 19 will become effective for reporting periods beginning on or after 1 January 2027, with early application permitted.

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

(26) COMPARATIVE FIGURES

Some of 2023 balances were reclassified to correspond with the consolidated financial statements figures for the year 2024 presentation, with no effect on surplus and net assets for the year 2023.