JORDAN RIVER FOUNDATION
(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2021

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 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 2021, 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 Group as at 31 December 2021, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards, are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the International *Code of Ethics for Professional Accountants* (Including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of the 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 consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with 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.

- 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 Group maintains proper books of accounts which are in agreement with the accompanying consolidated financial statements.

For and on behalf of Ernst & Young – Jordan

Shorouk Al-Khateeb
License No. 1038

Amman – Jordan
26 April 2022

ERNST & YOUNG
Amman - Jordan

JORDAN RIVER FOUNDATION (ESTABLISHED BY A SPECIAL DECREE)
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021

	Notes	2021	2020
		JD	JD
ASSETS			
Non-current assets			
Property and equipment	5	5,299,451	5,662,893
Intangible assets	6	3,595	4,370
Right of use assets	7	36,652	59,304
		5,339,698	5,726,567
Current Assets			
Inventories	8	728,898	646,084
Trade receivables	9	687,059	522,782
Other current assets	10	195,857	86,250
Cash on hand and at banks	11	6,695,260	6,126,883
		8,307,074	7,381,999
Total Assets		13,646,772	13,108,566
NET ASSETS AND LIABILITIES			
Deficit in unrestricted net assets		(1,658,103)	(1,622,947)
Restricted net assets	14	9,173,536	9,173,536
Net assets		7,515,433	7,550,589
Liabilities			
Non- current liabilities			
Lease liability- long term	7	-	20,533
Long term loans	15	74,841	238,348
		74,841	258,881
Current liabilities			
Trade and other payables	12	535,738	204,480
Unearned revenue and restricted funds	13	5,164,647	4,723,066
Loan from Queen Rania Foundation	19	200,000	200,000
Current portion of long-term loans	15	132,749	146,550
Lease liability- short term	7	23,364	25,000
		6,056,498	5,299,096
Total liabilities		6,131,339	5,557,977
Total net assets and liabilities		13,646,772	13,108,566

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 2021

	Notes	2021	2020
		JD	JD
Revenues -			
Sales		3,786,914	2,274,011
Donations		878,720	1,264,016
Revenue from activities		9,636,802	9,042,851
Other income	16	1,452,521	1,453,951
Total Revenues		15,754,957	14,034,829
Expenses -			
Cost of sales		(1,800,058)	(1,149,463)
Project operating expenses	17	(8,180,476)	(7,558,744)
Administrative expenses	18	(5,801,910)	(5,914,263)
Finance cost		(7,669)	(13,275)
Total Expenses		(15,790,113)	(14,635,745)
Deficit for the year		(35,156)	(600,916)

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 2021

	Deficit in unrestricted net assets	Restricted net assets	Total
	JD	JD	JD
Year ended 31 December 2021-			
Balance at 1 January	(1,622,947)	9,173,536	7,550,589
Deficit for the year	(35,156)	-	(35,156)
Balance at 31 December 2021	(1,658,103)	9,173,536	7,515,433
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

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 2021

	Notes	2021 JD	2020 JD
OPERATING ACTIVITIES			
Deficit for the year		(35,156)	(600,916)
Adjustments -			
Depreciation	5	391,409	462,308
Amortization	6	1,975	-
Depreciation on right of use assets	7	22,652	22,652
Interest on Loans		4,838	10,111
Finance cost –lease liabilities	7	2,831	3,164
Provision for slow moving inventory	8	32,497	-
Provision for expected credit losses	9	50,000	-
(Gain) loss from sale of property and equipment		(9,750)	110,018
Change in working capital			
Inventories		(115,311)	(118,273)
Trade receivables and other current assets		(323,884)	(115,742)
Trade and other payables		331,258	(67,269)
Unearned revenue and restricted funds		441,581	(619,265)
Net cash flows from (used in) operating activities		794,940	(913,212)
INVESTING ACTIVITIES			
Purchase of property and equipment	5	(27,967)	(57,184)
Additions to intangible assets	6	(1,200)	(4,370)
Proceeds from sale of property and equipment		9,750	-
Net cash flows used in investing activities		(19,417)	(61,554)
FINANCING ACTIVATES			
Proceed from bank loans		-	305,900
Loan from Queen Rania Foundation		-	200,000
Repayment of bank loans		(177,308)	(130,124)
Interest Paid		(4,838)	(10,111)
Lease payments	7	(25,000)	(25,000)
Net cash flows (used in) from financing activities		(207,146)	340,665
Net increase (Decrease) in cash and cash equivalents		568,377	(634,101)
Cash and cash balances at the beginning of the year		6,126,883	6,760,984
Cash and cash balances at the end of the year		6,695,260	6,126,883

The attached notes from 1 to 26 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 consolidated financial statements were approved by its Board of Trustees on 28 March 2022.

The Foundation'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 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 2021:

Name of the foundation	Ownership percentage		Incorporation country
	2021	2020	
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 consolidated financial statements are consistent with those used in the preparation of the annual consolidated financial statements for the year ended 31 December 2020 except for the adoption of new amendments on the standards effective as of 1 January 2021 shown below:

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16

The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients:

- To require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest,
- To permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued,
- To provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component.

These amendments had no impact on the consolidated financial statements of the foundation.

Covid-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16

On 28 May 2020, the IASB issued Covid-19-Related Rent Concessions - amendment to IFRS 16 Leases. The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the Covid-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a Covid-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the Covid-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease Modification.

The amendment was intended to apply until 30 June 2021, but as the impact of the Covid-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022. The amendment applies to annual reporting periods beginning on or after 1 April 2021.

However, the Foundation has not received Covid-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

(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.

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%

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 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 Foundation recognizes a provision for expected credit losses (ECLs) for trade receivables. The Foundation applies a simplified approach in calculating ECLs. The Foundation recognizes a loss allowance based on lifetime ECLs at each reporting date. The Foundation 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 and bank balances
Cash and cash equivalents represent cash in hand and bank balances net of commitments which have maturity dates of three months or less, 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 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	Total
2021-	JD	JD	JD	JD	JD	JD
Cost–						
At 1 January 2021	13,486	6,337,390	2,180,255	445,674	173,341	9,150,146
Additions	-	-	24,650	2,088	1,229	27,967
Disposals	-	-	-	(36,424)	-	(36,424)
At 31 December 2021	13,486	6,337,390	2,204,905	411,338	174,570	9,141,689
Accumulated Depreciation-						
At 1 January 2021	-	1,316,632	1,693,224	340,623	136,774	3,487,253
Depreciation for the year	-	118,110	210,509	35,895	26,895	391,409
Disposals	-	-	-	(36,424)	-	(36,424)
At 31 December 2021	-	1,434,742	1,903,733	340,094	163,669	3,842,238
Net book value						
At 31 December 2021	13,486	4,902,648	301,172	71,244	10,901	5,299,451

	Land	Building and renovation	Furniture and fixtures	Vehicles	Software	Total
2020-	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	57,184
Disposals	-	(122,753)	-	-	-	(122,753)
At 31 December 2020	13,486	6,337,390	2,180,255	445,674	173,341	9,150,146
Accumulated Depreciation-						
At 1 January 2020	-	1,211,257	1,430,678	280,448	115,297	3,037,680
Depreciation 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	5,662,893

(6) INTANGIBLE ASSETS

	Recipes	
	2021	2020
	JD	JD
Cost:		
Balance as at 1 January	4,370	-
Additions	1,200	4,370
Balance as at 31 December	5,570	4,370
Accumulated amortization:		
Balance as at 1 January	-	-
Amortization for the year	1,975	-
Balance as at 31 December	1,975	-
Net book value as at 31 December	3,595	4,370

(7) 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 2021	59,304	45,533
Depreciation	(22,652)	-
Interest expense	-	2,831
Payments	-	(25,000)
At 31 December 2021	36,652	23,364

	Right of use assets	Lease Liabilities*
	JD	JD
At 1 January 2020	81,956	67,369
Depreciation	(22,652)	-
Interest expense	-	3,164
Payments	-	(25,000)
At 31 December 2020	59,304	45,533

*Lease liabilities details as at 31 December 2021 and 2020 are as follows:

31 December 2021			31 December 2020		
Short term	Long term	Total	Short term	Long term	Total
JD	JD	JD	JD	JD	JD
23,364	-	23,364	25,000	20,533	45,533

(8) INVENTORIES

	2021 JD	2020 JD
Raw materials	468,509	428,331
Work in process	169,478	-
Finished goods	135,114	229,459
	773,101	657,790
Provision for slow moving inventories*	(44,203)	(11,706)
	728,898	646,084

* Movements on provision for slow moving inventories during the year were as follows:

	2021 JD	2020 JD
Balance at 1 January	11,706	11,706
Provision for the year	32,497	-
Balance at 31 December	44,203	11,706

(9) TRADE RECEIVABLES

	2021 JD	2020 JD
Trade receivables	756,410	542,133
Less: Provision for expected credit losses*	(69,351)	(19,351)
	687,059	522,782

* Movements on provision for expected credit losses during the year were as follow:

	2021 JD	2020 JD
balance at 1 January	19,351	19,351
Provision for the year	50,000	-
Balance at the end of the year	69,351	19,351

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:

	1 – 90 Days JD	91 – 180 days JD	181-> days JD	Total JD
2021	674,649	12,410	-	687,059
2020	173,616	273,837	75,329	522,782

(10) OTHER CURRENT ASSETS

	2021 JD	2020 JD
Prepaid expense	94,895	36,430
Refundable deposits	66,987	31,972
Employees' receivable	28,883	17,848
Advances to suppliers	5,092	-
	195,857	86,250

(11) CASH ON HAND AND AT BANKS

	2021 JD	2020 JD
Cash on hand	2,378	2,028
Current and saving accounts	1,511,639	1,095,453
Deposits maturing within 3 months*	5,181,243	5,029,402
	6,695,260	6,126,883

* The Foundation's deposits with banks earn annual interest rates ranging between 2.25% to 3.75% (2020: 2% to 4.25%).

(12) TRADE AND OTHER PAYABLES

	2021 JD	2020 JD
Trade payables	463,152	184,293
Advances from customers	31,586	-
Lawsuit Provision	21,066	-
Accrued expenses	9,663	17,355
Others	10,271	2,832
	535,738	204,480

(13) UNEARNED REVENUE AND RESTRICTED FUNDS

	2021 JD	2020 JD
Unearned revenue	1,503,012	1,902,233
Restricted funds	3,661,635	2,820,833
	5,164,647	4,723,066

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

	2021 JD	2020 JD
At 1January	4,723,066	5,342,331
Funds received during the year	10,394,120	9,470,663
Funds released during the year	(9,952,539)	(10,089,928)
At 31 December	5,164,647	4,723,066

(14) 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.

(15) BANK LOANS

	2021		2020	
	Loan instalments			
	Current portion	Long term portion	Current portion	Long term portion
	JD	JD	JD	JD
Arab Bank loan 1	27,649	-	55,900	-
Arab Bank Loan 2	21,100	-	52,329	26,669
Arab Bank Loan 3	84,000	74,841	38,321	211,679
	132,749	74,841	146,550	238,348

Arab Bank loan 1
During 2019, the Foundation obtained a loan from Arab Bank to finance renewable energy project. The loan's ceiling is JD 154,000 bearing annual interest rate of 4.5%. the loan is repayable in 36 monthly installments, with the first installment was due on 17 January 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 140,000 bearing annual interest rate of 8.5%. the loan is repayable in 48 monthly installments, with the first installment was due on 6 August 2018.

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 June 2020.

(16) OTHER INCOME

	2021	2020
	JD	JD
Interest income	216,840	406,874
Others*	1,235,681	1,047,077
	1,452,521	1,453,951

* 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.

(17) OPERATING PROJECTS EXPENSES

	2021	2020
	JD	JD
Salaries, social security and health insurance	4,043,791	3,774,845
Projects expenses	1,045,472	252,485
Activities events and exhibitions	841,421	1,707,315
Travel and transportation	788,363	568,991
Equipment and tools	480,021	200,766
Office supplies and stationery	211,653	133,864
Hospitality	169,024	110,669
Utilities	115,170	138,253
Wages	112,767	429,649
Rent	102,622	49,250
Maintenance	91,081	106,115
Professional fees	78,369	29,276
Advertisement	28,230	775
Employee's training	21,146	-
Service fees	18,841	17,480
Telephone expense	14,271	19,096
Insurance	7,537	9,240
Fees	2,775	2,571
Others	7,922	8,104
	8,180,476	7,558,744

(18) ADMINISTRATIVE EXPENSES

	2021	2020
	JD	JD
Salaries, social security and health insurance	3,451,817	3,576,726
Projects expenses	559,255	485,372
Depreciation and amortization expense	393,384	462,308
Utilities	147,110	141,526
Maintenance	125,319	86,509
Activities events and exhibitions	123,137	286,608
Wages	113,522	49,707
Service fees	107,175	154,462
Advertisement	93,291	46,590
Office supplies and stationery	72,396	61,049
Sales commission	60,461	33,279
Travel and transportation	57,148	83,606
Deprecation for right of use assets (note 7)	22,652	22,652
Professional fees	56,419	115,592
Bank and governmental Fees	61,419	11,567
Provision for expected credit losses (note 9)	50,000	-
Rent	47,030	52,385
Slow moving inventory expense (note 8)	32,497	-
Lawsuit expense	21,066	-
Shipping and freight	17,410	21,811
Hospitality	17,130	19,466
Insurance	11,338	16,622
Packaging and labels	10,212	9,952
Telephone expense	8,158	9,881
Equipment and tools	6,569	53,217
Employee Training	108	507
Others	135,887	112,869
	5,801,910	5,914,263

(19) 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.

Balances with related parties included in the consolidated financial statements are as follows:

Statement of financial position:

	2021 JD	2020 JD
Loan from Queen Rania Foundation	200,000	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.

(20) INCOME TAX

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

(21) 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 consolidated 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 2021 and 2020, with all other variables held constant.

2021 -

Currency	Increase/Decrease in interest rate Point	Effect on deficit for the year JD
JD	100	4,974

2020 -

Currency	Increase/ Decrease in interest rate Point	Effect on deficit for the year JD
JD	100	4,645

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 regularly.

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 2021 and 2020 based on contractual payment dates and current market interest rates:

31 December 2021	Less than 1 year	More than 1 year	Total
	JD	JD	JD
Trade and other payables	504,152	-	504,152
Lease liability	25,000	-	25,000
Loan from Queen Rania Foundation	200,000	-	200,000
Bank loan	137,467	76,338	213,805
	866,619	76,338	942,957

31 December 2020	Less than 1 year	More than 1 year	Total
	JD	JD	JD
Trade and other payables	204,480	-	204,480
Lease liability	25,000	25,000	50,000
Loan from Queen Rania Foundation	200,000	-	200,000
Bank loan	154,280	244,848	399,128
	583,760	269,848	853,608

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.

(22) CONTINGENCIES AND COMMITMENTS

1) At 31 December 2021, the Foundation had outstanding letters of guarantee amounting to JD 666,768 (31 December 2020: JD 85,798) against cash margins of JD 66,677 (31 December 2020: JD 8,580).

2) At 31 December 2021, the Foundation was defendant in a number of lawsuits which amounted to JD 56,710 (31 December 2020: JD 37,045). The Foundation recorded a provision for other commitments against these lawsuits for JD 21,066 (note 12).

(23) FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise of financial assets and financial liabilities.

Financial assets consist of cash and bank balances, trade receivables, and some other current assets. Financial liabilities consist of trade payables, bank loans, lease liabilities, loan from Queen Rania Foundation and some other current liabilities.

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

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

The World Health Organization made an assessment during March 2021 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 2021. 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.

(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 Foundation consolidated financial statements are disclosed below. The Foundation intends to adopt these standards, if applicable, when they become effective.

IFRS 17 Insurance Contracts
In May 2017, the IASB issued IFRS 17 Insurance Contracts (IFRS 17), a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, IFRS 17 will replace IFRS 4 Insurance Contracts (IFRS 4) which was issued in 2005. IFRS 17 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. A few scope exceptions will apply. The overall objective of IFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in IFRS 4, which are largely based on grandfathering previous local accounting policies, IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of IFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach),
- A simplified approach (the premium allocation approach) mainly for short-duration contracts.

IFRS 17 is effective for reporting periods beginning on or after 1 January 2023 and must be applied retrospectively. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17. This standard is not applicable to 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,
- 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.
-

The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Foundation is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

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

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

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

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

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

The amendments are not expected to have a material impact on the 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 Foundation will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments.

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

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

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

The amendments is not applicable to 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.

Definition of Accounting Estimates - Amendments to IAS 8
In February 2021, the IASB issued amendments to IAS 8, in which it introduces a definition of 'accounting estimates'. The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1 January 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period. Earlier application is permitted as long as this fact is disclosed.

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

Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2
In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements, in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to IAS 1 are applicable for annual periods beginning on or after 1 January 2023 with earlier application permitted. Since the amendments to the Practice Statement 2 provide non-mandatory guidance on the application of the definition of material to accounting policy information, an effective date for these amendments is not necessary.

The Foundation is currently assessing the impact of the amendments to determine the impact they will have on the Foundation accounting policy disclosures.

(26) Comparative figures

Some of 2020 balances were reclassified to correspond with the consolidated financial statements figures for the year 2021 presentation, with no effect on the Foundation's operation results and net assets of the Foundation for the year 2020.