JORDAN RIVER FOUNDATION
(ESTABLISHED BY A SPECIAL DECREE)
AMMAN – JORDAN

CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2009 TOGETHER WITH INDEPENDENT AUDITOR'S REPORT

JORDAN RIVER FOUNDATION
(ESTABLISHED BY A SPECIAL DECREE)
AMMAN – JORDAN
DECEMBER 31, 2009

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Independent Auditor's Report

AM/10192

To Her Majesty Queen Rania Al-Abdullah
and Members of the Board of Trustees,
Jordan River Foundation
Amman – Jordan

We have audited the accompanying consolidated financial statements of Jordan River Foundation (Established by a Special Decree), which comprise of the consolidated statement of financial position as of December 31, 2009 and the consolidated statement of activities, consolidated statement of changes in net assets, consolidated statement of comprehensive activities and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the financial statements
Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility
Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Foundation preparation and fair presentation of the consolidated financial statements 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 internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of Jordan River Foundation, as of December 31, 2009, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Amman – Jordan
June 27, 2010

Saba & Co.

Saba & Co.
Public Accountants
Amman - Jordan

JORDAN RIVER FOUNDATION

AMMAN - JORDAN

(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31,	
	Note	2009	2008
ASSETS		JD	JD
Current Assets:			
Cash on hand and at banks	5	11,066,391	10,881,639
Accounts receivable - net	6	244,707	249,544
Inventory - net	7	381,540	342,356
Prepaid expenses and other debit balances	8	120,203	308,076
Total Current Assets		11,812,841	11,781,615
Fixed Assets:			
Fixed assets at cost		2,425,284	1,985,703
Less: Accumulated depreciation		959,238	826,673
Net Book Value of Fixed Assets	9	1,466,047	1,159,030
Total Assets		13,278,888	12,940,645
LIABILITIES			
Current Liabilities:			
Accounts payable and other credit liabilities	10	142,105	176,794
Accrued expenses		78,798	137,392
Deferred revenue and restricted funds	11	10,568,241	10,315,585
Total Current Liabilities		10,789,144	10,629,771
Net Assets		2,489,744	2,310,874
Total Liabilities and Net Assets		13,278,888	12,940,645

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

JORDAN RIVER FOUNDATION

AMMAN - JORDAN

(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED STATEMENT OF ACTIVITIES

	Note	For the Year Ended December 31, 2009													2008
	Note	Sales , Marketing and Design Department	Jordan River Design	Madrasati	Wadi Al-Rayan Project	Prevention Center	Jordan River Foundation	Bani Hamida	Social Productivity Program	Intervention Center	Business Development Services Project	Special Projects	Family Support Unit	Total	Total
		JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Revenue:															
Sales		3,954	246,896	-	26,383	-	-	145,613	56,058	-	-	-	-	478,904	352,254
Donations		1,315	3,218	-	-	12,422	1,007,073	3,550	-	184,824	-	6,209	-	1,218,611	589,577
Revenue from activities		-	28,134	5,934,074	1,928	819,115	213,035	-	15,629	6,878	272,831	2,925,258	182,713	10,399,595	5,825,676
Other revenue \ (expense)	12	13,642	2,913	314,457	-	(2,841)	433,343	1,048	75	-	198	53,059	-	815,894	538,901
Total Revenue		18,911	281,161	6,248,531	28,311	828,696	1,653,451	150,211	71,762	191,702	273,029	2,984,526	182,713	12,913,004	7,306,408
Expenses:															
Cost of sales	13	-	198,306	-	21,832	-	-	126,151	-	-	-	-	-	346,289	339,084
Operating expenses	14	223,831	14,388	5,938,157	106	869,783	1,492,109	8,760	74,624	420,368	216,194	2,942,846	186,679	12,387,845	7,221,495
Total Expenses		223,831	212,694	5,938,157	21,938	869,783	1,492,109	134,911	74,624	420,368	216,194	2,942,846	186,679	12,734,134	7,560,579
Excess (Expenses over Revenue) Revenue over Expenses		(204,920)	68,467	310,374	6,373	(41,087)	161,342	15,300	(2,862)	(228,666)	56,835	41,680	(3,966)	178,870	(254,171)

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JORDAN RIVER FOUNDATION

AMMAN - JORDAN

(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED STATEMENT OF COMPREHENSIVE ACTIVITIES

For the Year Ended December 31,

	2009													2008
	Sales , Marketing and Design Department	Jordan River Design	Madrasati	Wadi Al-Rayan Project	Prevention Center	Jordan River Foundation	Bani Hamida	Social Productivity Program	Intervention Center	Business Development Services Project	Special Projects	Family Support Unit	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Excess (Expenses over Revenue) Revenue over Expenses	(204,920)	68,467	310,374	6,373	(41,087)	161,342	15,300	(2,862)	(228,666)	56,835	41,680	(3,966)	178,870	(254,171)
Total Comprehensive Activities for the Year	(204,920)	68,467	310,374	6,373	(41,087)	161,342	15,300	(2,862)	(228,666)	56,835	41,680	(3,966)	178,870	(254,171)

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JORDAN RIVER FOUNDATION

AMMAN - JORDAN

(ESTABLISHED BY A SPECIAL DECREE)

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	For the Year Ended December 31,													
	2009													2008
	Sales , Marketing and Design Department	Jordan River Design	Madrasati	Wadi Al-Rayan Project	Prevention Center	Jordan River Foundation	Bani Hamida	Social Productivity Program	Intervention Center	Business Development Services Project	Special Projects	Family Support Unit	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Net assets - beginning of the year	(695,982)	158,734	2,103	12,184	183,722	3,402,351	(202,938)	(93,307)	(538,369)	111,974	78,819	(108,417)	2,310,874	2,565,045
Excess (Expenses over Revenue) Revenue over Expenses	(204,920)	68,467	310,374	6,373	(41,087)	161,342	15,300	(2,862)	(228,666)	56,835	41,680	(3,966)	178,870	(254,171)
Total Comprehensive Activities for the Year	(204,920)	68,467	310,374	6,373	(41,087)	161,342	15,300	(2,862)	(228,666)	56,835	41,680	(3,966)	178,870	(254,171)
Net Assets - End of the Year	(900,902)	227,201	312,477	18,557	142,635	3,563,693	(187,638)	(96,169)	(767,035)	168,809	120,499	(112,383)	2,489,744	2,310,874

THE ACCOMPANYING NOTES CONSTITUTE AN INTEGRAL PART OF

THESE CONSOLIDATED FINANCIAL STATEMENTS AND SHOULD BE READ WITH THEM.

JORDAN RIVER FOUNDATION

(ESTABLISHED BY A SPECIAL DECREE)

AMMAN - JORDAN

CONSOLIDATED STATEMENTS OF CASH FLOWS

	For the Year Ended December 31,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES:	JD	JD
Excess revenue over expenses (expenses over revenue)	178,870	(254,171)
Adjustments:		
Fixed assets depreciation	136,057	119,000
Provision for doubtful debts	11,356	8,965
Additions to /(released) from provision for slow moving items	5,611	(7,188)
(Gains) from the sale of fixed assets	(131)	-
Net Cash Flows from (used in) Operating Activities before Changes in Working Capital	331,763	(133,394)
(Increase) decrease in accounts receivable	(6,519)	(136,256)
(Increase) in inventory	(44,795)	(40,816)
Decrease (increase) in prepaid expenses and other debit balances	187,873	(130,595)
(Decrease) increase in accounts payable and other credit balances	(34,689)	23,367
(Decrease) increase in accrued expenses	(58,594)	102,559
Increase in deferred revenue and restricted funds	252,656	8,071,187
Net Cash Flows from Operating Activities	627,695	7,756,052
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of fixed assets	(443,152)	(256,758)
Proceeds from sale of fixed assets	210	-
Net Cash Flows (used in) Investing Activities	(442,942)	(256,758)
Net Increase in Cash	184,752	7,499,294
Cash on hand and at banks - beginning of the year	10,881,639	3,382,345
Cash on Hand and at Banks - End of the Year	11,066,391	10,881,639

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

1. General

a. Jordan River Foundation is a voluntary not-for-profit organization, established on May 11, 1998 as a result of the merger between Jordan Development Foundation and Jordan River for Development Projects, registered in accordance with the Social Societies and Agencies Law number (33) of 1966.

In accordance with his letter number EA/511/4316 dated May 11, 1998, the Minister of Social Development approved the decision taken by the general assembly, and accordingly, the name of the organization was changed on February 25, 1999 to "Jordan River Foundation" instead of "Jordan River for Development Projects".

On June 10, 2001 the Foundation continued its operations under the same name in accordance with the Jordan River Foundation Decree number (33) for year 2001, which considered the Foundation as the legal and natural successor to "Jordan River for Development Projects". The assets and liabilities of the predecessor entity were transferred to the Foundation formed under the new Decree, at their net book values as of October 1, 2000. The Foundation's registered address is Amman, Abdoun, Behind Sheraton Str, fax 5933210, telephone 5933211 and its mailing address is P.O.Box 2943, Amman 11181, Jordan.

b. The Foundation's main objectives are to:

1. Develop local communities in the health, educational, vocational and educational sectors.

2. Prepare and execute development projects to achieve community prosperity.

3. Prepare and develop programs related to family and children security.

c. Prior to the merger on May 11, 1998, Jordan River for Development Projects included the following projects:

- Jordan River Design,
- Wadi Al-Rayan Project,
- Jordan River Children Program,
- Jordan River Foundation, and
- Bani Hamida

d. During the year 2000, the following three new projects and programs were added:

- Social Productivity Program.
- Business Development Services Project.

Furthermore, the Global Movement for Children project was added during the year 2002.

e. During the year 2004, Jordan River Children program was split into Prevention center and Intervention center.

f. During the year 2005 Special project was added.

g. During the year 2006 Family Support Unit project was added.

h. During the year 2008 Madrasati project was added.

i. During the year 2009, the major projects that are still in process as of December 31, 2009 are as follows:

Name of Project	Starting Year	Part of
Qudrat 2 project	2008	Special project – CEP
Development project and micro finance in Aqaba old village	2008	Business development services project
Poverty pockets project 2	2009	Special project – CEP
Conservation of medicinal and herbal plants of Jordan	2009	Special project – CEP
Rasoun project	2009	Special project – CEP
Comprehensive development plan in Debeen area	2009	Special project – CEP
Al Tafeela initiative	2009	Special project – CEP
Ahl Alhema initiative	2009	Special project – CEP
IRC & Unifem "Combat violence against women	2009	Prevention center
Safe schools	2009	Prevention center
Address Domestic violence	2009	Prevention center

j. The accompanying financial statements were approved by the Foundation Board of Trustees on June 27, 2010.

k. Income Tax
According to the Jordan River Foundation Decree No. (33) for the year 2001, the Foundation is exempt from all types of Government taxes and fees, including sales tax

2. Basis of Consolidation

The consolidated financial statements include the Foundation's and the wholly owned subsidiary company controlled by it. Control exists when the Foundation has the ability to control the financial and operating policies of the subsidiary company. All inter company transactions between the Foundation and its subsidiary are eliminated.

- The Foundation owns the following subsidiary as of December 31, 2009:

Company's Name	Paid up Capital	Ownership	Nature of Operations	Location	Date of Acquistion
	JD				
Jordan Reginal Center for Development and Training	5,000	100%	Develop local communities	Amman	November, 2008

* Established and has not yet started its operations.

3. Adoption of New and Revised International Financial Reporting Standards (IFRSs)

3.1 Standards affecting presentation and disclosure

The following new and revised standards have been adopted in these consolidated financial statements for the current year. The details of other Standards and Interpretations adopted but with no effect on the financial statements are set out in section 3.2 below:

- IAS 1 (as revised in 2007) Presentation of Financial Statements — IAS 1 (2007) has introduced terminology changes (including revised titles for the financial statements) and changes in the format and content of the financial statements.
- Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures) — The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk. The Foundation has elected not to provide comparative information for these expanded disclosures in the current year in accordance with the transitional reliefs offered in these amendments.
- IFRS 8 Operating Segments — IFRS 8 is a disclosure standard that has resulted in the re-designation of the Foundation's reportable segments.

3.2 Standards and Interpretations adopted with no effect on the financial statements

The following new and revised Standards and Interpretations have also been adopted in these consolidated financial statements. Their adoption has not had any significant impact on the amounts reported in these consolidated financial statements but may affect the accounting for future transactions or arrangements.

• Improving Disclosures about Financial Instruments (Amendments to IFRS 7 Financial Instruments: Disclosures)	The amendments to IFRS 7 expand the disclosures required in respect of fair value measurements and liquidity risk.
• IFRS 8 Operating Segments	IFRS 8 is a disclosure Standard that requires re-designation of the Foundation's reportable segments based on the segments used by the Chief Operating Decision Maker to allocate resources and assess performance. [There was no material impact of this Standard on the previous disclosures and reported results or the financial position of the Group since the business segments reported earlier as per the requirements of IAS 14 Segment Reporting are also used by the General Manager to allocate resources to the segments and to assess their performance.
• IFRS for SMEs Small and Medium-sized Entities	This Standard is available immediately but the adoption has to be decided by the jurisdiction of implementation
• Amendments to IFRS 2 Share-based Payment - Vesting Conditions and Cancellations	The amendments clarify the definition of vesting conditions for the purposes of IFRS 2, introduce the concept of 'non-vesting' conditions, and clarify the accounting treatment for cancellations.
• IAS 23 (as revised in 2007) Borrowing Costs	The principal change to the Standard was to eliminate the option to expense all borrowing costs when incurred. This change has had no impact on these financial statements because it has always been the Foundation's accounting policy to capitalise borrowing costs incurred on qualifying assets.

• Amendments to IAS 32 Financial Instruments: Presentation and IAS 1 Presentation of Financial Statements – Puttable Financial Instruments and Obligations Arising on Liquidation	The revisions to IAS 32 amend the criteria for debt/equity classification by permitting certain puttable financial instruments and instruments (or components of instruments) that impose on an entity an obligation to deliver to another party a pro-rata share of the net assets of the entity only on liquidation, to be classified as equity, subject to specified criteria being met.
• IFRIC 13 Customer Loyalty Programmes	The Interpretation provides guidance on how entities should account for customer loyalty programmes by allocating revenue on sale to possible future award attached to the sale.
• IFRIC 15 Agreements for the Construction of Real Estate	The Interpretation addresses how entities should determine whether an agreement for the construction of real estate is within the scope of IAS 11 Construction Contracts or IAS 18 Revenue and when revenue from the construction of real estate should be recognised.
• IFRIC 16 Hedges of a Net Investment in a Foreign Operation	The Interpretation provides guidance on the detailed requirements for net investment hedging for certain hedge accounting designations.
• IFRIC 18 Transfers of Assets from Customers (adopted in advance of effective date of transfers of assets from customers received on or after 1 July 2009)	The Interpretation addresses the accounting by recipients for transfers of property, plant and equipment from 'customers' and concludes that when the item of property, plant and equipment transferred meets the definition of an asset from the perspective of the recipient, the recipient should recognise the asset at its fair value on the date of the transfer, with the credit recognised as revenue in accordance with IAS 18 Revenue.
• Improvements to IFRSs (2008)	Amendments to IFRS 5, IAS 1, IAS 16, IAS 19, IAS 20, IAS 23, IAS 27, IAS 28, IAS 29, IAS 31, IAS 36, IAS 38, IAS 39, IAS 40 and IAS 41 resulting from the May and October 2008 Annual Improvements to IFRSs the majority of which is effective for annual periods beginning on or after January 1, 2009.

3.3 Standards and Interpretations in issue not yet effective

At the date of authorisation of these consolidated financial statements, the following new and revised Standards and Interpretations were in issue but not yet effective:

New Standards and amendments to Standards:

	Effective for Annual Periods Beginning on or After
• IFRS 1 (revised) First time Adoption of IFRS and IAS 27 (revised) Consolidated and Separate Financial Statements – Amendment relating to Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2009
• IFRS 3 (revised) Business Combinations – Comprehensive revision on applying the acquisition method and consequential amendments to IAS 27 (revised) Consolidated and Separate Financial Statements, IAS 28 (revised) Investments in Associates and IAS 31 (revised) Interests in Joint Ventures	1 July 2009
• IAS 39 (revised) Financial Instruments: Recognition and Measurement – Amendments relating to Eligible Hedged Items(such as hedging inflation risk and hedging with options)	1 July 2009
• IFRS 1 (revised) First time Adoption of IFRS – Amendment on additional exemptions for First-time Adopters	1 January 2010
• IFRS 2 (revised) Share-based Payment – Amendment relating to Group cash-settled Share-based payments	1 January 2010
• IAS 32 (revised) Financial Instruments: Presentation – Amendments relating to classification of Rights Issue	1 February 2010
• IAS 24 Related Party Disclosures – Amendment on disclosure requirements for entities that are controlled, jointly controlled or significantly influenced by a Government	1 January 2011
• IFRS 9 Financial Instruments: Classification and Measurement (intended as complete replacement for IAS 39 and IFRS 7)	1 January 2013
• Amendments to IFRS 2, IFRS 5, IFRS 8, IAS 1, IAS 7, IAS 17, IAS 18, IAS 36, IAS 38 and IAS 39 resulting from April 2009 Annual Improvements to IFRSs.	Majority effective for annual periods beginning on or after 1 January 2010

New Interpretations and amendments to Interpretations:

	Effective for annual periods beginning on or after
• IFRS 17: Distributions of Non-cash Assets to Owners	1 July 2009
• IFRIC 19: Extinguishing Financial Liabilities with Equity Instruments	1 July 2010
• Amendment to IFRIC 14: IAS 19: The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their interaction	1 January 2011
• Amendment to IFRIC 16: Hedges of a Net Investment in a Foreign Operation	1 July 2009
• Amendment to IFRIC 9 (revised): Reassessment of Embedded Derivatives relating to assessment of embedded derivatives in case of reclassification of a financial asset out of the 'FVTPL' category	1 January 2013

The Foundation's management anticipates that the adoption of these Standards and Interpretations in future periods will have no material impact on the consolidated financial statements of the Foundation in the period of initial application.

4. Significant Accounting Policies

a. Basis of preparation of the financial statements

The foundation's financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), issued by the Board of International Accounting Standards, and their related interpretations.

The financial statements are stated in Jordanian Dinar.

b. Revenue Recognition

- Revenue from sales is recognized when invoices are issued and goods are delivered.

- Donations received as fixed assets are stated at the value of the donation as indicated by the donors and recorded as deferred revenues, and depreciated according to the straight-line method based on the estimated useful life of those assets. Furthermore, an amount equal to the depreciation expense is taken from deferred revenue and recorded in the consolidated statement of activities.

Unrestricted donations include all resources available for the general purposes of Jordan River Foundation as stated in the bylaws of the organization.

Donations received are recognized only when there is reasonable assurance that the Foundation will comply with any conditions attached to the donation and that the donation will be received. The donation is recognized over the period necessary to match them with the related costs, for which they are intended to compensate, on a systematic basis.

c. Fixed Assets

- Fixed assets (except for land) are stated at the revalued amount as of September 30, 1999 less accumulated depreciation and impairment losses.

- Additions to fixed assets after September 30, 1999, are stated at cost less accumulated depreciation and impairment.

  Depreciation is computed, except for land, according to the straight-line method based on their useful lives at an annual depreciation rates ranging from 2% to 20%.

- When the recoverable amount of fixed assets is less than its carrying amount, the carrying amount of fixed assets is reduced to the recoverable amount. Any impairment is taken in the consolidated statement of activities.

d. Accounts Receivable

Accounts receivable are stated at net realizable value after booking a provision for doubtful debts.

e. Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. Net realizable value represents the estimated selling price for inventories less all estimated costs to make the sale.

f. Interest

Interest income and expenses are recognized in consolidated statement of activities on the accrual basis.

g. Provisions

Provisions are recognized when the Foundation has a present obligation (legal or constructive) as a result of a past event, it is probable that the Foundation will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

h. Foreign Currency Transactions

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinar at the exchange rates prevailing at year-end. Transactions in foreign currencies are recorded at the exchange rates prevailing at the transaction date. Exchange gains or losses resulting therefrom are taken to the consolidated statement of activities.

Accounting Estimates

Preparation of the accompanying consolidated financial statements and the application of accounting polices requires the Foundation's management to estimate and assess some items affecting financial assets and liabilities, and to disclose contingent liabilities. These estimates and assumptions also affect income, expenses, and provisions, and require the Foundation's management to estimate and assess the amounts and timing of future cash flows. The aforementioned estimates are based on several assumptions and factors with varying degrees of consideration and uncertainty. Furthermore, the actual results may differ from the estimates due to the changes arising from the conditions and circumstances of those estimates in the future.

Management believes that the estimates in the consolidated financial statements are reasonable, the details are as follows:

- The Foundation reviews the estimated useful lives of its fixed assets, at the end of each annual reporting period in order to calculate the annual depreciation expense. Impairment loss (if any) is recorded in the consolidated statement of activities.

- A provision is set for lawsuits raised against the Foundation. This provision is subject to an adequate legal study prepared by the Foundation's legal advisor. Moreover, the study highlights potential risks that the Foundation may encounter in the future. Such legal assessments are reviewed frequently.

- A provision for doubtful debts is taken on the bases and estimates approved by management in conformity with International Financial Reporting Standards (IFRS).

The management of the Foundation believes that the accounting estimates that have been made in the consolidated financial statements are reasonable.

5. Cash on Hand and at Banks

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Cash on hand	292,509	10,397
Current accounts	344,628	632,308
Saving	30,863	1,058
Deposits *	10,398,391	10,147,876
Checks under collection – short-term	-	90,000
	11,066,391	10,881,639

- The Foundation keeps deposits with banks with average interest rates as the following:

Currency	Rate %
JOD	4.0
USD	0.5
EUR	0.75

* This item includes an amount of JD 10,091,895 as of December 31, 2009 (against 10,059,367 as of December 31, 2008) which is related to the restricted funds in Note (11).

6. Accounts Receivable – Net

This item consists of the following:

	December 31, 2009								December 31, 2008
	Intervention Center	Sales and Marketing Department	Jordan River Designs	Jordan River Foundation	Bani Hamida	Business Development Services Project	Others	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD
Trade receivable	2,395	153,831	3,571	51,214	296	73,125	36,344	320,776	316,703
Employees' receivable	-	8	-	10,837	400	-	50	11,295	9,641
	2,395	153,839	3,571	62,051	696	73,125	36,394	332,071	326,344
Less: Provision for doubtful debt *	2,395	65,499	3,571	5,972	396	-	9,531	87,364	76,800
	-	88,340	-	56,079	300	73,125	26,863	244,707	249,544

* The movement on the provision for doubtful debt in accounts receivable was as follows:

	2009	2008
	JD	JD
Balance – beginning of the year	76,800	67,835
Additions to the provision for the year	11,356	8,965
Recoveries from provision for doubtful debt	(792)	-
Balance – End of the Year	87,364	76,800

The Foundation has adopted a policy of dealing with only creditworthy counterparties as a mean of mitigating the risk of financial loss from defaults. The following are the accounts receivable due but not impaired:

	December 31, 2009	December 31, 2008
	JD	JD
Within 30 days	58,159	12,758
From 31 days to 60 days	18,804	20,595
From 61 days to 90 days	14,710	65,019
From 91 days to 364 days	153,034	151,172
	244,707	249,544

7. Inventory - Net

This item consists of the following:

	December 31, 2009						2008
	Jordan River Designs	Bani Hamida	Wadi Al-Rayan Project	Candles	Mahata	Total	Total
	JD	JD	JD	JD	JD	JD	JD
Raw materials	73,398	19,028	751	28,289	15,056	136,522	113,558
Work in process	32,169	14,789	1,719	-	5,475	54,152	37,926
Finished goods	105,077	84,122	11,580	3,691	-	204,470	198,865
	210,644	117,939	14,050	31,980	20,531	395,144	350,349
Less: Provision for slow moving items *	9,322	4,282	-	-	-	13,604	7,993
	201,322	113,657	14,050	31,980	20,531	381,540	342,356

* The movement on the provision for slow moving items in inventory was as follows:

	2009	2008
	JD	JD
Balance – beginning of the year	7,993	15,181
Additions to the provision for the year	5,611	-
Released provision	-	(7,188)
Balance – End of the Year	13,604	7,993

8. Prepaid Expenses and Other Debit Balances

The details of this item are as follows:

	December 31, 2009										2008
	Sales, Marketing and Design Department	Jordan River Designs	Wadi Al-Rayan Project	Prevention Center	Jordan River Foundation	Bani Hamida	Social Productivity Program	Intervention Center	Mahata	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Prepaid	6,659	-	-	177	2,977	150	-	1,125	10	11,098	9,434
Refundable deposit	-	-	-	-	86,730	-	-	-	-	86,730	146,234
Other	55	450	-	-	634	844	20,172	220	-	22,375	152,408
	6,714	450	-	177	90,341	994	20,172	1,345	10	120,203	308,076

9. Fixed Assets

The details of this item is as follows:

Year 2009	Land	Building	Showroom Renovation	Dar Al - Aman Renovation	Abdoun Building Renovation	Prevention Center Building	Furniture and Fixtures	Vehicles	Software	Building Under Construction	Total
Revalued Cost:	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Beginning balance *	13,486	96,308	40,689	110,251	156,455	598,042	691,079	219,170	24,995	35,228	1,985,703
Additions	-	-	-	-	-	-	105,312	-	-	337,840	443,152
Disposals	-	-	-	-	-	-	(3,571)	-	-	-	(3,571)
Ending Balance	13,486	96,308	40,689	110,251	156,455	598,042	792,820	219,170	24,995	373,068	2,425,284
Accumulated Depreciation:											
Beginning balance	-	21,310	40,688	102,376	156,455	33,696	354,359	114,875	2,914	-	826,673
Additions	-	1,926	-	1,624	-	11,957	93,009	25,021	2,520	-	136,057
Disposals	-	-	-	-	-	-	(3,492)	-	-		(3,492)
Ending Balance	-	23,236	40,688	104,000	156,455	45,653	443,876	139,896	5,434	-	959,238
Net Book Value- as of December 31, 2009	13,486	73,072	1	6,251	-	552,389	348,944	79,274	19,561	373,068	1,466,047
Year 2008											
Revalued Cost:											
Beginning balance *	13,486	96,308	40,689	110,251	156,455	494,797	606,094	227,240	9,195	-	1,754,515
Additions	-	-	-	-	-	103,245	84,985	17,500	15,800	35,228	256,758
Disposals	-	-	-	-	-	-	-	(25,570)	-	-	(25,570)
Ending Balance	13,486	96,308	40,689	110,251	156,455	598,042	691,079	219,170	24,995	35,228	1,985,703
Accumulated Depreciation:											
Beginning balance	-	19,384	40,688	100,752	156,455	22,434	279,305	113,705	520	-	733,243
Additions	-	1,926	-	1,624	-	11,262	75,054	26,740	2,394	-	119,000
Disposals	-	-	-		-	-	-	(25,570)	-	-	(25,570)
Ending Balance	-	21,310	40,688	102,376	156,455	33,696	354,359	114,875	2,914	-	826,673
Net Book Value- as of December 31, 2008	13,486	74,998	1	7,875	-	564,346	336,720	104,295	22,081	35,228	1,159,030
Annual Depreciation Rate %	-	2	10-20	15	15	2	2.5-15	15	15		

* The beginning balance of fixed assets include assets (except for land), which were revalued as of September 30, 1999.

- Fixed Assets as of December 31, 2009 include an amount of JD 470,189 representing fully depreciated property and equipment against JD 411,085 as of December 31,2008.

10. Accounts Payable and Other Credit Balances

This item Consists of the following:

	December 31,	
	2009	2008
	JD	JD
Trade payables	107,800	128,327
Down payments	20,595	18,445
Sales tax withholdings	11,590	7,614
Income tax withholdings	1,511	4,633
Social security	282	17,451
Other credit balances	327	324
	142,105	176,794

11. Deferred Revenue and Restricted Funds

This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Deferred revenue *	476,346	256,218
Restricted funds **	10,091,895	10,059,367
	10,568,241	10,315,585

* This item represents deferred grants net of amortization against donated fixed assets.

** This item represents donations and payments according to agreements with different parties for the execution of projects. This item consists of the following:

	December 31,	
	2009	2008
	JD	JD
Madrasati***	3,871,734	7,567,245
Jordan River Foundation various restricted funds	2,544,950	650,400
Lebanon and Gaza supporting camp	365,037	249,093
Comprehensive development plan in Debeen area	449,862	-
Ahl Alhema initiative	326,984	-
Conservation of medicinal and herbal plants of Jordan	186,636	-
Safe schools	285,837	391,987
Development project and Micro finance in Aqaba old village	117,604	118,188
Ministry of planning	978,475	354,054
King Abdullah initiatives	34,903	34,903
Vital voices	-	14,247
Suez foundation al Nasser sport land	32,054	32,054
Others	897,819	647,196
	10,091,895	10,059,367

*** Madrasati is a newly established fund designated to the renovation of the public schools in the Kingdom with the major of the donations from the Royal Court.

12. Other Revenue

This item consists of the following:

	For the Year Ended December 31,	
	2009	2008
	JD	JD
Interest revenue	743,028	451,165
Sponsorship	-	20,000
Commission from goods on consignment	11,855	14,669
Other	61,011	53,067
	815,894	538,901

13. Cost of Sales

This item consists of the following:

	For the Year Ended December 31,				
	2009				2008
	Jordan River Design & Mahata	Wadi Al-Rayan Project	Bani Hamida & Candles	Total	Total
	JD	JD	JD	JD	JD
Raw materials used	59,904	4,542	14,498	78,944	101,600
Directs labor	53,477	6,824	24,879	85,180	99,921
Direct overhead	108,769	11,755	83,472	203,996	181,263
Total Manufacturing Costs	222,150	23,121	122,849	368,120	382,784
Add: Work-in-process beginning balance	23,024	417	14,485	37,926	43,909
Less: Work-in-process ending balance	37,644	1,719	14,789	54,152	37,926
Cost of Goods Manufactured	207,530	21,819	122,545	351,894	388,767
Add: Finished goods beginning balance	95,853	11,593	91,419	198,865	149,182
Less: Finished goods ending balance	105,077	11,580	87,813	204,470	198,865
Cost of Goods Sold	198,306	21,832	126,151	346,289	339,084

14. Operating Expenses

	For the Year Ended December 31,													
	2009													2008
	Sales , Marketing and Design Department	Jordan River Designs	Madrasati	Wadi Al-Rayan Project	Prevention Center	Jordan River Foundation	Bani Hamida	Social Productivity Program	Intervention Center	Business Development Services Project	Special Projects	Family Support Unit	Total	Total
	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD	JD
Salaries	86,537	-	223,118	-	350,947	384,433	-	11,101	233,732	58,756	337,343	83,806	1,769,773	1,223,836
Employees benefits	666	-	-	-	4,149	1,450	-	375	337	865	1,571	-	9,413	6,682
Social security contributions	9,385	-	22,449	-	35,655	36,466	-	1,179	18,967	5,399	31,840	8,451	169,791	118,912
Staff health insurance	2,335	-	2,557	-	7,240	5,529	-	1,446	6,053	821	6,681	1,415	34,077	23,015
Travel and transportation	12,630	-	16,589	-	51,309	18,385	-	648	13,253	23,236	54,674	6,396	197,120	199,128
Training	2,650	-	4,802	-	1,785	9,475	-	75	510	90	5,984	-	25,371	21,599
Casual labor	747	-	-	-	23,296	1,390	-	10,222	16,344	785	4,620	1,781	59,185	23,338
Utilities	11,301	-	7,676	-	20,288	7,569	-	769	11,842	1,574	4,732	-	65,751	59,262
Professional and service fees	1,543	-	17,420	-	49,355	45,641	-	-	2,657	46,333	64,816	3,664	231,429	198,283
Sales commissions	12,363	-	-	-	-	-	-	932	-	-	-	-	13,295	38,098
Advertising expenses	21,175	-	25,181	-	5,235	13,811	-	-	131	182	2,204	4,300	72,219	67,577
Exhibitions and events	15,167	-	77,349	-	77,394	284,197	-	-	746	63,081	33,806	44,287	596,027	357,569
Depreciation of fixed assets	4,447	6,485	7,740	82	50,696	17,756	8,364	19	22,000	1,624	821	16,023	136,057	119,000
Rent	12,000	-	-	-	-	600	-	350	23,050	-	7,150	-	43,150	51,271
Bank commissions	166	-	13,245	-	264	8,439	-	25	149	415	5,469	21	28,193	26,379
Communications and postage	2,166	-	6,873	-	7,691	8,517	-	195	3,337	1,318	8,068	4,199	42,364	32,861
Printing	1,173	-	5,505	-	565	9,846	-	3	45	659	1,585	27	19,408	24,968
Insurance	382	-	-	-	3,095	2,212	-	320	1,251	32	409	-	7,701	11,590
Maintenance	2,978	-	1,669	-	14,288	13,894	-	661	4,702	406	12,387	2,667	53,652	61,140
Activity expense	-	-	120,117	-	41,063	-	-	-	-	-	-	-	161,180	51,900
Ghaza Camp expenses	-	-	-	-	-	592,779	-	-	-	-	-	-	592,779	242,365
Supplies	3,201	-	7,919	-	46,057	16,378	-	301	10,323	5,492	14,058	2,023	105,752	62,411
Shipping and freight out	1,762	-	-	-	95	1,598	-	-	5	8	287	8	3,763	1,731
Packaging lables	2,503	-	-	-	-	-	-	-	-	-	-	-	2,503	10,132
Interest on credit cards sales	4,732	-	-	-	-	-	-	-	-	-	-	-	4,732	4,761
Organic Farm Legislation Project expenses	-	-	-	-	-	-	-	-	-	-	14,867	-	14,867	22,374
Poverty Pockets Project expenses	-	-	-	-	-	-	-	-	-	-	93,983	-	93,983	906,890
Qudrat 2 Project expenses	-	-	-	-	-	-	-	-	-	-	777,758	-	777,758	912,866
Der Allah / King Initiative	-	-	-	-	-	-	-	-	-	-	-	-	-	50,660
Ajloun homes / King Initiative	-	-	-	-	-	-	-	-	-	-	6,209	-	6,209	6,080
Personal care expense	-	-	-	-	-	-	-	-	46,672	-	-	-	46,672	41,432
Fixed assets expenses	-	-	-	-	3,085	-	-	8,662	-	-	41,515	-	53,262	40,179
Center direct production support cost	3,999	-	-	-	-	-	-	347	-	-	-	-	4,346	9,821
Center direct material	-	-	-	-	-	-	-	32,193	-	-	-	-	32,193	12,883
Provision for slow moving items	-	5,611	-	-	-	-	-	-	-	-	-	-	5,611	-
Other	7,274	-	-	-	330	9,566	-	3,585	1,573	3,000	6,459	108	31,895	6,335
Provision for doubtful debts	-	2,292	-	24	7,427	-	396	1,216	-	-	-	-	11,355	8,965
Tenders with the Ministry of public works and housing	-	-	5,178,049	-	-	-	-	-	-	-	-	-	5,178,049	2,071,710
Safe Schools expenses	-	-	18,123	-	2,022	-	-	-	-	-	-	-	20,145	13,960
Irrigation System Project in Greigreh and Fenan	-	-	-	-	-	-	-	-	-	-	-	-	-	28,370
Rasoun Project expenses	-	-	-	-	-	-	-	-	-	-	98,955	-	98,955	36,944
UNHCR Project epenses	-	-	-	-	46,929	-	-	-	-	-	-	-	46,929	-
Mdrasti School programs	-	-	180,700	-	-	-	-	-	-	-	-	-	180,700	-
Medical Herbs Project expenses	-	-	-	-	-	-	-	-	-	-	132,595	-	132,595	-
Poverty Pockets 2 Project expenses	-	-	-	-	-	-	-	-	-	-	1,114,638	-	1,114,638	-
Hospitality	549	-	1,076	-	19,523	2,178	-	-	2,689	2,118	2,674	7,503	38,310	14,218
Other special projects expenses	-	-	-	-	-	-	-	-	-	-	54,688	-	54,688	-
	223,831	14,388	5,938,157	106	869,783	1,492,109	8,760	74,624	420,368	216,194	2,942,846	186,679	12,387,845	7,221,495

15. Contingent Liabilities

The contingent liabilities on the Foundation represent letters of guarantees in the total amount of JD 701,032 as of December 31, 2009.

16. Executive Management Remuneration

The executive management remuneration amounted to JD 591,163 for the year ended December 31, 2009 (JD 425,889 for the year ended December 31, 2008).

17. Risk Management Policies and their Objectives

1. Liquidity risk

Liquidity risk, also referred to as funding risk, is the risk that the Foundation will encounter difficulty in raising funds to meet commitments.

The Foundation manages liquidity risk by maintaining adequate reserves and continuously monitoring forecast and actual cash flows. Furthermore, a portion of the Foundation's funds are invested in cash bank balances which are readily available to meet short-term funding and liquidity management requirements.

2. Market risk

Market risks refers to the risk that losses results from change in market prices as change in interest prices, foreign currency prices, prices of equity instruments so the fair value of cash flows for on and off balance sheet financial instruments.

a. Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation's transactions are denominated in the Jordanian Dinar and the US Dollar. Due to the fact the Jordanian Dinar (Foundation’s functional currency) is pegged with the US Dollar, the management of the Foundation believes that foreign currency risk related to transactions denominated in US Dollar is immaterial.

The carrying amounts of the Foundation's foreign currency denominated monetary assets and monetary liabilities at the balance sheet date are as follows:

	December31,	
	2009	2008
	JD	JD
Debit banks accounts – US Dollar	119,031	85,941
Debit banks accounts – Euro	138,084	544,372
Debit banks account – GBP	44,460	14,151
Debit banks account – CHF	601	592

The following table summarizes the effect of the change in the Euro translation rate at 10 % as of the balance sheet date on the cash at banks and deposits.

	December 31, 2009	
	Assets	
	+ 10%	(- 10%)
Euro	13,808	(13,808)
GBP	4,446	(4,446)
Swiss Franc	60	(60)

	December 31, 2008	
	Assets	
	+ 10%	(- 10%)
Euro	54,437	(54,437)
GBP	1,415	(1,415)
Swiss Franc	59	(59)

b. Interest rate risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to change in market interest rate.

The following table illustrates the Foundation's exposure to the fluctuations in interest rates using the sensitivity analysis method:

Year 2009	Increase in Interest Rate	Interest Income Sensitivity
Currency:	%	JD
Jordanian Dinar	1	101,810
US Dollar	1	1,130
Euro	1	1,352

	Decrease in Interest Rate	Interest Income (Loss) Sensitivity
Currency:	%	JD
Jordanian Dinar	1	(101,810)
US Dollar	1	(1,130)
Euro	1	(1,352)

Year 2008	Increase in Interest Rate	Interest Income Sensitivity
Currency:	%	JD
Jordanian Dinar	1	101,362
US Dollar	1	859

	Decrease in Interest Rate	Interest (Loss) Sensitivity
Currency:	%	JD
Jordanian Dinar	1	(101,362)
US Dollar	1	(859)

3. Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Foundation. The Foundation has adopted a policy of only dealing with creditworthy counterparties, as a means of mitigating the risk of financial loss from defaults.

Foundation's financial assets that consists mainly from clients accounts, checks under collections, cash and cash equivalents do not represent important concentration for risks also debtors are widespread among clients classifications and a credit control is maintained by controlling credit limit for each client separately in a perpetual manner in addition to collections follow up in a periodic manner.

18. Income Tax

The foundation is exempted from the income tax according to the Jordanian law.

19. Comparative Figures

Some of the comparative figures for the year ended December 31, 2007 have been reclassified to correspond with the year 2008 presentation.