

**JORDAN RIVER FOUNDATION
(ESTABLISHED BY A SPECIAL DECREE)**

SEPARATE FINANCIAL STATEMENTS

31 DECEMBER 2016

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**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF TRUSTEES OF JORDAN RIVER FOUNDATION**

Our opinion

In our opinion, the separate financial statements present fairly, in all material respects the separate financial position of Jordan River Foundation (later the "Foundation") as at 31 December 2016, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

What we have audited

The Foundation's separate financial statements comprise:

- the separate statement of financial position as at 31 December 2016;
- the separate statement of Financial Performance for the year then ended;
- the separate statement of changes in Net Assets for the year then ended;
- the separate statement of cash flows for the year then ended; and
- the notes to the separate financial statements, which include a summary of significant accounting policies.

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 separate financial statements section of our report.

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

Independence

We are independent of the Foundation in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code). We have fulfilled our ethical responsibilities in accordance with the IESBA Code.

Other matter

The accompanying financial statements are separate financial statements of Jordan River Foundation (Established by a Special Decree). Which were issued to comply with the Jordanian laws and regulations.

The Foundation prepares consolidated financial statements in accordance to the International financial reporting standards contracting Jordanian Regional Center for Development and Training for 31 December 2016.



Responsibilities of management and those charged with governance for the separate financial statements

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

In preparing the separate financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the separate financial statements

Our objectives are to obtain reasonable assurance about whether the separate 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 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 Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

For and behalf of PricewaterhouseCoopers "Jordan" L.L.C.

Osama Marout
License No. (718)

Amman - Jordan
17 July 2017

**JORDAN RIVER FOUNDATION
SEPARATE STATEMENT OF FINANCIAL POSITION
AT 31 DECEMBER 2016**

	Note	2016 JD	2015 JD
ASSETS			
Non-current assets			
Property and equipment	5	4,975,557	5,090,194
Project under construction	6	-	14,699
Investment in subsidiary	7	5,000	5,000
		<u>4,980,557</u>	<u>5,109,893</u>
Current assets			
Inventories	8	729,467	666,689
Trade receivables	9	310,720	271,097
Other debit balances	10	166,643	553,700
Cash on hand and at banks	11	7,543,521	9,627,241
		<u>8,750,351</u>	<u>11,118,727</u>
TOTAL ASSETS		<u>13,730,908</u>	<u>16,228,620</u>
NET ASSETS AND LIABILITIES			
Net assets			
Net assets		<u>1,514,735</u>	<u>1,512,582</u>
Liabilities			
Non-current liabilities			
Restricted funds	13	<u>5,000,000</u>	<u>5,000,000</u>
Current liabilities			
Trade and other payables	12	441,078	635,103
Unearned revenue and restricted funds	13	6,775,095	9,080,935
		<u>7,216,173</u>	<u>9,716,038</u>
TOTAL LIABILITIES		<u>12,216,173</u>	<u>14,716,038</u>
TOTAL NET ASSETS AND LIABILITIES		<u>13,730,908</u>	<u>16,228,620</u>

The attached notes from 1 to 18 are an integral part of these Separate financial statements

**JORDAN RIVER FOUNDATION
SEPARATE STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Note</u>	<u>2016</u> JD	<u>2015</u> JD
Revenue			
Sales		737,649	658,521
Donations		2,790,120	1,475,426
Revenue from activities		6,175,827	6,778,149
Other income	14	<u>419,913</u>	<u>427,343</u>
Total revenue		<u>10,123,509</u>	<u>9,339,439</u>
Expenses			
Cost of sales	15	(792,952)	(677,931)
Operating expenses	16	<u>(9,328,404)</u>	<u>(9,383,811)</u>
Total expenses		<u>(10,121,356)</u>	<u>(10,061,742)</u>
Deficit/Surplus for the year		<u>2,153</u>	<u>(722,303)</u>

The attached notes from 1 to 18 are an integral part of these Separate financial statements

**JORDAN RIVER FOUNDATION
SEPARATE STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>Net assets</u> JD
2016	
Balance at 1 January 2016	1,512,582
Surplus for the year	2,153
Balance at 31 December 2016	<u>1,514,735</u>
2015	
Balance at 1 January 2015	2,234,885
Deficit for the year	(722,303)
Balance at 31 December 2015	<u>1,512,582</u>

The attached notes from 1 to 18 are an integral part of these Separate financial statements

**JORDAN RIVER FOUNDATION
SEPARATE STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2016**

	<u>2016</u> JD	<u>2015</u> JD
Operating activities		
Deficit/Surplus for the year	2,153	(722,303)
Adjustments for:		
Depreciation	317,782	321,532
Loss from sale of equipment	362	953
Provision for doubtful debt	-	80,033
Changes in working capital:		
Inventories	(62,778)	(177,520)
Trade receivables and other debit balances	347,434	425,190
Trade and other payables	(194,025)	(26,014)
Unearned revenue and restricted funds	(2,305,840)	(975,197)
Net cash used in operating activities	<u>(1,894,912)</u>	<u>(1,073,326)</u>
Investing activities		
Purchase of property and equipment	(188,808)	(342,954)
Additions to project under construction	-	(14,699)
Net cash used in investing activities	<u>(188,808)</u>	<u>(357,653)</u>
Net change in cash and cash equivalents	(2,083,720)	(1,430,979)
Cash and cash equivalents at 1 January	<u>9,627,241</u>	<u>11,058,220</u>
Cash and cash equivalents at 31 December	<u>7,543,521</u>	<u>9,627,241</u>

The attached notes from 1 to 18 are an integral part of these Separate financial statements

(1) GENERAL INFORMATION

Jordan River Foundation "the Foundation" is a voluntary not-for-profit organization, established on 11 May 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.

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

The Foundation's registered address is Al Rawnaq, Amman – Jordan, telephone 5933211 and its mailing address is P.O. Box 2943, Amman 11181, Jordan.

The financial statements of the Foundation were authorised for issue by the Board of Trustees on 12 July 2017.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these separate financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Basis of preparation

The separate financial statements of Jordan River Foundation have been prepared in accordance with the International Financial Reporting Standards (IFRS). The financial statements have been prepared under the historical cost convention.
The separate financial statements are presented in Jordanian Dinar.

These separate financial statements contain information about the Foundation as an individual entity and do not contain consolidated information as a parent. The Foundation also prepares consolidated financial statements comprising its subsidiaries in accordance with IFRS.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Foundation's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

2.2 Changes in accounting policy and disclosures

(a) New standards, amendments and interpretations adopted by the Foundation

The following standards have been adopted by the Foundation the first time for the financial year beginning on or after 1 January 2016, which had no material impact on the financial statements of the Foundation:

- Amendments to IAS 16 - 'Property, plant and equipment' and IAS 38 'Intangible assets' which explains the acceptable methods for calculating depreciation and amortization.
- Amendments to IAS 1 – 'Presentation of financial statements' which outlines some of the requirements of the presentation of financial statements and the disclosure of accounting policies.
- Amendments to IFRS 7 'Financial instruments: Disclosures' which require the disclosure of ongoing service contracts after the sales of financial assets and the disclosure of the offset between the financial assets and financial liabilities that are not stated in IAS 34 – 'Interim financial reporting'.
- Annual Improvements to IFRSs – 2012-2014 Cycle

(b) New standards and interpretations not yet adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. None of these is expected to have a significant effect on the financial statements of the Foundation. These are as follows:

- IFRS 9, 'Financial instruments', addresses the classification, measurement and recognition of financial assets and financial liabilities. The complete version of IFRS 9 was issued in July 2014. The standard is effective for accounting periods beginning on or after 1 January 2018. Early adoption is permitted.
- IFRS 15, 'Revenue from contracts with customers' deals with revenue recognition and establishes principles for reporting useful statements to users of financial statements about the nature, amount, timing and uncertainty of revenue and cash flows arising from an entity's contracts with customers. The standard is effective for annual periods beginning on or after 1 January 2018 and earlier application is permitted.
- IFRS 16, 'Leases' which will replace IAS 17 'Leases'. The standard requires the lessee to book future lease commitments for all lease contracts including "rights to use assets". The standard is effective for annual periods beginning on or after 1 January 2019 and early adoption is permitted if IFRS 15 is also adopted.
- Amendments to IAS 12, 'Income taxes'. Amendments clarify the measurement and accounting of deferred tax assets. The standard is effective for annual periods beginning on or after 1 January 2017 and early adoption is permitted.
- Amendments to IAS 7, 'Statement of cash flows'. The amendment requires additional disclosures about changes in liabilities arising from financing activities. The standard is effective for annual periods beginning on or after 1 January 2017 and early adoption is permitted.

There are no other standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

2.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the separate financial statements of the Foundation are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Jordanian Dinar, which is the Foundation's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the separate statement of financial performance.

Translation differences on non-monetary financial assets and liabilities are recognised in the separate statement of financial performance as part of the income and expense resulted from fair value.

2.4 Property and equipment

Property and equipment are shown at historical cost, less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Foundation and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to the separate statement of financial performance during the financial period in which they are incurred.

Land is not depreciated. Depreciation on other assets is calculated using the straight-line method to allocate their cost over their estimated useful lives, as follows:

	<u>Annual Depreciation</u> Years
Building	50
Renovation	5 – 10
Furniture and fixtures	5 – 10
Vehicles	6 – 7
Software	6 – 7

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount and is recognised in the separate statement of financial performance (Note 2.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the separate statement of financial performance.

2.5 Project under construction

Project under construction represents amounts capitalized on the new building project and are stated at cost, which includes the cost of construction, equipment's, engineering, consulting and other activities related to the project's construction. This cost will be transferred to the property and equipment when the construction is completed and the building is ready for use.

2.6 Impairment of non-financial assets

Assets that are subject to amortisation are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). Non-financial assets that suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

2.7 Investment in a subsidiary

Subsidiaries are all entities (including structured entities) over which the group has control. The group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. In these separate financial statements the subsidiary is carried at cost.

2.8 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises design costs, raw materials, direct labor, other direct costs and related production overheads. Net realizable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.9 Trade receivables

Trade receivables are amounts due from customers for merchandise sold in the ordinary course of business. If collection is expected in one year or less, they are classified as current assets, if not, they are presented as non-current assets.

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment (Note 2.17).

2.10 Cash and cash equivalents

Cash and cash equivalents includes cash on hand, at banks and deposits held at call with original maturities of three months or less.

2.11 Trade payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities.

Trade payables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method.

2.12 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the merchandise sale and services rendered in the ordinary course of the Foundation's activities. Revenue is shown net of discounts.

The foundation recognizes revenue when the amount of revenue can be reliably measured and it is probable that future economic benefits will flow to the entity.

Fixed assets donations

Donations received as fixed assets are stated at the value of the donation as indicated by the donor 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 separate statement of financial performance.

Unrestricted donations

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

Cash donations

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.

2.13 Income tax

The Foundation is exempt for all types of Government taxes and fees, According to the Jordan River Foundation Decree No. (33) for the year 2001.

2.14 Provisions

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

2.15 Leases

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases are charged to the separate statement of financial performance on a straight-line basis over the period of the lease.

2.16 Financial assets

Receivables

Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the date of the statement of financial position. These are classified as non-current assets. Receivables are classified as trade receivables (Note 2.9).

Receivables are recognized at amortized cost using the effective's interest method.

2.17 Impairment of financial assets

The Foundation reviews the recognised values of financial assets at the date of the financial statements to determine whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of the existence of such indicators, the recoverable amount is estimated to determine the impairment loss.

The amount of impairment is determined as follows:

- Impairment of receivables: A provision for impairment of trade receivables is established when there is objective evidence that the Foundation will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the trade receivable is impaired. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the separate statement of financial performance. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables.
- Subsequent recoveries of amounts previously written off are credited against other income in the separate statement of financial performance.

2.18 Employee benefits

For defined contribution plans, the Foundation pays contributions to publicly administered pension insurance plans on a mandatory basis which managed by governmental corporation (Social Security Corporation). The Foundation has no further payment obligations once the contributions have been paid. The contributions are recognised as social security expense when they are due.

(3) FINANCIAL RISK MANAGEMENT

3.1 Financial risk factors

The Foundation's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and price risk), credit risk and liquidity risk. The Foundation's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Foundation's separate financial performance.

(a) Market risk

- Foreign exchange risk

The majority of the Foundation's transactions are in JD or USD. The exchange rate of USD is fixed against JD and therefore, foreign exchange risk is immaterial.

- Price risk

The Foundation has little exposure to price risk due to prices of goods.

(b) Credit risk

Credit risk arises from cash and cash equivalents, trade receivables and other current assets. The Foundation deals only with high rated financial institutions. The Foundation applies a clear credit policy for all customers.

(c) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash.

The table below summarises the maturities of the Foundation's undiscounted financial liabilities at 31 December 2016, based on contractual payment dates and current market interest rates.

	Less than 1 year
	<u>JD</u>
31 December 2016	
Trade and other payables	<u>441,078</u>
31 December 2015	
Trade and other payables	<u>635,103</u>

3.2 Fair value estimation

The carrying values of trade receivables less impairment provision and trade payables are assumed to approximate to their fair values.

3.3 Capital risk management

The Foundation's objectives when managing capital are safeguarding the Foundation's ability to continue as a going concern in order to provide returns for shareholders partners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

Consistent with others in the industry, the Foundation monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings less cash on hand and at banks. Total capital is calculated as 'equity' as shown in the separate statement of financial position plus net debt.

Gearing ratio was not calculated as the Foundation does not have any external loans from banks at year the ended 31 December 2016.

3.4 Financial instruments by category

	<u>2016</u>	<u>2015</u>
	JD	JD
Assets as per statement of financial position		
Receivables		
Trade receivables and other debit balances (excluding prepayments and refundable deposit)	361,013	743,472
Cash on hand and at banks	<u>7,543,521</u>	<u>9,627,241</u>
	<u>7,904,534</u>	<u>10,370,713</u>
Liabilities as per statement of financial position		
Financial liabilities at amortized cost		
Trade and other payables (excluding statutory liabilities)	<u>441,078</u>	<u>635,103</u>

(4) CRITICAL ACCOUNTING ESTIMATES AND JUDGMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Foundation makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, rarely equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are outlined below:

(a) Provision for slow moving inventory

The Foundation establishes a provision for slow moving inventory, in accordance with the accounting policy stated in note 2.8. The recoverable amount of the inventories is compared to the carrying amount of the inventories to determine the amount of impairment. These calculations require the use of estimates.

(b) Provision for doubtful debts trade receivables

The Foundation establishes a provision for doubtful debts trade receivables, in accordance with the accounting policy stated in notes 2.9 and 2.17. The recoverable amount of the trade receivables is compared to the carrying amount of the receivables to determine the amount of provision. These calculations require the use of estimates.

**JORDAN RIVER FOUNDATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
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(5) PROPERTY AND EQUIPMENT

	Land	Building and Renovation	Furniture & fixtures	Vehicles	Software	Total
	JD	JD	JD	JD	JD	JD
2016						
Cost						
At 1 January 2016	13,486	5,066,310	1,589,909	410,812	84,929	7,165,446
Additions	-	95,099	106,408	-	2,000	203,507
Disposal	-	-	(2,869)	-	-	(2,869)
Transfers	-	-	(15,000)	-	15,000	-
At 31 December 2016	13,486	5,161,409	1,678,448	410,812	101,929	7,366,084
Accumulated depreciation						
At 1 January 2016	-	757,633	1,011,117	266,649	39,853	2,075,252
Additions	-	92,612	185,064	25,963	14,143	317,782
Related to disposals	-	-	(2,507)	-	-	(2,507)
Transfers	-	-	-	-	-	-
At 31 December 2016	-	850,245	1,193,674	292,612	53,996	2,390,527
Net book value						
At 31 December 2016	13,486	4,311,164	484,774	118,200	47,933	4,975,557

**JORDAN RIVER FOUNDATION
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	Land JD	Building and Renovation JD	Renovation JD	CSP center building JD	Furniture & fixtures JD	Vehicles JD	Software JD	QRCEE building JD	Total JD
2015									
Cost									
At 1 January 2015	13,486	2,518,049	514,460	835,373	1,407,640	329,272	84,179	1,122,368	6,824,827
Additions	-	16,773	59,287	-	184,604	81,540	750	-	342,954
Disposal	-	-	-	-	(2,335)	-	-	-	(2,335)
Transfers	-	2,531,488	(573,747)	(835,373)	-	-	-	(1,122,368)	-
At 31 December 2015	13,486	5,066,310	-	-	1,589,909	410,812	84,929	-	7,165,446
Accumulated depreciation									
At 1 January 2015	-	55,381	315,872	129,283	889,850	246,093	28,896	89,727	1,755,102
Additions	-	167,370	-	-	122,649	20,556	10,957	-	321,532
Related to disposals	-	-	-	-	(1,382)	-	-	-	(1,382)
Transfers	-	534,882	(315,872)	(129,283)	-	-	-	(89,727)	-
At 31 December 2015	-	757,633	-	-	1,011,117	266,649	39,853	-	2,075,252
Net book value									
At 31 December 2015	13,486	4,308,677	-	-	578,792	144,163	45,076	-	5,090,194

JORDAN RIVER FOUNDATION
NOTES TO THE SEPARATE FINANCIAL STATEMENTS
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(6) PROJECT UNDER CONSTRUCTION

	<u>2016</u>	<u>2015</u>
	JD	JD
Balance at 1 January	14,699	-
Additions	-	14,699
Transfer to Property and equipment	<u>(14,699)</u>	<u>-</u>
	<u>-</u>	<u>14,699</u>

(7) INVESTMENT IN SUBSIDIARY

	<u>Ownership</u>	<u>2016</u>	<u>2015</u>
		JD	JD
Jordanian Regional Center for Development and Training	100%	<u>5,000</u>	<u>5,000</u>

(8) INVENTORIES

	<u>2016</u>	<u>2015</u>
	JD	JD
Raw materials	203,414	215,337
Other raw materials	-	-
Work in process	76,812	47,074
Finished goods	<u>460,947</u>	<u>415,983</u>
	741,173	678,394
Less: provision for slow moving items	<u>(11,706)</u>	<u>(11,705)</u>
	<u>729,467</u>	<u>666,689</u>

(9) TRADE RECEIVABLES

	<u>2016</u>	<u>2015</u>
	JD	JD
Trade receivables	477,721	438,098
Less: provision for doubtful debts of trade receivables	<u>(167,001)</u>	<u>(167,001)</u>
	<u>310,720</u>	<u>271,097</u>

Details of gross exposure of trade receivable are as follows:

	<u>2016</u>	<u>2015</u>
	JD	JD
Neither past due nor impaired	120,314	76,351
Past due not impaired	190,405	194,746
Impaired	<u>167,001</u>	<u>167,001</u>
	<u>477,720</u>	<u>438,098</u>

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As per credit policy of the Foundation, customers are extended a credit period up to 30 days in the normal course of business. As of 31 December 2016, amounts due from trade receivables of JD 190,405 (2015: JD 194,746) were past due but not impaired and not provided for in the separate financial statements. These receivables relate to trusted customers for who there is no recent history of default. The Foundation's management believes that these amounts will be collected in full.

The ageing analysis of these amounts is as follows:

	<u>2016</u>	<u>2015</u>
	JD	JD
From 31 days to 60 days	58,070	20,666
From 61 days to 90 days	63,326	11,191
From 91 days to 364 days	69,009	162,889
	<u>190,405</u>	<u>194,746</u>

The movement on the allowance for doubtful debts during the year is as follows:

	<u>2016</u>	<u>2015</u>
	JD	JD
At 1 January	167,001	86,968
Provision for the year	-	80,033
At 31 December	<u>167,001</u>	<u>167,001</u>

(10) OTHER DEBIT BALANCES

	<u>2016</u>	<u>2015</u>
	JD	JD
Due from a related party (Note 17)	4,034	2,584
Prepaid expense	51,513	37,275
Due from donors	-	310,302
Employees' receivable	46,259	120,837
Refundable deposits	64,837	44,050
Others	-	38,652
	<u>166,643</u>	<u>553,700</u>

(11) CASH ON HAND AND AT BANKS

	<u>2016</u>	<u>2015</u>
	JD	JD
Cash on hand	68,988	15,612
Current and saving accounts *	355,478	248,319
Deposits *	7,119,055	9,363,310
	<u>7,543,521</u>	<u>9,627,241</u>

The Foundation keeps deposits with banks with interest rates ranges between 2% to 4.25% (2015: 3.5% to 4.85%).

* This item includes an amount of JD 6,494,954 as of 31 December 2016 (2015: JD 7,851,512) which is related to the restricted funds in (Note 13).

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(12) TRADE AND OTHER PAYABLES

	<u>2016</u>	<u>2015</u>
	JD	JD
Trade payables	374,145	409,760
Down payments	2,396	2,396
Accrued expenses	48,276	141,704
Employees' payables	16,208	55,807
Other	53	25,436
	<u>441,078</u>	<u>635,103</u>

(13) UNEARNED REVENUE AND RESTRICTED FUNDS

	<u>2016</u>	<u>2015</u>
	JD	JD
Unearned revenue	1,853,770	1,814,201
Restricted funds	9,921,325	12,266,734
	<u>11,775,095</u>	<u>14,080,935</u>

(14) OTHER INCOME

	<u>2016</u>	<u>2015</u>
	JD	JD
Interest income	251,883	330,959
Loss from sale of equipment	-	(953)
Others	168,030	97,337
	<u>419,913</u>	<u>427,343</u>

(15) COST OF SALES

	<u>2016</u>	<u>2015</u>
	JD	JD
Purchases	264,056	355,530
Raw materials at 1 January	215,337	164,579
Raw materials at 31 December	(203,414)	(215,337)
Raw materials used	275,979	304,772
Direct labor	116,458	116,380
Direct overhead	475,011	396,999
Total manufacturing costs	867,448	818,151
Work in process at 1 January	47,074	30,248
Work in process at 31 December	(75,117)	(47,074)
Cost of goods manufactured	839,405	801,325
Finished goods at 1 January	415,983	292,589
Finished goods at 31 December	(462,436)	(415,983)
Cost of goods sold	<u>792,952</u>	<u>677,931</u>

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(16) OPERATING EXPENSES

	<u>2016</u>	<u>2015</u>
	JD	JD
Projects expenses	1,166,139	4,232,344
Salaries, social security and health insurance	4,134,617	2,511,358
Madrasati projects expenses	757,012	908,314
Exhibitions and events	35,135	331,064
Depreciation expense	317,782	321,532
Professional fees	735,889	167,160
Utilities	186,083	132,093
Travel and transportation	534,138	128,756
Maintenance expense	99,919	82,418
Provision for doubtful debts expense	-	80,033
Rent	120,577	67,793
Hospitality	267,494	63,241
Advertising	74,445	62,314
Supplies	180,125	52,449
Employees benefits	73,947	44,811
Telephone and postage	44,033	38,692
Salesmen commission	10,797	32,141
Other expenses	96,417	29,435
Printing	43,683	24,104
Insurance	19,337	21,649
Training	19,986	14,968
Personal care	12,321	11,199
Packaging and labels	5,246	8,483
Casual labor	364,514	6,640
Credit cards charges	6,246	5,013
Shipping and freight out expenses	20,365	4,044
Bank charges and commission	2,157	1,763
	<u>9,328,404</u>	<u>9,383,811</u>

(17) RELATED PARTY BALANCES AND TRANSACTIONS

Related parties represent the subsidiary "Jordanian Regional Center for Development and Training".

	<u>2016</u>	<u>2015</u>
	JD	JD
Due from a related party (Note 10)		
Jordanian Regional Center for Development and Training	<u>4,034</u>	<u>2,584</u>

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The following transactions were entered into with the related party. Pricing policies and terms of such transactions are approved by management:

	<u>2016</u> JD	<u>2015</u> JD
Finance to Jordanian Regional Center for Development and Training	<u>1,450</u>	<u>1,000</u>

(18) CONTINGENT LIABILITIES

As of the statement of financial position date the Foundation had contingent liabilities in respect of banks guarantees in the ordinary course of business for which no material liabilities are anticipated and as shown below:

	<u>2016</u> JD	<u>2015</u> JD
Bank guarantees	<u>17,483</u>	<u>12,500</u>