

Jordan Dairy Company (plc)
Amman – Jordan
Interim Consolidated Financial Statements
For the period from 1/1/2017 to 30/9/2017
Report on the review of the interim financial
information (Unaudited)

Jordan Dairy Company (plc)
Amman – Jordan

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Report on the review of the interim consolidated financial information (Unaudited)

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330/1/105/1496

Report on the review of the interim consolidated financial information (Unaudited)

**To the Board of Directors,
Jordan Dairy Company (plc)
Amman – Jordan**

We have reviewed the accompanying interim consolidated financial statements of **Jordan Dairy Company (plc)** and the related Interim Consolidated Statement of Comprehensive Income, Interim Consolidated Changes in Equity and Interim Consolidated Cash Flow for the nine months period ended on 30/September/2017, and a summary of significant accounting policies and other explanatory notes from (1-7). Management is responsible for the preparation and fair presentation of this interim consolidated financial information in accordance with the International Standard 34 (Interim Financial Reports). Our responsibility is to express a conclusion on this interim consolidated financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information" Performed by the Independent Auditor of the Entity. A review of interim consolidated financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim consolidated financial information does not give a true and fair view of the **Jordan Dairy Company (plc)** financial position as at 30/September/ 2017, and of its consolidated financial performance and its consolidated cash flows for the nine months period then ended in accordance International Standard 34 (Interim Financial Reports).

**Dweik & Co.
Member of
Leading Edge Alliance International
Rafiq T. Dweik (PHD)
Audit license No (386)**

**29/October/2017
Amman - Jordan**

Statement (A)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Financial Position
as of 30/ September /2017

	<u>30/9/2017</u>	<u>31/12/2016</u>
	<u>JD</u>	<u>JD</u>
Assets		
<u>Current Assets</u>		
Cash and cash equivalents	1091891	532527
Checks under collection	1301284	2233329
Financial assets fair value through comprehensive income	000	182919
Accounts' receivable - Net	3040708	1929243
Inventory - Net	1295239	1411738
L/C's	106935	230507
Other current assets	323044	213463
Total Current Assets	7159101	6733726
<u>Non Current Assets</u>		
Property, plant & equipment	5432457	3619154
Biological assets	1381654	1646825
Property & equipment under progress	337573	1385773
Total Non Current Assets	7151684	6651752
Total Assets	14310785	13385478
	=====	=====
<u>Liabilities & Stockholders' Equity</u>		
<u>Current Liabilities</u>		
Due to banks	192583	352951
Short term loan	300000	75000
Notes payable	329580	259748
Accounts' payable	1838925	1959652
Other current liabilities	549405	699526
Total Current Liabilities	3210493	3346877
<u>Non Current Liabilities</u>		
Long term loan	257945	64158
<u>Stockholders' Equity</u>		
Capital	4000000	4000000
Statutory reserve	1462111	1462111
Voluntary reserve	262500	262500
Shares' premium	1345417	1345417
Retained earnings	3772319	2904415
Net Stockholders' Equity	10842347	9974443
Total Liabilities & Stockholders' Equity	14310785	13385478
	=====	=====

“ The accompanying notes are an integral part of these statements ”

Statement (B)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Comprehensive Income
for the Period Ended 30/September/2017, 2016

	<u>30/9/2017</u>	<u>30/9/2016</u>
	<u>JD</u>	<u>JD</u>
<u>Comprehensive income</u>		
Net sales	12878793	11658710
Cost of sales	(10483846)	(9790924)
Gross income	2394947	1867786
Sales & distribution expenses	(745315)	(725659)
Overhead expenses	(561752)	(530247)
Depreciation	(123371)	(93969)
Banking interest & expenses	(2759)	(1765)
Other revenue	17113	20854
Change in fair value of biological assets	(127059)	(127355)
Adjustments on financial assets at fair value through comprehensive income	000	(19835)
(Loss) of disposal of financial assets fair value through comprehensive income	(4453)	(5555)
Gains of disposal of property & equipment	21552	20866
Commission on the sale and purchase of financial assets	(999)	(540)
Income for the period/ Comprehensive income	867904	404581
	=====	=====
Earnings per share from comprehensive income for the period	21.70%	10.11%
	=====	=====
Weighted Average Shares	4000000	4000000
	=====	=====

“ The accompanying notes are an integral part of these statements ”

Statement (D)

Jordan Dairy Company (plc)Amman – JordanStatement of Interim Consolidated Cash Flows
for the Period Ended 30/September/2017, 2016

	<u>30/9/2017</u>	<u>30/9/2016</u>
<u>Cash Flows From Operating Activities:</u>	<u>JD</u>	<u>JD</u>
Income for the period / Comprehensive income	867904	404581
<u>Adjustments:</u>		
Depreciation	571113	500905
Change in fair value of biological assets	127059	127355
Gains on disposal of property & equipment	(21552)	(20866)
Adjustments on financial assets	000	19835
Operating income before working capital changes:	1544524	1031810
Accounts' receivable and other current assets	(165429)	(828971)
Inventory	116499	(31098)
Accounts' payable and other current liabilities	(270848)	415108
Net cash flows from operating activities	1224746	586849
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	(2362864)	(502323)
Biological assets	138112	131483
Property & equipment under Progress	1048200	(1046176)
Financial assets fair value through comprehensive income	182919	102000
Net cash flows from investing activities	(993633)	(1315016)
<u>Cash Flows From Financing Activities:</u>		
Notes' payables	69832	8644
Due to banks	(160368)	314004
Loan	418787	000
Dividends	000	(200000)
Net cash flows from financing activities	328251	122648
Net change in cash and cash equivalents	559364	(605519)
Cash & cash equivalents at beginning of the period	532527	1283318
Cash & cash equivalents at end of the period	1091891	677799
	=====	=====

“The accompanying notes are an integral part of these statements”

Jordan Dairy Company (plc)
Amman – Jordan
Notes to Interim Consolidated Financial Statements
30/September /2017

1- Constitution and objectives:

- A-** The company is registered as a public shareholding company in the public shareholding companies register at Companies Control Department under the No. (68) on February 29th, 1968, and justified its legal status on December 10th, 1989.
- B-** The interim consolidated financial statements were approved by the broad of directors on 29/October /2017, and it is subject to be approved by the general assembly.
- C- Objectives:**
To establish plants for dairy products, establishing projects and industries related to dairy industry and marketing its products and trading in its products.

2- Significant accounting policies:

The interim consolidated financial statements are prepared under the International Standard 34 (Interim Financial Reports) and the related interpretations originated by the International financial Reporting Interpretations Committee.

The interim consolidated financial statements do not include all significant matters and explanatory notes that are required for the annual financial statements and are prepared in accordance with the International Financial Reporting Standards, in addition the interim consolidated financial performance is not necessarily represents an indicator of the annual financial performance.

Accounting policies are implemented on consistent bases in the financial statements as previously implemented.

3- Investment in Subsidiary:

The company owns 100% of the capital of the subsidiary company (Al Maha Agricultural & Zoological Investments Co. L.L.C.) that being JD (1,000,000), the subsidiary's interim financial statements show that its assets as of 30/9/2017 are JD (6750424), comprehensive income for the period/ Comprehensive income is JD (1067050) and net equity is JD (5290978). For the purposes of preparing separate interim financial statements, investments in subsidiaries are recorded using the cost method, with the recognition of any decline in the investment's value - if any -. Dividends arising from investments in subsidiaries are recorded when the General Assembly of the subsidiary decide distributing such dividends

4- **Corporate Tax position:**

- ◆ The tax position of the Company was finalized with Income and Sales Tax Department till end of the year 2015.
- ◆ Tax declaration of the Company for the year 2016, were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.

5- **Operating Segments:**

- ◆ The company and its subsidiary practice it's activities through:

1. **Industrial activity:**

Industrial activity includes the production and sale of various dairy products and miscellaneous plastic bottles.

2. **Cattle and trees' farms activity:**

Cattle and trees' farms' activities include fattening and breeding cattle, sheep and calves and establishing farms and trading with its products.

- ◆ The following table shows the presentation of the results of the operating segments for the two companies:

<u>A- Comprehensive Income Information</u>	<u>Industrial Activity</u>	<u>Farms Activity</u>	<u>Investment Activity</u>	<u>30/9/2017</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Net sales	7125769	5753024	000	12878793
Cost of sales	(6124531)	(4359315)	000	(10483846)
Gross profit	1001238	1393709	000	2394947
Allocated expenses	(745315)	(329173)	(999)	(1075487)
Unallocated expenses	000	000	000	(485768)
Unallocated revenues	000	000	000	36151
Allocated (loss)	000	2514	(4453)	(1939)
Income for the period / Comprehensive income				867904
				=====
<u>B- Other Information</u>				
Assets segment except cash	8656681	4562213	000	13218894
Unallocated assets	000	000	000	1091891
Total Assets				14310785
				=====

6- Contingencies

Following are the parent and subsidiary's contingent liabilities as at the date of the interim consolidated financial statements:

	<u>30/9/2017</u>
	<u>JD</u>
L/C's & collections	86286
L/Gs	556205
Total	<u>642491</u>
	=====

7- General:

Attention must be drawn to the effect of the Jordan Securities Commission regulations and Jordanian Companies Law on calculating statutory reserve only on the realized earnings bases, as well as presenting the unrealized earnings separately in the retained earnings item. Attention to be drawn to restrictions on the distributing dividends for unrealized earnings.

Statement (C)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Changes in Equity
for the Period Ended 30/September/2017, 2016

Description	Capital	Statutory reserve	Voluntary reserve	Shares' Premium	Retained Earnings		Total
					Realized	Unrealized	
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Balance as of Dec. 31, 2016	4000000	1462111	262500	1345417	2625741	278674	9974443
Income for the period / Comprehensive income	000	000	000	000	994963	(127059)	867904
Balance as of 30/September/2017	4000000	1462111	262500	1345417	3620704	151615	10842347
	=====	=====	=====	=====	=====	=====	=====
Balance as of Dec. 31, 2015	4000000	1331623	262500	1345417	2309622	229264	9478426
Dividends for distribution	000	000	000	000	(200000)	000	(200000)
Income for the period / Comprehensive income	000	000	000	000	551771	(147190)	404581
Balance as of 30/September/ 2016	4000000	1331623	262500	1345417	2661393	82074	9683007
	=====	=====	=====	=====	=====	=====	=====

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