

Jordan Dairy Company (plc)
Amman – Jordan
Interim Consolidated Financial Statements
For the period from 1/1/2021 to 31/3/2021
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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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 three months period ended on March 31st,2021, 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 March 31st,2021, and of its consolidated financial performance and its consolidated cash flows for the three month period then ended in accordance International Standard 34 (Interim Financial Reports).

**Dweik & Co. (ACC)
Audit & Consult Consortium
Fadi Rafiq Dweik
Audit license No (779)**

**April 28th,2021
Amman - Jordan**

Statement (A)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Financial Position
as of March 31st, 2021

Assets	31/3/2021	31/12/2020
<u>Current Assets</u>		
Cash and cash equivalents	317285	406044
Checks under collection	1371455	2201607
Accounts' receivable - Net	4958325	3511501
Inventory - Net	2318171	1611903
L/C's	39947	3900
Other current assets	803219	669966
Financial assets at fair value through Comprehensive income	112012	000
Total Current Assets	9920414	8404921
<u>Non Current Assets</u>		
Property, plant & equipment	10412796	7186985
Biological assets	2055299	2145941
Property & plant under progress	780605	3892623
Investment in associate	60063	60063
Right –of – Use lease assets	59681	61308
Trade Investment	250000	000
Total Non Current Assets	13618444	13346920
Total Assets	23538858	21751841
	=====	=====
<u>Liabilities & Stockholders' Equity</u>		
<u>Current Liabilities</u>		
Due to banks	3321726	1225329
Short term loan	1589209	2173277
Notes' payable	63590	22971
Accounts' payable	2769468	2556092
Other current liabilities	1414573	1164066
Total Current Liabilities	9158566	7141735
<u>Non Current Liabilities</u>		
Long term loan	3177589	3385102
Lease Liabilities	27440	26820
<u>Stockholders' Equity</u>		
Capital	4000000	4000000
Statutory reserve	1839425	1839425
Voluntary reserve	262500	262500
Shares' premium	1345417	1345417
Retained earnings	3727921	3750842
Net Stockholders' Equity	11175263	11198184
Total Liabilities & Stockholders' Equity	23538858	21751841
	=====	=====

“ 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 March 31st, 2021, 2020

<u>Comprehensive income</u>	<u>31/3/2021</u> <u>JD</u>	<u>31/3/2020</u> <u>JD</u>
Net sales	4750318	4439322
Cost of sales	(3965657)	(3667900)
Gross income	784661	771422
Sales & distribution expenses	(288333)	(290854)
Overhead expenses	(276093)	(239555)
Depreciation	(65125)	(51329)
Banking interest & expenses	(61467)	(33687)
Other revenue	2173	24802
Change in fair value of biological assets	(93479)	(183487)
Fair value adjustments through comprehensive income	1912	000
(loss) on sale of financial assets at fair value		
Through compressive income	(213)	000
Income (Loss) for the period before tax / Comprehensive income	4036	(2688)
Provision for income tax for the period	(25673)	(44918)
National contribution for public debt payment	(1284)	(2246)
(Loss) for the period after tax / Comprehensive income	(22921)	(49852)
Earnings per share from comprehensive income for the period	000	000
Weighted Average Shares	4000000	4000000

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

Statement (D)

Jordan Dairy Company (plc)
Amman – Jordan
Statement of Interim Consolidated Cash Flows
for the Period Ended March 31st, 2021, 2020

	<u>31/3/2021</u>	<u>31/3/2020</u>
	<u>JD</u>	<u>JD</u>
<u>Cash Flows From Operating Activities:</u>		
(Loss) for the period after tax / Comprehensive income	(22921)	(49852)
<u>Adjustments:</u>		
Depreciation	267993	217428
Change in fair value of biological assets	93479	183487
Adjustments on financial assets	(1912)	000
Operating income before working capital changes:	336639	351063
Accounts' receivable and other current assets	2009387	(1014301)
Accounts' payable and other current liabilities	(3035497)	(308091)
Net cash flows from operating activities	(689471)	(971329)
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	(3493804)	(273544)
Property & equipment under process	3112018	(385796)
Biological assets	(2837)	56
Trade investment	(250000)	000
Financial assets at fair value through comprehensive income	(110100)	000
Net cash flows from investing activities	(744723)	(659284)
<u>Cash Flows From Financing Activities:</u>		
Notes' payables	40619	(16801)
Due to banks	2096397	1579402
Loan	(791581)	(81008)
Net cash flows from financing activities	1345435	1481593
Net change in cash and cash equivalents	(88759)	(149020)
Cash & cash equivalents at beginning of the period	406044	387111
Cash & cash equivalents at end of the period	317285	238091
	=====	=====

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

Jordan Dairy Company (plc)
Amman – Jordan

Notes to Interim Consolidated Financial Statements
March 31st, 2021

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 board of directors on April 28th, 2021, and it is subject to be approved by the general assembly.
- C- Objectives:**
To establish plants for dairy products and water, 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.

The same accounting policies used in the previous period's financial statements have been adopted.

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 March 31st, 2021 are JD (10,051,782), comprehensive income for the period/ Comprehensive income is JD (57,928) and net equity is JD (5,329,312). 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 parent Company was finalized with Income and Sales Tax Department till end of the year 2018.
- ◆ Tax declaration of the parent Company for the year 2019 were submitted to Income and Sales Tax Department, and tax assessment still not conducted by the Department yet.
- ◆ The tax position of the subsidiary was finalized till end of the year 2018.
- ◆ Tax declaration of the subsidiary for the years 2019- 2020 was submitted to Income and Sales Tax Department, and tax assessment still not conducted 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 and water.

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.

3. Investment activity :

Investment activity includes investment in Financial assets.

- ◆ 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>31/3/2021</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Net sales	2649015	2101303	000	4750318
Cost of sales	(2179644)	(1786013)	000	(3965657)
Gross profit	469371	315290	000	784661
Allocated expenses	(288333)	(257940)	000	(546273)
Unallocated expenses	(263269)	000	000	(263269)
Unallocated revenues (losses)	2173	000	(213)	1960
(Loss) for the period after tax / Comprehensive income				(22921)
				=====
<u>B- Other Information</u>				
Assets segment except cash	16867724	5931774	422075	23221573
Unallocated assets	000	000	000	317285
Total Assets				23538858
				=====

6- Contingencies

A- Following are the Parent Company's contingent liabilities as at the date of the interim consolidated financial statements:

	<u>31/3/2021</u>
	<u>JD</u>
L/C's & collections	101239
L/Gs	352986
Total	<u>454225</u>
	=====

B- The parent company has liabilities in against a lawsuit of JD (37,628), and the lawsuit is still at the discrimination stage.

C- Contingent liabilities:

The impact of the Corona pandemic:

As a result of the spread of the Corona pandemic in the world, this has made it difficult to predict the full impact of this pandemic on the Company's activities, business and determine the duration of this pandemic, which has created a state of uncertainty about the potential impact of the pandemic, and based on management's assessment, the uncertainty will not materially affect the going concern assessment of the Company. Where the management believes that the impact of the pandemic is minimal on the expected credit loss of the Company's assets, and the book value of non-financial assets will not be affected significantly. The business market remains volatile and the recorded balances of the assets and liabilities of the Company are sensitive to market fluctuations and the Company's management will monitor in a continuous and accurate manner the risks and contingent liabilities, and necessary precautions will be taken.

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 March 31st, 2021, 2020

Description	Capital JD	Statutory reserve JD	Voluntary reserve JD	Shares' Premium JD	Retained Earnings		Total JD
					Realized JD	Unrealized JD	
Balance as of Dec. 31st, 2020	4000000	1839425	262500	1345417	2446604	1304238	11198184
(Loss) for the period after tax / Comprehensive income	000	000	000	000	70558	(93479)	(22921)
Balance as of March 31st, 2021	4000000	1839425	262500	1345417	2517162	1210759	11175263
	=====	=====	=====	=====	=====	=====	=====
Balance as of Dec. 31st, 2019	4000000	1817434	262500	1345417	2560228	990273	10975852
(Loss) for the period after tax / Comprehensive income	000	000	000	000	133635	(183487)	(49852)
Balance as of March 31st, 2020	4000000	1817434	262500	1345417	2693863	806786	10926000
	=====	=====	=====	=====	=====	=====	=====

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