

Jordan Dairy Company (PLC)
Amman – Jordan
Consolidated Financial Statements For
The Year Ended December 31st, 2023
and Independent Auditor's Report

Jordan Dairy Company (PLC)
Amman – Jordan

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Independent Auditor's Report

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Independent Auditor's Report

To stockholders,
Jordan Dairy Company (PLC)
Amman – Jordan

Opinion

We have audited the consolidated financial statements of **Jordan Dairy Company (PLC)**, which comprise the statement of consolidated financial position as at December 31st, 2023, and the consolidated statements of the comprehensive income, changes in equity and cash flows for the year then ended, and notes from (1-26), comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects the financial position of **Jordan Dairy Company (PLC)** as of December 31st, 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS)

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 *Auditors' Responsibilities for the Audit of the consolidated Financial Statements* section of our report. We are independent of the Company in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

a. Accounts' receivable:

The amount of accounts' receivable arising in the consolidated financial statements of the Company represents the amounts due to the Group's customers as a result of forward sales, which is a key audit matter, since the amount of these accounts' receivable is material and its relative importance is high within the Group's current assets.

The main audit procedures we performed to verify the balances of the Group's receivables are:

- Examining and testing of the internal control systems related to the financial operations of accounts' receivable.
- Conducting analytical and substantive tests of balances and transactions of accounts' receivable and linking them with related accounts.

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- Obtain confirmations from debtors.
- Examining the adequacy of accounts' receivable provision for doubtful debts and examining management's estimates for that provision.
- Studying the accounts' receivable ageing and verifying compliance with the credit policies granted by the Company to its customers.
- Validation of presentation, disclosure and accounting policies relating to accounts' receivable in accordance with the requirements of IFRS.

b. Property, plant & equipment:

The amount disclosed in the consolidated financial statements of the Company represents the value of the Group's property, plant and equipment used in its operating operations and the amount of these assets is material and its relative importance is high within the Group's non-current assets.

The main audit procedures we performed to verify the balances of property, plant and equipment are as follows:

- Examining and testing of the internal control systems related to the financial operations of property, plant and equipment.
- Conducting analytical and substantive tests of balances and transactions of additions and disposal of property, plant and equipment and linking them with related accounts.
- Verify the physical presence and ownership of the Group's property, plant and equipment.
- Studying management estimates and depreciation rates for property, plant and equipment.
- Verify that there are no indications of impairment in value of property, plant and equipment requiring an impairment test.
- Validation of presentation, disclosure and accounting policies consistent with International Financial Reporting Standards

c. Biological assets:

The amount of biological assets represents the value of cows, calves and fruit trees owned by the Group, and the process of processing and evaluating these assets is relatively complex.

The most important procedures we have undertaken to verify the balances of biological assets are:

- A study to validate the management's estimate of the fair values of the biological assets and how to address the re-measurement differences.
- Validation of presentation, disclosure and accounting policies for biological assets.
- Validate processing of additions and newborns, as well as disposal, death and sale processes.
- Attendance and control of inventories counting of biological assets.

Other information:

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and those charged with governance for the consolidated Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The management is responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company'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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such

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disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the (consolidated) financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

The Company maintains proper books of account and the accompanying consolidated financial statements are in agreement therewith, We recommend the approval of the consolidated financial statements by the General assembly.


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



March 27th, 2024
Amman - Jordan

Jordan Dairy Company (PLC)**Amman – Jordan****Statement of Consolidated Financial Position as of December 31st, 2023, 2022**

	Note	2023/JD	2022/JD
Assets			
Current Assets			
Cash and cash equivalents	3	327731	175652
Checks under collection		1590670	1243889
Accounts' receivable - Net	4	7839653	6506388
Inventory - Net	5	3372437	2765716
L/C's		823	289424
Other current assets	6	1234830	1502302
Financial assets at fair value through Comprehensive income	7	0000	187649
Total Current Assets		14366144	12671020
Non Current Assets			
Property, plant & equipment	8	10971359	10079376
Biological assets	9	5758155	4402813
Property & equipment under progress		316435	213853
Investment in associate	10	181851	96089
Right –of – Use lease assets	11	41777	48287
Real – Estate investments- land	12	511521	337965
Investment in bonds	13	400000	000
Total Non Current Assets		18181098	15178383
Total Assets		32547242	27849403
Liabilities & Stockholders' Equity			
Current Liabilities			
Due to banks	14	5818055	5286266
Short term loan	15	4282024	2512752
Accounts' payable		2806650	4164521
Other current liabilities	16	1990643	1690380
Total Current Liabilities		14897372	13653919
Non Current Liabilities			
Long term loan	15	5609057	2624356
Lease Liabilities		34588	31629
Stockholders' Equity			
Capital	17	4000000	4000000
Statutory reserve	17	1839425	1839425
Voluntary reserve	17	262500	262500
Shares' premium	17	1345417	1345417
Retained earnings		4558883	4092157
Net Stockholders' Equity		12006225	11539499
Total Liabilities & Stockholders' Equity		32547242	27849403

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

Jordan Dairy Company (PLC)
Amman – Jordan
Statement of Consolidated Comprehensive Income
for the Years Ended December 31st, 2023, 2022

<u>Comprehensive income</u>	Note	2023/JD	2022/JD
Net sales		28497396	24004111
Cost of sales	18	(24398907)	(20704507)
Gross income		4098489	3299604
Sales & distribution expenses	20	(1953441)	(1441365)
Overhead expenses	21	(1689152)	(1284679)
Depreciation		(235977)	(241874)
Banking interest & expenses		(915207)	(624325)
Provision for doubtful debts		(35946)	(223346)
Change in fair value of biological assets		1355343	838195
Other revenue		31317	13051
Profits of evaluating an investment in an associate		85762	60788
Fair value adjustments of financial assets through comprehensive income		000	17725
(Loss) gain on disposal of financial assets at fair		(14897)	000
Value through comprehensive income			
Gains of disposal of fixed assets		61870	23523
Dividends		12914	9137
Income for the year before tax / Comprehensive income		801075	446434
Provision for income tax		(89856)	(194384)
National contribution for public debt payment		(4493)	(9719)
Board's remuneration / subsidiary Co.		(25000)	(25000)
Board of directors' remuneration		(15000)	(15000)
Income for the year after tax / Comprehensive income		666726	202331
Earnings per share from comprehensive income for the year		16,668%	5,058%
Weighted Average Shares		4000000	4000000

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

Statement (C)

Jordan Dairy Company (PLC)

Amman – Jordan

Statement of Consolidated Changes in Equity for the years ended
December 31st, 2023, 2022

Description	Capital		Statutory reserve	Voluntary reserve	Shares Premium	Retained Earnings		Total
	JD	JD				Realized	Unrealized	
Balance as of Dec.31st, 2021	4000000	1839425	JD 1839425	JD 262500	JD 1345417	JD 1346989	JD 2742837	JD 11537168
Income for the year after tax / Comprehensive income	000	000	000	000	000	(714377)	916708	202331
Dividends	000	000	000	000	000	(200000)	000	(200000)
Balance as of Dec.31st, 2022	4000000	1839425	1839425	262500	1345417	432612	3659545	11539499
Income for the year after tax / Comprehensive income	000	000	000	000	000	(688617)	1355343	666726
Dividends	000	000	000	000	000	(200000)	000	(200000)
Balance as of Dec.31st, 2023	4000000	1839425	1839425	262500	1345417	(456005)	5014888	12006225

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

Jordan Dairy Company (PLC)
Amman – Jordan
Statement of Consolidated Cash Flows
for the Years Ended December 31st, 2023, 2022

	<u>2023 / JD</u>	<u>2022 / JD</u>
<u>Cash Flows From Operating Activities:</u>		
Income for the year after tax/ Comprehensive income	666726	202331
<u>Adjustments:</u>		
Depreciation	1184193	1211344
Gains on disposal of fixed assets	(61870)	(23523)
Change in fair value of biological assets	(1355343)	(838195)
Provision for income tax	89856	194384
National contribution for public debt payment	4493	9719
Fair value adjustments of financial assets	000	(17725)
	<hr/>	<hr/>
Operating income before working capital changes:	528055	738335
Accounts' receivable and other current assets	(4453795)	392431
Accounts' payable and other current liabilities	1580613	(65145)
	<hr/>	<hr/>
Net cash flows from operating activities	(2345127)	1065621
<u>Cash Flows From Investing Activities:</u>		
Property, plant & equipment	(2014306)	(604896)
Property & equipment under process	(102582)	134445
Investment in associate	(85762)	(18397)
Financial assets at fair value through comprehensive income	187649	000
Real-estate investments	(173556)	(337965)
Investment in bonds	(400000)	000
	<hr/>	<hr/>
Net cash flows from investing activities	(2588557)	(826813)
<u>Cash Flows From Financing Activities:</u>		
Due to banks	531790	538150
Notes payables	000	(77350)
Loans	4753973	(422859)
Dividends	(200000)	(200000)
	<hr/>	<hr/>
Net cash flows from financing activities	5085763	(162059)
	<hr/>	<hr/>
Net change in cash and cash equivalents	152079	76749
Cash & cash equivalents at beginning of the year	175652	98903
	<hr/>	<hr/>
Cash & cash equivalents at end of the year	327731	175652
	<hr/> <hr/>	<hr/> <hr/>

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

Jordan Dairy Company (PLC)
Amman – Jordan
Notes to consolidated Financial Statements
for the Year 2023

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 financial statements were approved by the broad of directors on March 26th, 2024, and it is subject to be approved by the general assembly.

C- **Objectives:**

To establish plants for mineral water, dairy products, establishing projects and industries related to dairy industry and marketing its products and trading in its products.

2- **Significant accounting policies:**

Consolidated Financial statements are prepared under the International Financial Reporting Standards and the related explanatory notes issued by the International Accounting Standards Board (IASB). Following the summary of the significant accounting policies:

A- **Amended IFRS:**

The Company complies with all following IFRSs requirements and adjustments which were issued by International Accounting Standard Board and become affective within this year:

- IFRS (17) Insurance contracts .
- IAS (1) Presentation of financial statements .
- IAS (8) Accounting policies, change in accounting estimates and errors .
- IAS (12) Income taxes.

B- **Basis of Consolidation:**

- The consolidated financial statements of the Company and its subsidiaries are prepared in accordance with the International Financial Reporting Standards and the related interpretations originated by the International financial Reporting Interpretations Committee.
- The consolidated financial statements are prepared according to historical cost basis except for financial assets at fair value.
- The Jordanian dinar is the currency of the consolidated financial statements, which represents the main currency of the company.

Following are the consolidation basis:

- 1- The consolidated financial statements include the consolidated financial statements of the parent company and the financial statements of its subsidiaries and other companies that are under its control. Control is presumed to exist when the parent is exposed, or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Intra- Group balances and transactions are eliminated for the purpose of consolidation.

- 2- The financial statements of subsidiaries are prepared as of the same date of the financial statements of the parent company and using the same accounting policies used by the parent company. The group use uniform accounting policies for reporting like transactions and other events in similar circumstances. The consequences of transactions, and balances, between entities within the group are eliminated.
- 3- The income and expenses of a subsidiary are included in the consolidated financial statements from the acquisition date as defined in IFRS 3. Income and expenses of the subsidiary shall be based on the values of the assets and liabilities recognized in the parent's consolidated financial statements at the acquisition date. The income and expenses of a subsidiary are included in the consolidated financial statements until the date when the parent ceases to control the subsidiary.
- 4- 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 financial statements show that its assets as of 31/12/2023 are JD (21,793,536), comprehensive income for the year after tax / Comprehensive income is JD (1,778,830) and net equity is JD (11,209,905). For the purposes of preparing separate 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.
- 5- The company owns 100% of the paid-up capital of the subsidiary company (Jordanian Sohul Al Maha for Real Estate Development Co. L.L.C.) amounting JD (50,000), noting that the issued capital is JD (100,000), noting that the financial statements of the subsidiary company As of 12/31/2023 states that its total assets amounted to JD (561,513), and the loss for the period / comprehensive income of the subsidiary company amounted JD (4,195), and the net equity amounted JD (33,184). For the purposes of preparing separate 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.

C- Property, plant & equipment:

Property, plant & equipment are carried at historical cost less (except for land) the accumulated depreciation and impairment. Such assets are depreciated on a straight-line basis at the following depreciation rates:

<u>Asset</u>	<u>Dep. Rate</u>
Cars	15 - 20%
Refrigerators	12%
Tools	10 - 25%
Devices & equipment	10 - 20%
Sanitary installations	10%
Furniture	9 - 25%
Machinery & equipment	8 - 25%
Lab equipment	8 - 25%
Electrical installations	5 - 10%
Purification plant	4 - 10%
Office equipment	2.5 - 25%
Buildings & hangers	2 - 10%
Renewable energy system	5%
Decoration	5%

In case of disposal of any property, plant or equipment, the carrying value of such and the related accumulated depreciation to be credited by the recorded amount of each, while the gain or loss resulted from disposal to be recognized in Income Statement. Subsequent additions or improvements expenditures on existing items of property, plant or equipment shall be capitalized at cost, while repair and maintenance expenditures shall be recognized as current expense.

D- Biological assets:

- 1- Cows are measured by their fair value less estimated costs at the point of sale, and the fair value for cows is determined based on market prices in the local area, and the fair value for cows is determined based on market prices in the local area with similar age, breed and feature genetic where the previously conservative pricing policy was modified to reflect the realizable market value, while maintaining an appropriate margin of safety. The milk is measured initially by its fair value less estimated costs at the point of sale at the time of milking, and the fair value for milk is determined based on market prices in the local area, and profits earned from sales for the calves (male) are recognized when selling them only at the time of sale, in which are not maintained out for a long period of time.
- 2- As for other biological assets (trees) are measured at fair value, net of estimated costs at the point of sale.

E- Revenues realization :

- ◆ Revenue from sales is realized when shipping goods and the issuance of the invoice to the customer.
- ◆ Interest income is realized on a time basis so as to reflect the actual return on assets.
- ◆ Investments dividends are realized when its distribution is approved by the General Assembly for the investee companies.
- ◆ Other revenue and expenses are realized on an accrual basis.

F- Inventory , spare parts and raw materials:

- ◆ Purchased finished goods are priced at cost or net realizable value , whichever is less, and cost is determined on the basis of first-in first out.
- ◆ Manufactured finished goods are priced at cost or net realizable value , whichever is less, the cost includes direct manufacturing expenses along with bearing part of indirect manufacturing expenses using the method of weighted average cost method.
- ◆ Under manufacturing products are priced at cost or net realizable value, whichever is less , and the cost includes cost of direct manufacturing expenses along with bearing part of indirect manufacturing expenses based on the manufacturing stage by using the weighted average cost method according to each stage of production.
- ◆ Raw materials are priced at cost or net realizable value, whichever is less, and cost is determined on the basis of first-in first out.
- ◆ Spare parts and supplies are priced at cost or net realizable value, whichever is less, and cost is determined on the basis of first-in first out.

G- Use of Estimates :

The preparation of the accompanying financial statements requires estimates and assumptions for some items in the financial statements when applying accounting policies, examples include provision for doubtful debts, and the

management conducts future estimates of the uncertainties at the end of the fiscal year, which may lead to a significant risk and is likely to cause fundamental modifications to in operating assets and liabilities balances over the next year. Examples include various provisions, lawsuits and claims filed against the Company.

H- Trade Receivables:

Trade receivables are recorded at the same amounts of invoices, allowance for doubtful debts of receivables to be taken to offset any decline of collectable value of such debts.

I- Accounts' payable & accrued liabilities:

Accounts' payable and accrued liabilities are recognized when goods and services are received by the Company, whether or not claimed by the supplier.

J- Cash and Cash Equivalents :

For preparing Cash Flow Statement purposes, the cash and cash equivalents represent cash on hand and at banks. Any overdrafts that floating from credit to debt balances, or vs. shall be deducted from cash and cash equivalents item.

K- Recognition of Financial Assets and Liabilities :

Financial assets and liabilities are recognized on consistent bases from year to year applying Trade Date Method for the purchase of financial assets.

L- Financial Instruments:

Any contract that gives rise to a financial asset of one entity and a financial liability, or equity instrument of another entity. Financial instruments consist primarily of cash in hand, cash at banks, accounts receivables, payables, and securities.

M- Investing in an associate company:

Investment in associate is recorded at cost and the investment is subsequently adjusted according to the equity method, and the investment is reduced by dividends on the date of receipt of the payment, and in the event that the investment value decreases, the decrease is recognized directly in the comprehensive income statement.

N- Right- of- use lease assets and lease liabilities:

IFRS 16 changes how the company accounts for leases previously classified as operating leases under IAS 17, which were off – balance sheet.

Applying IFRS 16 , for all leases (except as noted below), the company recognizes:

a) RoU assets and lease liabilities in the statement of financial position, initially measured at the present value of the remaining future lease payments.

b) Depreciation of RoU assets and interest on lease liabilities in the statement of profit or loss and other comprehensive income .

For short-term leases (a lease term of 12 months or less) and leases of low –value assets, the company has opted to recognize a lease expense on a straight-line basis as permitted by IFRS 16.

O- Real-Estate investments- land:

The cost method is used in measuring real- estate investments, and its fair value is disclosed in the notes to the financial statements.

3- Cash and cash equivalents:

	<u>2023/JD</u>	<u>2022/JD</u>
Cash on hand & petty cash	143233	80503
Cash at banks	184498	95149
Total	<u><u>327731</u></u>	<u><u>175652</u></u>

4- Accounts' receivable - Net:

	<u>2023/JD</u>	<u>2022/JD</u>
Accounts' receivable	8214790	6851830
Less: provision for doubtful debts	(375137)	(345442)
Total	<u><u>7839653</u></u>	<u><u>6506388</u></u>

5- Inventory - Net

	<u>2023/JD</u>	<u>2022/JD</u>
Feed	1216040	528229
Raw & packing materials	918578	1142708
Spare parts	702196	681949
Finished & under manufacturing goods	536565	346294
Olive oil	37705	89498
Veterinary materials	26738	10791
Supplies store	25974	37456
Refrigerators' stores	5008	10164
Lab stores	964	1958
Sub total	<u>3469768</u>	<u>2849047</u>
Provision for stagnant goods & spare parts	(97331)	(83331)
Total	<u><u>3372437</u></u>	<u><u>2765716</u></u>

6- Other current assets:

	<u>2023/JD</u>	<u>2022/JD</u>
Prepaid expenses	328609	309672
Employees' receivables	189776	126430
Payments to investment account	179365	174828
Notes receivables	184019	190019
Claims under collection	149466	112903
Refundable deposits	75683	61165
Income tax consignments	52280	38382
L/C's	32501	50492
Different consignments	24195	22335
Sales tax consignments	18747	164547
Social Security's assignments	189	000
Consignments under settlement	000	250421
Payments on account of real estate investments	000	1108
Total	<u>1234830</u>	<u>1502302</u>

7- Financial assets at fair value through Comprehensive income:

	<u>2023/JD</u>	<u>2022/JD</u>
Equity instruments at cost	000	143449
Fair value adjustment	000	44200
Total	<u>000</u>	<u>187649</u>

8- Property, plant & equipment:
A-Property, plant & equipment- Jordan Dairy Company:

<u>Description</u>	<u>Cost</u>											<u>Total</u>
	<u>Lands</u>	<u>Machinery & equipment</u>	<u>Cars</u>	<u>Refrige-rators</u>	<u>Buildings & hangers</u>	<u>Tools</u>	<u>Purification Plant</u>	<u>Furniture & fixtures</u>	<u>Lap equipment</u>	<u>Renewable energy system</u>	<u>Decoration</u>	
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Balance as of December 31 st , 2022	599731	8297751	1915665	546053	4163934	974003	258877	158070	46416	1168878	25390	18154768
Net additions & disposals	1176018	81900	35667	95715	16481	55074	000	6839	730	000	000	1468424
Balance as of December 31 st , 2023	1775749	8379651	1951332	641768	4180415	1029077	258877	164909	47146	1168878	25390	19623192
<u>Acc. depreciation</u>												
Balance as of December 31 st , 2022	000	6185574	1192554	396927	1244965	616964	139755	111021	31628	153279	1058	10073725
Net additions & disposals	000	338290	(44693)	28652	140601	114316	7919	7214	2105	58444	1269	654117
Balance as of December 31 st , 2023	000	6523864	1147861	425579	1385566	731280	147674	118235	33733	211723	2327	10727842
Net book value as of Dec. 31 st , 2023	1775749	1855787	803471	216189	2794849	297797	111203	46674	13413	957155	23063	8895350
Net book value as of Dec. 31 st , 2022	599731	2112177	723111	149126	2918969	357039	119122	47049	14788	1015599	24332	8081043

9- **Biological assets (subsidiary company):**

The Company maintains a number of (2,036) cow capable of producing milk, and (545) pregnant female cow will be admitted to the actual production during the year 2024 and (1,240) female calves are bred to produce milk in the future, and (138) male calves held for the purpose of selling in the near future, as well as the company maintains biological assets represent a range of fruit trees.

10- **Investment in associate:**

This item represents investment in Loran for Animal Investment Company at (20%) of its capital that amounting JD (125000).

11- **Right of- use lease assets:**

	<u>2023/JD</u>	<u>2022/JD</u>
Right of use lease assets	48287	54798
Right of use lease assets depreciation	(6510)	(6511)
Total	<u>41777</u>	<u>48287</u>

12- **Real-Estate investments - land:**

	<u>2023/JD</u>	<u>2022/JD</u>
Land	511521	337965
Total	<u>511521</u>	<u>337965</u>

13- **Investments in bonds:**

This item represents the purchase value of perpetual loan bonds issued by the Jordan Kuwait Bank, a number of (40) bonds with a nominal value of JD (10,000) for each bond. They represent perpetual bonds in Jordanian dinars that are not convertible into shares. The bonds carry a fixed interest rate of (8.50%) for the first twenty-four months, and the interest rate changes based on the rediscount rate issued by the Central Bank of Jordan, in addition to a margin of (1.25%), calculated every three months and paid quarterly, starting from 9/23/2023.

14- **Due to banks:**

This item represents over draft accounts granted by Capital Bank, Jordan Kuwait Bank, Housing Bank and Bank Al-Etihad.

15- Loans:

	Loans installments to be paid		2023
	Within a year	After a year	Total
	<u>JD</u>	<u>JD</u>	<u>JD</u>
Jordan Kuwait Bank loans	2564330	2828551	5392881
Housing Bank loan	1467694	2316506	3784200
Bank Al-Etihad loans	250000	464000	714000
Total	<u>4282024</u>	<u>5609057</u>	<u>9891081</u>

- a- On November 1st, 2017, the Parent Company signed a loan agreement with Jordan Kuwait Bank of JD (600,000) to finance the purchase of machinery and equipment and plant expansion, in addition to financing the purchase of new land in the same area of the factory bearing interest rate of (2,9%). It was agreed that the loan will be repaid over (108) installments of JD (5,556) each, except the last installment to be JD (5,508), and the first installment to be due after one year from the date of granting the loan, according to the grace period of (one year) that is stated in the aforementioned agreement.
- b- On July 18th, 2018, the Parent Company signed a loan agreement with Jordan Kuwait Bank of JD (850,000) to finance the Solar Project, the loan is bearing interest rate of (2.9%). It was agreed that the loan will be repaid over (108) installments of JD (7,871) each, except for the last installment to be JD (7,803), the first installment to be due after one year from the date of granting the loan, according to the grace period of (one year) that is stated in the aforementioned agreement. In addition, the Company signed an appendix agreement to increase the value of the loan granted by JD (150,000) to become JD (1,000,000), It was agreed that the loan will be repaid over (108) equal installments of JD (9260) each, the first installment to be due after one year from the date of granting the loan, according to the grace period of (one year) that is stated in the aforementioned agreement.
- c- on April 2nd, 2019, the parent company signed, a decreasing loan agreement with Jordan Kuwait Bank amounting JD (2,000,000) bearing annual interest (9%), It was agreed that the loan will be repaid over (48) installments of JD (41,667) each, and the first installment to be due after one year from the date of granting the loan, according to the grace period of (one year) that is stated in the aforementioned agreement.
- d- On February 17th, 2019, the Parent Company signed a loan agreement with Jordan Kuwait Bank amounting JD (1,000,000) to finance the purchase of machinery for the water plant bearing interest rate of (2,9%). It was agreed that the loan will be repaid over (108) installments of JD (9,260) each, the first installment to be due after one year from the date of granting the loan, according to the grace period of (one year) that is stated in the aforementioned agreement.
- e- On March 15th, 2022, the parent company signed a loan agreement with the Housing Bank for an amount of JD (1,254,331) to pay the company's obligations for the favor of the Jordan Kuwait Bank, at an annual interest rate of (5.9%), where it was agreed that the loan would be repaid over (60) installments of JD (20,906) each, and the first installment is due on May 1, 2022, within the aforementioned agreement.

- f- The parent company signed on March 27th, 2022 a loan agreement with Bank Al-Etihad for an amount of JD (1,000,000) to finance the commercial company's payments and letters of credits, with interest at the rate of (PRIME LENDING RATE) announced by the Bank, amounting to (8.25%) on its date, minus a margin. Of (2.6%) annually, as it was agreed that the loan would be repaid over (6) monthly installments within the aforementioned agreement.
- g- On March 27th, 2022 the parent company signed a loan agreement with Bank Al-Etihad for an amount of JD (1,000,000) to finance documentary credits with an issuance commission (1%) annually and a commission for a withdrawal guarantee (1%) annually and without cash margin, as it was agreed that the loan would be repaid over (6) monthly installments within the aforementioned agreement.
- h- During the year 2023, the parent company signed a loan agreement with Housing Bank for an amount of JD (1,4000,000) with interest at the rate of (2.9%) annually, as it was agreed that the loan would be repaid over (36) installments for an amount of JD (39000) each and the first installment is due after twelve months from the date of the grace period.
- i- The subsidiary company signed a revolving loan from the Jordan Kuwait Bank for an amount of JD (300,000) at an interest rate of (9.25%) without commission, to be used in financing credits and / or withdrawals, and each financing operation is repaid after (3) months from the date of financing or under (3) monthly payments.
- j- The subsidiary company signed a revolving loan / industrial advances from the Jordan Kuwait Bank for an amount of JD (450,000) at an interest rate of (2.9%) without commission, to be used in financing credit and / or transfers and / or policies and / or local purchases, and each financing transaction is paid after (3) months from the date of financing or according to (3) monthly payments.
- k- The subsidiary company signed letters of credit from Jordan Kuwait Bank for an amount of JD (300,000) without cash deposit, with issuance commission (0.125%), currency difference commission (0.25%), and commission of guarantee withdrawal (1%).
- l- The subsidiary company signed and the subsidiary company signed a revolving loan from the Housing Bank for an the amount of JD (1, 300,000) dinars at an interest rate (7,5%) to finance credits and / or policies and / or local purchases, and each financing operation is repaid (4-8) months after the financing process.
- m- The subsidiary company signed facilities from the Housing Bank for an amount of JD (400,000) at an interest rate of (7,5%).
- n- On September 7th, 2022, the subsidiary company signed a loan agreement with the Housing Bank for an amount of JD (1,500,000), at an annual interest rate of (2.65%), where it was agreed that the loan would be repaid over (36) installments, the value of each installment JD (41,700). and the first installment is due one year after the grant date, according to the grace period mentioned in the said agreement.

- o- A decreasing loan granted from the Jordan Kuwait Bank for an amount of JD (1,500,000) at an interest rate of (7%). The loan is repaid in (24) installments, the value of each installment being JD (62,500), and the first installment is due after (6) months from the date of granting.
- p- A decreasing loan granted from the Jordan Kuwait Bank for an amount of JD (1,500,000) at an interest rate of (7%). The loan is repaid in (60) installments, the value of each installment being JD (25,000), and the first installment is due after (12) months from the date of granting.

16- **Other current liabilities:**

	<u>2023/JD</u>	<u>2022/JD</u>
Postpaid checks	1223740	723138
Shareholders' consignments	316645	293146
Income tax provision	131189	192615
Accrued expenses	102822	151599
Different consignments	60865	159837
Vacations' provision	54063	31976
Social Security consignments	30972	24313
End of service provision	25350	65264
Boards' remunerations	25000	25000
Bord of Directors' remuneration	14250	14250
National contribution for public debt payment	3614	7735
Income tax consignments	2133	1507
Total	<u><u>1990643</u></u>	<u><u>1690380</u></u>

17- **Capital and reserves:**

- a) **Capital:**
The Company's capital witnessed different increases till reached JD (4,000,000) divided to (4,000,000) shares.
- b) **Statutory reserve:**
The accumulative amount of this account represents amounts transferred from EBIT at a rate of 10%, and no calculation for the reserve after reaching the capital value. .
- c) **Voluntary reserve:**
The accumulative amount of this account represents amounts that are transferred from EBIT and are subject to the General Assembly approval when transferred, distributed or disposed of pursuant to the Companies Law in force.
- d) **Share's premium:**
This item represents the difference between the par value of shares issued for underwriting and the total amount received from stockholders.

18- Cost of sales:

A- Cost of sales – Jordan Dairy Company:

	<u>Note</u>	<u>2023/JD</u>	<u>2022/JD</u>
Finished & under manufacturing goods beginning balance		346294	685460
Raw materials used in production		10864202	7799274
Industrial expenses	19-1	2652492	2593219
Cost of goods available for sale		<u>13862988</u>	<u>11077953</u>
Finished & under manufacturing goods end of period balance		(536565)	(346294)
Sub total		<u><u>13326423</u></u>	<u><u>10731659</u></u>

B- Cost of sales - Al Maha Agricultural & Zoological Investments Co. (subsidiary company):

	<u>Note</u>	<u>2023/JD</u>	<u>2022/JD</u>
Cattle farm expenses	19-2	10725771	9560037
Trees farm expenses	19-3	346713	412811
Sub total		<u>11072484</u>	<u>9972848</u>
Total (A + B)		<u><u>24398907</u></u>	<u><u>20704507</u></u>

19-1 Industrial expenses

	<u>2023/JD</u>	<u>2022/JD</u>
Salaries & wages and related exp.	760770	752017
Depreciation	694876	728337
Fuel and oil	318950	278255
Electricity, water and telephone	312882	283599
Maintenance	210703	176987
Cleaning materials & hospitality	103118	88886
Social Security and provident fund	85519	116804
Medical expenses	46978	64062
Fees and subscriptions	23415	19507
Wood pallet expenses	19080	20317
Cars' expenses & transportation	16214	4292
Lab expenses	14635	14726
Assets' insurance	14565	18833
Printer ink & stationary	13360	15616
Workers' wear	8554	8796
Professional fees	4669	000
Other expenses	2864	2185
Donations	1340	000
Total	<u><u>2652492</u></u>	<u><u>2593219</u></u>

19-2 Cattle farm expenses:

	<u>2023/JD</u>	<u>2022/JD</u>
Cattle feeding	9234158	8337532
Treatments, medicines and veterinary supplies	375238	283028
Salaries & wages and related exp.	300550	251661
Depreciation	252518	240214
Fuel and oil	178446	163733
Electricity, water	128877	118284
Cleaning expenses	57622	46056
Fees and subscriptions	54380	2979
Social security	50021	28702
Machinery maintenance	41131	43295
Cars & machinery expenses	34903	24123
Donations	6670	9005
Buildings' maintenance	9213	6778
Other expenses	1189	4138
Workers' wear	855	509
Total	<u><u>10725771</u></u>	<u><u>9560037</u></u>

19-3 Trees farm expenses:

	<u>2023/JD</u>	<u>2022/JD</u>
Agricultural marketing	179680	243264
Guarantee of an artesian well & land	71594	69887
Electricity	68811	60865
Salaries & wages and related exp.	8755	16959
Trim trees	7776	3930
Treatments, medicine & agricultural seedlings	6223	2866
Supplies for irrigation and cultivation	2111	835
Tools & equipment depreciation	821	820
Social security	732	1865
Other expenses	210	476
Cleaning expenses	000	11044
Total	<u><u>346713</u></u>	<u><u>412811</u></u>

20- Sales & distribution expenses:

	<u>2023/JD</u>	<u>2022/JD</u>
Salaries & wages and related exp.	507326	418102
Marketing campaign	392868	206869
Fuel for cars	366570	293743
Commissions	336235	192111
Social security and provident fund	86602	78216
Cars' expenses	70186	49812
Tenders' expenses	48792	68032
Miscellaneous expenses	48564	21787
Medical expenses	38839	59842
Cars insurance	28848	27992
Right of use lease assets depreciation	6678	6678
Transportation expenses	4663	1653
Accommodation exp.	3503	2002
Interest on leasing obligations	2960	2710
Stationary	2517	2091
Non-deductible tax	2282	000
Consultations	2208	000
Export expenses	1992	4590
Refrigerators' maintenance	1620	2999
Donations	188	000
Rent	000	2136
Total	<u><u>1953441</u></u>	<u><u>1441365</u></u>

21- **Overhead expenses:**

	<u>2023/JD</u>	<u>2022/JD</u>
Salaries & wages and related exp.	834820	759748
Donations & remunerations	253796	42588
Professional fees	104832	67606
Social security and provident fund	92578	86153
Security expenses	65366	50524
Judicial expenses	42110	39849
Vacations	40874	000
Medical expenses	34228	39361
Official fees and subscriptions	32739	53382
Maintenance	31334	18911
End of service provision	23453	000
Boards' transportation expenses	18000	18000
Post, telephone & internet expenses	16305	13135
Traveling & transportation expenses	14647	11479
Cars' expenses	14055	6864
Provision for dead stock	14000	000
Buffet	11562	32238
Audit Fees	10900	10900
Stationary	10061	9248
Insurance	5613	6029
Non-deductible tax	4546	000
Other expenses	3077	3124
Rent	2720	000
Cleaning expenses	2497	2825
Hospitality	2185	1232
Promotion & advertising	2153	2283
Training expenses	689	260
Water	12	8500
General safety supplies	000	440
Total	<u>1689152</u>	<u>1284679</u>

22- **Contingent Liabilities:**

- a) Following are the Parent Company and its subsidiary contingent liabilities as at the date of the financial statements:

	<u>2023/JD</u>	<u>2022/JD</u>
L/C's & collections	256200	803397
L/Gs	481926	549684
Total	<u>738126</u>	<u>1353081</u>

- b) The parent company has liabilities against lawsuits of JD (355 243).

23- **Corporate Tax position:**

- ◆ The tax position of the parent Company was finalized till end of the year 2020.
- ◆ Tax declaration of the parent Company for the years 2021 and 2022 were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.
- ◆ The tax position of the subsidiary company (Al Maha Agricultural & Zoological Investments Co. L.L.C.) was finalized till end of the years 2018,2020 .
- ◆ Tax declaration of the subsidiary Company (Al Maha Agricultural & Zoological Investments Co. L.L.C.) for the years 2019, 2021 and 2022 were submitted to Income and Sales Tax Department, and tax assessment still not made by the Department yet.

24- **Operating Segments:**

◆ The company and its subsidiaries practice their activities through:

1. **Industrial activity:**

Includes the production and sale of various dairy products and miscellaneous plastic bottles and mineral water.

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

Includes fattening and breeding cattle, sheep and calves and establishing farms and trading with its products.

3. **Investment activity:**

Includes investment in financial assets.

4. **Real-Estate activity:**

Includes real-estate and reclaiming Agricultural Land.

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

<u>A- Comprehensive Income Information</u>	<u>Industrial Activity</u>	<u>Farms Activity</u>	<u>Investment Activity</u>	<u>Real-estate Activity</u>	<u>2022</u>
	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>	<u>JD</u>
Net sales	15962233	12535163	000	000	28497396
Cost of sales	(13326423)	(11072484)	000	000	(24398907)
Gross profit	2635810	1462679	000	000	4098489
Unallocated expenses	(1861020)	(1145416)	000	(4195)	(3010631)
Unallocated revenues	57828	20462	12914	000	91204
Unrealized gains	000	1355343	85762	000	1441105
Allocated expenses	(1953441)	000	000	000	(1953441)
Income for the year after tax / Comprehensive income					666726
<u>B- Other Information</u>					
Assets segment except cash	18529438	12996701	181851	511521	32219511
Unallocated assets	000	000	000	000	327731
Total Assets					<u>32547242</u>

25- **Financial Instruments:**

a- **Fair Value:**

The book value of financial instruments that represents cash, payables, receivables and loans is matching the fair value.

The notes to the financial statements show the fair value to these financial instruments, and some of the accounting policies show the adopted methods to evaluate such instruments.

b- **Credit Risk:**

The Company hold current and time deposits at banks of appropriate credit.

c- **Prices Risk:**

• **Market Risk:**

The market risk is the risk that the fair value or future cash flows of a financial instruments will fluctuate because of changes in market prices. The financial instruments represented in the statements of financial position are not subject to such risk.

• **Currency Risk:**

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The risk related to financial instruments namely, the US Dollar are very low as the exchange rate of the US Dollar in exchange with Jordan Dinar is fixed, while the other exchange rates risk were dealt with accordingly in the financial statements.

• **Interest Rate Risk:**

The financial instruments in the statements of financial position are not subject to interest rate risk, except for the credit and banking credit that are subject to competent controlling commissions.

26- **General:**

A- 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. Taking into account restrictions on the distributing dividends for unrealized earnings.

B- The General Assembly decided, in its session held on 8/4/2023, to distribute (5%) of the company's capital to the shareholders.

C- Some comparative figures for the previous year have been reclassified to match the figures for the current year.