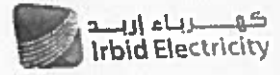




شركة كهرباء محافظة إربد م.ع.م.
Irbid District Electricity Co. Ltd.



نموذج رقم (5-1) Form No. (1-5)	
To: Jordan Securities Commission Amman Stock Exchange Date: 15/05/2017 Subject: Quarterly Report as of <u>31/03/2017</u>	السادة هيئة الأوراق المالية السادة بورصة عمان التاريخ: 2017/05/15 الموضوع: التقرير ربع السنوي كما هي في 2017/03/31
Attached the Quarterly Report Irbid District Electricity Co. LTD as of 31/03/2017	مرفق طيه نسخة من البيانات المالية ربع السنوية لشركة كهرباء محافظة إربد المساهمة العامة كما هي بتاريخ 2017/03/31م
Kindly accept our highly appreciation and respect Company's Name Irbid District Electricity Co. LTD General Manager's Signature Eng. Ahmad Thainat 	وتفضلوا بقبول فائق الاحترام... شركة كهرباء محافظة إربد المساهمة العامة توقيع المدير العام المهندس / احمد ذينات 

بورصة عمان
الدائرة الإدارية والمالية
الديوان
١٥ ايار ٢٠١٧
الرقم المتسلسل: 3081
رقم الملف: 31010
الجهة المختصة: 21110/64

إربد - الأردن
هاتفون: +962 2 7201500
+962 2 7201555
فاكس: +962 2 7205495
ص.ب. 46 | إربد | الأردن



IRBID DISTRICT ELECTRICITY COMPANY

PUBLIC SHAREHOLDING COMPANY

INTERIM CONDENSED FINANCIAL STATEMENTS (UNAUDITED)

31 MARCH 2017

**REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS
TO THE BOARD OF DIRECTORS OF IRBID DISTRICT ELECTRICITY COMPANY
PUBLIC SHAREHOLDING COMPANY
IRBID - JORDAN**

Introduction

We have reviewed the accompanying interim condensed financial statements of Irbid District Electricity Company Public Shareholding Company (the "Company") as at 31 March 2017, comprising of the interim statement of financial position as at 31 March 2017 and the related interim statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and explanatory notes. Management is responsible for the preparation and presentation of these interim condensed financial statements in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting). Our responsibility is to express a conclusion on these interim condensed financial statements 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 financial information consists of making inquiries, primarily of persons responsible for the 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 condensed financial statements are not prepared, in all material respects, in accordance with IAS 34.

Amman – Jordan
27 April 2017



IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF FINANCIAL POSITION
AT 31 MARCH 2017

	<u>Notes</u>	31 March 2017 JD (Unaudited)	31 December 2016 JD (Audited)
ASSETS			
NON-CURRENT ASSETS -			
Property and equipment	3	97,877,823	93,956,710
Subscribers' and rural files contributions assets		69,816,046	69,503,387
Dispute lawsuits payments		98,420	109,352
Projects in progress		7,060,362	6,618,631
Strategic inventories		7,505,617	6,892,883
Deferred tax assets		966,218	1,034,316
Financial assets at fair value through other comprehensive income		286,719	286,719
		<u>183,611,205</u>	<u>178,401,998</u>
CURRENT ASSETS -			
Accounts receivable		112,049,593	105,535,696
Other current assets		3,156,948	2,756,709
Inventories		2,519,260	1,521,036
Cash and bank balances		718,701	337,131
		<u>118,444,502</u>	<u>110,150,572</u>
TOTAL ASSETS		<u>302,055,707</u>	<u>288,552,570</u>
EQUITY AND LIABILITIES			
EQUITY -			
Paid in capital	6	8,000,000	8,000,000
Statutory reserve		2,210,264	2,210,264
Voluntary reserve		638,778	638,778
Retained earnings		10,750,421	9,307,996
Total Equity		<u>21,599,463</u>	<u>20,157,038</u>
LIABILITIES -			
NON-CURRENT LIABILITIES			
Subscribers and rural files contributions liabilities		69,816,046	69,503,387
Advances from subscribers		8,188,543	7,796,691
Excess of subscribers contributions		1,106,396	1,160,860
Provision for end-of-service indemnity		2,959,721	3,223,349
Long term loan	4	28,000,000	28,000,000
Subscribers' deposits		38,454,299	37,338,097
		<u>148,525,005</u>	<u>147,022,384</u>
CURRENT LIABILITIES			
Accounts payable		92,134,271	86,194,539
Accrued expenses		2,450,510	1,624,385
Other current liabilities		8,658,779	8,415,639
Bank overdrafts		24,926,408	20,106,072
Excess of subscribers contributions		271,238	270,685
Other provisions		1,094,840	2,222,573
Provision for income tax		2,395,193	2,539,255
		<u>131,931,239</u>	<u>121,373,148</u>
Total Liabilities		<u>280,456,244</u>	<u>268,395,532</u>
TOTAL EQUITY AND LIABILITIES		<u>302,055,707</u>	<u>288,552,570</u>

The attached notes from 1 to 9 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF COMPREHENSIVE INCOME
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	<u>Note</u>	For the three months ended 31 March	
		2017	2016
		JD	JD
Electricity power sales		61,924,922	57,884,756
Cost of electricity power sales		(53,740,322)	(50,013,545)
Gross profit		8,184,600	7,871,211
Other operating revenues		731,879	706,063
General and administrative expenses		(5,561,767)	(4,655,926)
Depreciation and amortization		(1,914,206)	(1,730,636)
Provision for slow moving inventories		(104,334)	(69,505)
Operating profit		1,336,172	2,121,207
Revenue from non-core activities		867,649	490,425
Interest income		349	542
Interest income on late payments		1,276,236	1,654,872
Costs of non-core activities		(154,995)	(136,149)
Finance costs		(699,981)	(701,212)
Interest expense on late payments		(727,502)	(432,298)
Profit from non-core activities		561,756	876,180
Profit before income tax expense		1,897,928	2,997,387
Income tax expense	5	(455,503)	(719,373)
Profit for the period		1,442,425	2,278,014
Other comprehensive income		-	-
Total comprehensive income for the period		1,442,425	2,278,014
		<u>JD/Fils</u>	<u>JD/Fils</u>
Basic and diluted earnings per share from profit for the period		0/180	0/285

The attached notes from 1 to 9 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF CHANGES IN EQUITY
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	Paid-in capital		Statutory reserve		Voluntary reserve		Retained earnings		Total		
	JD		JD		JD		JD		JD		
2017 -											
Balance at 1 January 2017	8,000,000		2,210,264		638,778		9,307,996		20,157,038		
Total comprehensive income for the period	-		-		-		1,442,425		1,442,425		
Balance at 31 March 2017	8,000,000		2,210,264		638,778		10,750,421		21,599,463		
2016 -											
Balance at 1 January 2016	8,000,000		2,210,264		638,778		5,555,097		16,404,139		
Total comprehensive income for the period	-		-		-		2,278,014		2,278,014		
Balance at 31 March 2016	8,000,000		2,210,264		638,778		7,833,111		18,682,153		

The attached notes from 1 to 9 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
INTERIM STATEMENT OF CASH FLOWS
FOR THE THREE MONTHS ENDED 31 MARCH 2017 (UNAUDITED)

	Note	For the three months ended 31 March	
		2017 JD	2016 JD
<u>OPERATING ACTIVITIES</u>			
Profit before income tax		1,897,928	2,997,387
Adjustments for:			
Gain on disposal of property and equipment		(16,934)	(11,917)
Interest income		(349)	(542)
Interest income on late payments		(1,276,236)	(1,654,872)
Interest expense on late payments		727,502	432,298
End-of-service indemnity		87,591	99,215
Depreciation and amortization		1,914,206	1,730,636
Depreciation portion related to non-core activities		17,420	11,982
Interest expense		699,981	701,212
Provision for doubtful accounts		662,032	7,543
Excess of subscribers contributions		(67,740)	(67,671)
Other provisions		2,843	101,793
Provision for slow moving inventories		104,334	69,505
Working capital changes:			
Inventories		(718,483)	(1,784,192)
Accounts receivable		(5,899,693)	(3,792,923)
Other current assets		(400,239)	120,674
Advances from subscribers		1,943,665	1,286,538
Subscribers' deposits		1,116,202	966,839
Accounts payable		5,212,230	(6,105,009)
Other provisions paid		(1,131,294)	(20,223)
Accrued expenses and other current liabilities		593,506	399,121
End-of-service indemnity paid		(351,219)	(87,304)
Income tax paid		(531,467)	(478,431)
Net cash flows from (used in) operating activities		4,585,786	(5,078,341)
<u>INVESTING ACTIVITIES</u>			
Projects in progress		(3,703,831)	(1,889,802)
Dispute lawsuits payments		(624)	(107)
Proceeds from sale of property and equipment		23,574	11,917
Purchase of property and equipment		(5,119,798)	(4,080,118)
Interest received		349	542
Net cash flows used in investing activities		(8,800,330)	(5,957,568)
<u>FINANCING ACTIVITIES</u>			
Dividends paid		(23,030)	(12,483)
Interest paid		(201,192)	(202,423)
Net cash flows used in financing activities		(224,222)	(214,906)
Net decrease in cash and cash equivalents		(4,438,766)	(11,250,815)
Cash and cash equivalents at 1 January		(19,768,941)	(15,350,372)
Cash and cash equivalents at 31 March	7	(24,207,707)	(26,601,187)

The attached notes from 1 to 9 form part of these interim condensed financial statements

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2017 (UNAUDITED)

(1) GENERAL

Irbid District Electricity Company (the "Company") was established in 1957 as a public shareholding company and registered in the Ministry of Industry and Trade under the registration number 17 on 27 February 1964.

During 2008 and under the privatization initiative of the electric sector, the government of the Hashemite Kingdom of Jordan has resolved to sell its entire ownership of 55.46% in the Company's capital to Kingdom Electricity Company. During 2009, Kingdom Electricity Company sold its share in the Company's capital to Electricity Distribution Company Public Shareholding Company.

The main activities of the Company are to distribute electric power and to provide it to retail consumers who live in the north of Jordan (Irbid, Jerash, Ajloun and Mafrq), in accordance with the distribution license granted to the Company on 30 June 2008 for 25 years.

The interim condensed financial statements have been approved by the Board of Directors in their meeting held on 27 April 2017.

(1-2) BASIS OF PREPARATION

The interim condensed financial statements for the three-month period to 31 March 2017 have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

The interim condensed financial statements do not contain all information and disclosures required for financial statements prepared in accordance with International Financial Reporting Standards, and should be read in conjunction with the Company's annual financial statements as of 31 December 2016. In addition, results for the three-month period ended 31 March 2017 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2017.

(2-2) CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

The accounting policies adopted in the preparation of the interim condensed financial statements are consistent with those followed in the preparation of the Company's annual financial statements for the year ended 31 December 2016, except for the adoption of new standards effective as of 1 January 2017:

Amendments to IAS 7 Statement of Cash Flows: Disclosure Initiative

Limited amendments which require entities to provide disclosures about liabilities arising from financing activities, including both changes arising from cash flows and non-cash changes (such as foreign exchange gains or losses). However, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2017 (UNAUDITED)

Amendments to IAS 12 Income Taxes: Recognition of Deferred Tax Assets for Un-recognised Losses

Limited amendments to clarify that an entity needs to consider whether tax law restricts the sources of taxable profits against which it may make deductions on the reversal of that deductible temporary difference and some other limited amendments, the adoption of these amendments have no impact on the Company's interim condensed financial statements.

(3) PROPERTY AND EQUIPMENT

Additions and disposals -

Additions to property and equipment were amounted to JD 5,119,798 for the three months ended 31 March 2017 (2016: JD 4,080,118).

(4) LONG TERM LOAN

During May 2015, the Company signed a loan agreement with Jordan Kuwait Bank amounting to JD 28,000,000 including a grace period of three years from the date of first withdrawal for the purpose of financing the Company's working capital projects and its operations. The entire loan was utilized during 2015.

The loan is repayable over 18 semi-annual instalments of JD 1,555,555 each including accrued interest. The loan bears an interest rate similar to interest rate applicable on the Central Bank of Jordan deposits plus 2.65% margin ratio with a minimum gross interest rate of 5.3% per annum.

The aggregate amounts and maturities of the loan instalments are as follows:

<u>Year</u>	<u>Amount</u>
	JD
2018	3,111,110
2019	3,111,110
2020	3,111,110
2021	3,111,110
2022 and after	15,555,560
	<u>28,000,000</u>

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2017 (UNAUDITED)

(5) INCOME TAX

Income tax provision was calculated for the three months ended 31 March 2017 in accordance with the Income Tax Law No. (34) for the year 2014.

The Company obtained a final tax clearance up to the year 2014.

The Income Tax Department has not reviewed the Company's records for the years 2015 and 2016 up to the date of these interim condensed financial statements.

(6) EQUITY

Paid-in capital -

The Company's authorized, subscribed and paid-in share capital is 8,000,000 shares at 1 JD par value per share.

Statutory reserve -

The Company did not deduct statutory reserve according to the Companies' Law, since these financial statements are interim condensed financial statements.

Dividends -

In its ordinary meeting held on 9 April 2017, the General Assembly approved the Board of Directors recommendations to distribute 100% of its capital as dividends amounted to JD 8,000,000.

(7) CASH AND BANK BALANCES

Cash and bank balances included in the interim statements of cash flows consist of the following:

	31 March 2017	31 March 2016
	<u>JD</u>	<u>JD</u>
Cash on hand and at banks	718,701	58,717
Banks overdrafts*	(24,926,408)	(26,659,904)
	<u>(24,207,707)</u>	<u>(26,601,187)</u>

* This item represents the credit facilities granted to the Company from local banks with a ceiling of JD 43,000,000, bearing an average interest rate of 5% per annum.

IRBID DISTRICT ELECTRICITY COMPANY - PUBLIC SHAREHOLDING COMPANY
NOTES TO THE INTERIM CONDENSED FINANCIAL STATEMENTS
31 MARCH 2017 (UNAUDITED)

(8) RELATED PARTIES

Related parties represent major shareholders, parent company, Board of Directors, key management personnel of the Company and companies where the company is a major shareholder. Such pricing policies and transactions' terms are approved by the Company's management.

Related parties balances included in the interim statement of financial position are as follow:

	31 March 2017	31 December 2016
	JD	JD
	(Unaudited)	(Audited)
Due to Electrical Equipment Industries Company LLC (sister company)	41,452	48,386
Due to Electricity Distribution Company (parent company)	26,512	38,992
	<u>67,964</u>	<u>87,378</u>

	For the three months ended 31 March	
	2017	2016
	JD	JD
Purchases from Electricity Distribution Company (parent company)	26,263	425,940
Purchases from Electrical Equipment Industries Company (sister company)	-	1,015,154

Transactions with related parties included in the interim statement of comprehensive income are as follow:

	For the three months ended 31 March	
	2017	2016
	JD	JD
Transportation and remuneration of Board of Directors	43,465	57,150

Salaries and other benefits for key management personnel of the Company are as follow:

	For the three months ended 31 March	
	2017	2016
	JD	JD
Salaries and benefits	197,972	62,909

(9) CONTINGENT LIABILITIES

Guarantees and letters of credit -

As at the date of the interim condensed financial statements, the Company has outstanding bank guarantees of JD 635,585 (31 December 2016: JD 2,974,921) and letters of credit of JD 1,589,120 (31 December 2016: JD 2,974,921).

Litigations -

The Company is a defendant in a number of lawsuits in the ordinary course of business representing legal claims amounting to JD 232,196. The Company's management and its legal advisor believe that the provision taken against these claims of JD 423,336 as at 31 March 2017 (31 December 2016: JD 423,336) is adequate to meet any obligations that may arise.

Dispute with National Electricity Power Company -

National Electricity Power Company claiming an amount of JD 721,881 which is mainly represent a difference of interest on late payments. The Company and its legal advisor believe that the Company will not have any obligation as per the electricity tariff (Wholesale Tariff) issued by EMRC.