

United Cable Industries Company
Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

31 March 2021

**United Cable Industries Company
Public Shareholding Company**

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Report on Review of Condensed Interim Financial Statements

To The Board of Directors
United Cable Industries Company
Public Shareholding Company
Amman - Jordan

Introduction

We have reviewed the accompanying condensed interim financial statements of **United Cable Industries Company PLC**, comprising the interim statement of financial position as at 31 March 2021 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the three months period then ended and the notes about condensed interim financial statements. Management is responsible for the preparation and presentation of this condensed interim financial statement in accordance with International Accounting Standard number (34) "Interim Financial Reporting". Our responsibility is to express a conclusion on this condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with the International Standard on Review Engagements number (2410) "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of condensed interim financial statement 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 condensed interim financial statements are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

26 April 2021
Amman - Jordan




Arab Professionals
Ibrahim Hammoudah
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United Cable Industries Company
Public Shareholding Company
Interim statement of financial position as at 31 March 2021
(In Jordanian Dinar)

	31 March 2021 (Unaudited)	31 December 2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	14,105,180	14,344,109
Accounts receivable - long term	565,664	667,755
Notes receivable - long term	532,099	657,099
Total non-current assets	<u>15,202,943</u>	<u>15,668,963</u>
Current assets		
Inventories	11,235,550	10,407,579
Spare parts	939,398	925,486
Sales tax withholdings	645,525	520,329
Other current assets	474,822	699,538
Accounts receivable - short term	12,807,513	10,579,245
Notes receivable - short term	417,799	605,000
Checks under collection - short term	2,306,771	3,202,143
Cash and cash equivalents	775,397	1,573,546
Total current assets	<u>29,602,775</u>	<u>28,512,866</u>
Total assets	<u>44,805,718</u>	<u>44,181,829</u>
Equity and Liabilities		
Equity		
Paid-in capital	35,000,000	35,000,000
Statutory reserve	749,403	749,403
Voluntary reserve	143,726	143,726
Accumulated losses	(1,644,570)	(1,971,430)
Net equity	<u>34,248,559</u>	<u>33,921,699</u>
Liabilities		
Non-current liabilities		
Bank facilities - long term	3,210,444	3,540,021
Current liabilities		
Bank facilities - short term	3,195,630	3,094,804
Accounts payable	3,370,503	2,605,050
Shareholders' withholdings	579,683	581,463
Postdated checks	61,359	225,260
Other current liabilities	139,540	213,532
Total current liabilities	<u>7,346,715</u>	<u>6,720,109</u>
Total liabilities	<u>10,557,159</u>	<u>10,260,130</u>
Total equity and liabilities	<u>44,805,718</u>	<u>44,181,829</u>

"The accompanying notes from (1) to (3) are an integral part of these condensed interim financial statements and read with review report"

United Cable Industries Company
Public Shareholding Company
Interim statement of comprehensive income for the three months ended at 31 March 2021

(In Jordanian Dinar)

	<u>31 March 2021 (Unaudited)</u>	<u>31 March 2020 (Unaudited)</u>
Sales	9,205,493	6,930,530
Cost of sales	<u>(8,514,171)</u>	<u>(6,796,755)</u>
Gross profit	691,322	133,775
Administrative expenses	(132,090)	(141,311)
Selling and distribution expenses	(196,900)	(65,938)
Financing expenses	(48,391)	(65,792)
Other revenues	12,919	-
Total comprehensive income (loss) for the period	<u>326,860</u>	<u>(139,266)</u>
Basic and diluted earnings (losses) per share	<u>0.009</u>	<u>(0.004)</u>

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United Cable Industries Company
Public Shareholding Company
Interim statement of changes in equity for the three months ended at 31 March 2021 (Unaudited)

(In Jordanian Dinar)

	<u>Paid-in Capital</u>	<u>Reserves</u>		<u>Accumulated Losses</u>	<u>Net Equity</u>
		<u>Statutory</u>	<u>Voluntary</u>		
Balance at 1 January 2021	35,000,000	749,403	143,726	(1,971,430)	33,921,699
Total comprehensive income for the period	-	-	-	326,860	326,860
Balance at 31 March 2021	<u>35,000,000</u>	<u>749,403</u>	<u>143,726</u>	<u>(1,644,570)</u>	<u>34,248,559</u>
Balance at 1 January 2020	35,000,000	684,749	14,418	(2,424,009)	33,275,158
Total comprehensive loss for the period	-	-	-	(139,266)	(139,266)
Balance at 31 March 2020	<u>35,000,000</u>	<u>684,749</u>	<u>14,418</u>	<u>(2,563,275)</u>	<u>33,135,892</u>

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United Cable Industries Company
Public Shareholding Company
Interim statement of cash flows for the three months ended at 31 March 2021

(In Jordanian Dinar)

	31 March 2021 (Unaudited)	31 March 2020 (Unaudited)
Operating Activities		
Profit (loss) for the period	326,860	(139,266)
Depreciation	306,553	305,407
Changes in working capital		
Checks under collection	895,372	888,839
Accounts receivable	(2,126,177)	(1,065,338)
Notes receivable	312,201	2,103
Inventories	(827,971)	(757,776)
Spare parts	(13,912)	(16,967)
Sales tax withholdings	(125,196)	364,565
Other current assets	224,716	(29,571)
Accounts payable	765,453	(1,473,319)
Other current liabilities	(73,992)	(9,198)
Postdated checks	(163,901)	(100,736)
Net cash flows used in operating activities	<u>(499,994)</u>	<u>(2,031,257)</u>
Investing Activities		
Property, plant and equipment	<u>(67,624)</u>	<u>(3,263)</u>
Financing Activities		
Bank facilities	(228,751)	1,524,339
Shareholders' withholdings	(1,780)	(1,468)
Net cash flows (used in) from financing activities	<u>(230,531)</u>	<u>1,522,871</u>
Changes in cash and cash equivalents	(798,149)	(511,649)
Cash and cash equivalents, beginning of year	<u>1,573,546</u>	<u>2,256,617</u>
Cash and cash equivalents, end of period	<u>775,397</u>	<u>1,744,968</u>

"The accompanying notes from (1) to (3) are an integral part of these condensed interim financial statements and read with review report"

United Cable Industries Company
Public Shareholding Company
Notes to the Condensed Interim Financial Statements (Unaudited)
31 March 2021
(In Jordanian Dinar)

1 . General

United Cable Industries Company was established on 5 July 2007 in accordance with Jordanian Companies Law No. (441) as a Public Shareholding Company. The Company head office is in the Hashemite Kingdom of Jordan. Company's main objective is manufacturing cables and related products.

Company's shares are listed in Amman Stock Exchange – Jordan.

The accompanying condensed interim financial statements were authorized for issue by the Company's Board of Directors in its meeting held on 26 April 2021.

2 . Summary of Significant Accounting Policies

Basis of Preparation

The condensed interim financial statements of the Company have been prepared in accordance with International Accounting Standard number (34) "Interim Financial Reporting". They do not include all of the information required in annual financial statements in accordance with IFRSs, and should be read in conjunction with the financial statements of the Company for the year ended 31 December 2020.

The condensed interim financial statements have been prepared on a historical cost basis.

The condensed interim financial statements are presented in Jordanian Dinar which is the functional currency of the Company.

The accounting policies are consistent with those used in the previous period, except for the adoption of new and amended standards effective as at the beginning of the period.

Use of Estimates

The preparation of the interim financial statements requires management to make estimates and assumptions that affect the reported amount of financial assets and liabilities and disclosure of contingent liabilities. These estimates and assumptions also affect the revenues, expenses and the provisions. Such estimates are necessarily based on assumptions about several factors involving varying degrees of judgment and uncertainty and actual results may differ resulting in future changes in such provisions.

The main estimates used in the preparation of the condensed interim financial statements are as follow:

- Management reviews periodically the tangible assets in order to assess the depreciation for the period based on the useful life and future economic benefits. Any impairment is taken to the interim statement of profit or loss.
- Inventories are held at the lower of cost or net realizable value. When inventories become old or obsolete, an estimate is made of their net realizable value. For individually significant amounts this estimation is performed on an individual basis. Amounts which are not individually significant, but which are old or obsolete, are assessed collectively and a provision applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.
- The measurement of impairment losses under IFRS 9 requires judgment, in particular, the estimation of the amount and timing of future cash flows and collateral values when determining impairment losses and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors, changes in which can result in different levels of allowances. Elements of the expected credit loss model that are considered accounting judgments and estimates include Probability of default (PD), Loss given default (LGD) and Exposure at default (EAD).

3 . Tax Status

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2016.
- The income tax returns for the years 2017, 2018 and 2019 have been filed with the Income Tax Department but the Department has not reviewed the company's records till the date of this report.
- No income tax provision has been taken on the Company's results of operations for the three months ended at 31 March 2021 as there are tax losses from previous years.