



شركة مصانع الكابلات المتحدة
United Cable Industries Co.

للمرسل

* مدير عام

التاريخ : 2017/10/30 م. السيد صاحب

الإشارة : SHR/57/17 السيد محمد

السيد ران

السادة هيئة الأوراق المالية المحترمين
عمان - الأردن

١٠ / ٢١ - ٢٠١٧

الموضوع: البيانات المالية باللغة الانجليزية الربع الثالث من عام 2017

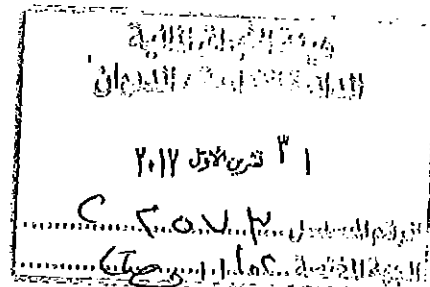
تحية طيبة وبعد ،

إشارة إلى الموضوع أعلاه، لرفق لكم طيه البيانات المالية الربع الثالث من العام 2017
باللغة الإنجليزية.

وتفضلوا بقبول فائق الاحترام ،،،،

المدير العام

يوسف حجازي



United Cable Industries Company
Public Shareholding Company

Condensed Interim Financial Statements (Not Audited)
30 September 2017

Arab Professionals
(Member firm within of Grant Thornton International Ltd)

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 30 September 2017 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the nine month 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 (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 as at 30 September 2017 are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

15 October 2017
Amman - Jordan



Arab Professionals
Ibrahim Hammoudah
(License No. 606)



Arab Professionals
Grant Thornton

United Cable Industries Company
Public Shareholding Company
Interim statement of financial position as at 30 September 2017
(In Jordanian Dinar)

	30 September 2017	31 December 2016
Assets		
Non-current assets		
Property, plant and equipment	14,734,116	15,515,098
Long term notes receivable	2,257,664	2,862,164
Projects under construction	1,271,495	-
Total non-current assets	<u>18,263,275</u>	<u>18,377,262</u>
Current assets		
Inventories	14,846,752	12,834,797
Spare parts	800,097	638,310
Other receivable	490,489	201,126
Accounts receivable	4,088,028	2,974,789
Short term notes receivable	1,117,509	806,000
Checks under collection	4,511,118	3,751,306
Cash and cash equivalents	7,184,515	7,522,380
Total current assets	<u>33,038,508</u>	<u>28,728,708</u>
Total assets	<u><u>51,301,783</u></u>	<u><u>47,105,970</u></u>
Equity and Liabilities		
Equity		
Paid-in capital	40,000,000	40,000,000
Statutory reserve	572,746	572,746
Voluntary reserve	14,418	14,418
Retained earnings	950,866	259,090
Total equity	<u>41,538,030</u>	<u>40,846,254</u>
Liabilities		
Non - current liabilities		
Bank facilities - long term	<u>1,062,500</u>	<u>-</u>
Current liabilities		
Bank facilities - short term	5,396,431	4,256,597
Accounts payable	2,612,116	1,599,987
Other liabilities	692,706	403,132
Total current liabilities	<u>8,701,253</u>	<u>6,259,716</u>
Total liabilities	<u>9,763,753</u>	<u>6,259,716</u>
Total equity and liabilities	<u><u>51,301,783</u></u>	<u><u>47,105,970</u></u>

"The accompanying notes from (1) to (5) 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 nine months ended at 30 September 2017

(In Jordanian Dinar)

	For the three months ended		For the nine months ended	
	30 September 2017	30 September 2016	30 September 2017	30 September 2016
Sales	8,435,604	4,652,285	24,484,602	16,052,083
Cost of sales	(7,949,007)	(4,397,331)	(23,125,345)	(14,926,372)
Gross profit	486,597	254,954	1,359,257	1,125,711
Selling and distribution expenses	(71,708)	(78,314)	(240,248)	(226,422)
Administrative expenses	(149,305)	(110,083)	(417,923)	(361,549)
Financing expenses	(58,175)	(52,015)	(141,167)	(201,559)
Interest revenues	50,533	39,235	137,216	116,245
Other income	-	7,022	30,818	7,022
Profit for the period before income tax	257,942	60,799	727,953	459,448
Income tax	(12,282)	(5,160)	(36,177)	(21,200)
Total comprehensive income for the period	245,660	55,639	691,776	438,248
Basic and diluted earnings per share	0,006	0,001	0,017	0,011

"The accompanying notes from (1) to (5) 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 changes in equity for the nine months ended at 30 September 2017

(In Jordanian Dinar)

	Paid in capital	Reserves		Retained earnings	Total
		Statutory	Voluntary		
Balance at 1 January 2017	40,000,000	572,746	14,418	259,090	40,846,254
Total comprehensive income for the period	-	-	-	691,776	691,776
Balance at 30 September 2017	<u>40,000,000</u>	<u>572,746</u>	<u>14,418</u>	<u>950,866</u>	<u>41,538,030</u>
Balance at 1 January 2016	40,000,000	542,537	152,644	661,774	41,356,955
Dividends paid	-	-	(138,226)	(661,774)	(800,000)
Total comprehensive income for the period	-	-	-	438,248	438,248
Balance at 30 September 2016	<u>40,000,000</u>	<u>542,537</u>	<u>14,418</u>	<u>438,248</u>	<u>40,995,203</u>

"The accompanying notes from (1) to (5) 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 cash flows for the nine months ended at 30 September 2017

(In Jordanian Dinar)

	30 September 2017	30 September 2016
Operating activities		
Profit for the period before income tax	691,776	438,248
Depreciation	858,982	1,002,333
Gain from sale of equipment	-	(7,022)
Changes in working capital		
Checks under collection	(759,812)	1,945,295
Accounts receivable	(1,113,239)	2,804,800
Inventories	(2,011,955)	(228,337)
Spare parts	(161,787)	29,614
Notes receivable	292,991	640,517
Other receivables	(289,363)	55,949
Accounts payable	1,012,129	(234,080)
Other liabilities	289,574	(246,392)
Net cash flows (used in) from operating activities	<u>(1,190,704)</u>	<u>6,200,925</u>
Investing activities		
Property, plant and equipment	(78,000)	(153,308)
Projects under construction	(1,271,495)	-
Net cash flows used in investing activities	<u>(1,349,495)</u>	<u>(153,308)</u>
Financing activities		
Bank facilities	2,202,334	(4,273,727)
Dividends paid	-	(800,000)
Net cash flows from (used in) financing activities	<u>2,202,334</u>	<u>(5,073,727)</u>
Changes in cash and cash equivalents	(337,865)	973,890
Cash and cash equivalents, beginning of the year	7,522,380	6,386,299
Cash and cash equivalents, end of the period	<u>7,184,515</u>	<u>7,360,189</u>

"The accompanying notes from (1) to (5) 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 (Not Audited)
30 September 2017
(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.

The accompanying condensed interim financial statements were authorized for issue by the Company's Board of directors in its meeting held on 15 October 2017.

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 2017.

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.

Use of Estimates

The preparation of the condensed 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.

Management believes that the estimates are reasonable and are as follows:

- Management reviews periodically the tangible assets in order to assess the depreciation for the year based on the useful life and future economic benefits. Any impairment is taken to the interim statement of comprehensive income.
- And estimate of the collectible amount of trade accounts receivable is made when collection of the full amount is no longer probable for individually significant amounts, this estimation is performed on an individual basis. Amounts which are not individually significant, but which are past due, are assessed collectively and a provision applied according to the length of time past due, based on historical recovery rates.
- 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.

Property, Plant and Equipment

Property plant and equipment are stated at cost less accumulated depreciation and accumulated impairment loss. When assets are sold or retired, their cost and accumulated depreciation are eliminated from the accounts and any gain or loss resulting from their disposal is included in the interim statement of comprehensive income.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance and overhaul costs, are normally charged to income in the period the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis at annual depreciation rates:

Buildings	2-10%
Machinery and equipment	5%
Production tools	10-20%
Others	10-25%

The useful life and depreciation method are reviewed periodically to ensure that the method and period of deprecation are consistent with the expected pattern of economic benefits from items of property plant and equipment.

Projects under construction

Projects under construction are recorded at cost which represents the contractual obligations of the Company for the construction. Allocated costs directly attributable to the construction of the asset are capitalized. The Projects under construction is transferred to the appropriate asset category and depreciated in accordance with the Company's policies when construction of the asset is completed and commissioned.

Inventories

Inventories are stated at the lower of cost or net realizable value. Cost is determined by the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads.

Accounts Receivable

Accounts receivables are carried at original invoice amount less an estimate made for doubtful receivables based on a review of all outstanding amounts at the year end. Bad debts are written off when identified.

Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank in current accounts and call deposits. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents.

Accounts Payable and Accruals

Accounts payable and accrued expenses are recognized when goods are received and services are performed.

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

Offsetting

Financial assets and financial liabilities are offset and the net amount reported in the interim financial position when there is a legally enforceable right to offset the recognized amounts and the Company intends to either settle them on a net basis, or to realize the asset and settle the liability simultaneously.

Revenue Recognition

Sales revenues are recognized upon the transfer of the risk of title to the buyer given that the revenues are dependably measurable.

Interest is recognized on a time proportion basis that reflects the effective yield on the assets.

Other revenues are recognized on the accrual basis.

Borrowings

Borrowing costs are expensed as incurred.

Foreign Currency

Assets and liabilities denominated in foreign currencies are translated to Jordanian Dinars using the prevailing exchange rates at year end. Foreign currency transactions during the year are recorded using exchange rates that were in effect at the dates of the transactions. Foreign exchange gains or losses are reflected in the interim statement of comprehensive income.

Income tax

Income tax expenses are accounted for on the basis of taxable income. Taxable income differs from income declared in the condensed interim financial statements because the latter includes non-taxable revenues or disallowed taxable expenses in the current year but deductible in subsequent years, accumulated losses acceptable by the tax law, and items not accepted for tax purposes or subject to tax.

Taxes are calculated on the basis of the tax rates according to the prevailing laws, regulations, and instructions of the countries where the Company operates.

3. Tax Status

- The Company has settled its tax liabilities with the Income Tax Department up to the year ended 2015.
- The income tax return for the year 2016 has been filed with the Income Tax Department but the Department has not reviewed the Company's records till the date of this report.
- The income tax provision for nine months ended 30 September 2017 was calculated in accordance with the Jordanian Income Tax Law.

4. Financial Instruments

Financial instruments comprise of financial assets and financial liabilities. Financial assets of the Company include cash and cash equivalents, notes and accounts receivable and checks under collection. Financial liabilities of the Company include loans from financial institutions and accounts payable.

Fair Value

The fair values of the financial assets and liabilities are not materially different from their carrying values as most of these items are either short-term in nature or re-priced frequently.

Credit Risk

Credit risks are those risks resulting from the default of counterparties to the financial instrument to repay their commitment to the Company. The Company limits its credit risk by only dealing with reputable banks and by setting credit limits for individual customers and monitoring outstanding receivables. The maximum exposure to credit risk is represented by the carrying value of each financial asset.

Currency Risk

The management considers that the Company is not exposed to significant currency risk. The majority of their transactions and balances are in either Jordanian Dinar or US Dollar. As the Jordanian Dinar is pegged to the US Dollar, balances in US Dollar are not considered to represent significant currency risk and the Company's results or equity to movements in exchange rates is not considered significant.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its net financial obligation. In this respect, the Company's management diversified its funding sources, and managed assets and liabilities taking into consideration liquidity and keeping adequate balances of cash, and cash equivalents.

The table below analyses the Company's financial liabilities into relevant maturity groupings based on the remaining period at the financial position date to the contractual maturity date.

30 September 2017	Less than one year	More than one year	Total
Bank facilities	5,396,431	1,062,500	6,458,931
Accounts payable	2,612,116	-	2,612,116
Other liabilities	692,706	-	692,706
	<u>8,701,253</u>	<u>1,062,500</u>	<u>9,763,753</u>
31 December 2016	Less than one year	More than one year	Total
Bank facilities	4,256,597	-	4,256,597
Accounts payable	1,599,987	-	1,599,987
Other liabilities	403,132	-	403,132
	<u>6,259,716</u>	<u>-</u>	<u>6,259,716</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will affect the Company's income or the value of its holdings of financial instruments. As most of the Company's financial instruments have fixed interest rate and carried at amortized cost, the sensitivity of the Company's results or equity to movements in interest rates is not considered significant.

5. Capital Management

The Company manages its capital structure with the objective of safeguarding the entity's ability to continue as a going concern and providing an adequate return to shareholders by keeping a balance between shareholders equity and total debt.

	30 September 2017	31 December 2016
Total Debt	6,458,931	4,256,597
Total Equity	41,538,030	40,846,254
Debt to Equity ratio	16%	10%