

United Cable Industries Company

Public Shareholding Company

Condensed Interim Financial Statements (Unaudited)

30 June 2021

United Cable Industries Company
Public Shareholding Company

	<u>Pages</u>
- Report on review of condensed interim financial statements	2
- Interim statement of financial position	3
- Interim statement of comprehensive income	4
- Interim statement of changes in equity	5
- Interim statement of cash flows	6
- Notes to the condensed interim financial statements	7 - 8



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 June 2021 and the related interim statement of comprehensive income, interim statement of changes in equity and interim statement of cash flows for the six-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 as at 30 June 2021 are not prepared, in all material respects, in accordance with International Accounting Standard number (34) "Interim Financial Reporting".

18 July 2021
Amman - Jordan




Arab Professionals
Ibrahim Hammoudeh
License No. (606)

United Cable Industries Company
Public Shareholding Company
Interim statement of financial position as at 30 June 2021
(In Jordanian Dinar)

	30 June 2021 (Unaudited)	31 December 2020 (Audited)
Assets		
Non-current assets		
Property, plant and equipment	13,850,529	14,344,109
Accounts receivable - long term	565,829	667,755
Notes receivable - long term	512,458	657,099
Total non-current assets	<u>14,928,816</u>	<u>15,668,963</u>
Current assets		
Inventories	12,559,273	10,407,579
Spare parts	966,125	925,486
Sales tax withholdings	741,153	520,329
Other current assets	846,428	699,538
Accounts receivable - short term	8,250,664	10,579,245
Notes receivable - short term	55,553	605,000
Checks under collection - short term	3,507,224	3,202,143
Cash and cash equivalents	2,050,550	1,573,546
Total current assets	<u>28,976,970</u>	<u>28,512,866</u>
Total assets	<u>43,905,786</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	(1,472,922)	(1,971,430)
Net equity	<u>34,420,207</u>	<u>33,921,699</u>
Liabilities		
Non-current liabilities		
Bank facilities – long term	<u>3,092,457</u>	<u>3,540,021</u>
Current liabilities		
Bank facilities – short term	2,953,901	3,094,804
Accounts payable	2,671,186	2,605,050
Shareholders' withholdings	571,818	581,463
Postdated checks	124,115	225,260
Other current liabilities	72,102	213,532
Total current liabilities	<u>6,393,122</u>	<u>6,720,109</u>
Total liabilities	<u>9,485,579</u>	<u>10,260,130</u>
Total equity and liabilities	<u>43,905,786</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 six months ended at 30 June 2021

(In Jordanian Dinar)

	For the three months ended		For the six months ended	
	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Sales	8,638,787	5,476,767	17,844,280	12,407,297
Cost of sales	(8,061,210)	(5,416,298)	(16,575,381)	(12,213,053)
Gross profit	577,577	60,469	1,268,899	194,244
Administrative expenses	(143,286)	(141,993)	(275,376)	(283,304)
Selling and distribution expenses	(138,587)	(68,465)	(335,487)	(134,403)
Financing cost	(51,712)	(44,967)	(100,103)	(110,759)
Donations to Himmat Watan Fund	-	(100,000)	-	(100,000)
Other revenues	13,260	22,000	26,179	22,000
Profit (loss) for the period before income tax	257,252	(272,956)	584,112	(412,222)
Prior years income tax	(53,079)	-	(53,079)	-
Income tax for the period	(26,684)	-	(26,684)	-
National Contribution Tax for the period	(5,841)	-	(5,841)	-
Total comprehensive income (loss) for the period	171,648	(272,956)	498,508	(412,222)
 Basic and diluted earnings (losses) per share	 0.005	 (0.008)	 0.014	 (0.012)

“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 changes in equity for the six months ended at 30 June 2021 (Unaudited)

(In Jordanian Dinar)

	Paid - in Capital	Reserves		Accumulated Losses	Total
		Statutory	Voluntary		
Balance at 1 January 2021	35,000,000	749,403	143,726	(1,971,430)	33,921,699
Total comprehensive income for the period	-	-	-	498,508	498,508
Balance at 30 June 2021	35,000,000	749,403	143,726	(1,472,922)	34,420,207
Balance at 1 January 2020	35,000,000	684,749	14,418	(2,424,009)	33,275,158
Total comprehensive loss for the period	-	-	-	(412,222)	(412,222)
Balance at 30 June 2020	35,000,000	684,749	14,418	(2,836,231)	32,862,936

“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 cash flows for the six months ended at 30 June 2021

(In Jordanian Dinar)

	30 June 2021 (Unaudited)	30 June 2020 (Unaudited)
Operating activities		
Profit (loss) for the period before income tax	584,112	(412,222)
Depreciation	619,123	594,439
Changes in working capital		
Checks under collection	(305,081)	2,815,170
Inventories	(2,151,694)	(1,177,390)
Spare parts	(40,639)	(16,144)
Notes receivable	694,088	66,012
Accounts receivable	2,430,507	(2,948,805)
Other current assets	(179,415)	58,305
Accounts payable	66,136	(3,604,157)
Postdated checks	(101,145)	(42,678)
Other current liabilities	(141,430)	(8,609)
Sales tax withholding	(220,824)	488,489
Paid income tax	(53,079)	-
Net cash flows from (used in) operating activities	<u>1,200,659</u>	<u>(4,187,590)</u>
Investing activities		
Property, plant and equipment	<u>(125,543)</u>	<u>5,606</u>
Financing activities		
Bank facilities	(588,467)	2,978,747
Shareholders' withholdings	<u>(9,645)</u>	<u>(28,217)</u>
Net cash flows (used in) from financing activities	<u>(598,112)</u>	<u>2,950,530</u>
Changes in cash and cash equivalents	477,004	(1,231,454)
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><u>2,050,550</u></u>	<u><u>1,025,163</u></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)
30 June 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.

The condensed interim financial statements have been approved for issue by the Company's Board of Directors in their meeting held on 18 July 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 2019.
- The income tax return for the year 2020 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 and National contribution tax provision for the six months ended 30 June 2021 was calculated in accordance with the Income Tax Law.