

disclosure

From: disclosure
Sent: 16 تموز، 2020 12:16 م
To: A. Mehdawi (amehdawy@ase.com.jo); B. Bargouth (bbarghouth@ase.com.jo); H. Mubarak (hmubarak@ase.com.jo); H. Mustafa (hmustafa@ase.com.jo); Listing (listing@ase.com.jo)
Subject: FW: ميزانية شركة العالمية الحديثة لصناعة الزيوت 31-3-2020 موقعه انجليزي
Attachments: ميزانية 30-3-2020 - مكفرة.pdf

السيد عبد الله
١٦
٢٠٢٠

From: Hasibeh Jabr <hj_umic@ymail.com>
Sent: Thursday, July 16, 2020 9:18 AM
To: disclosure <disclosure@JSC.GOV.JO>
Subject: Fw: ميزانية شركة العالمية الحديثة لصناعة الزيوت 2020-3-31 موقعه انجليزي

Dear Sir,

Attached the report of the Universal Modern Industries Co. for edible oil as of 31 Mar 2020.

With our high appreciation and respect.



Universal Modern Industries Co. For Edible Oil

Shareholders Dept

Hasibeh Jaber

السادة / هيئة الاوراق المالية المحترمين

تحية واحترام،،،

الرجاء الاطلاع على المرفق .

مع التقدير و الاحترام ،،،

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Amman - Jordan

Interim Condensed Financial Statements for the period
ended March 31, 2020
and Review Report
(Reviewed and Unaudited)

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Amman - Jordan

<u>Index</u>	Page
- Review report of interim condensed financial statements	1
- Interim condensed statement of financial position	2
- Interim condensed statement of comprehensive income	3
- Interim condensed statement of changes in shareholders' equity	4
- Interim condensed statement of cash flows	5
- Notes to the interim condensed financial statements	6-13

8 - Al- Qayrawan St.
Al - Rabieh
P.O.Box 17906
Amman, 11195 Jordan
Phone +962 - 6 - 55 11 77 9
Fax +962 - 6 - 55 17 54 1
Email info@arabauditors.jo

Review Report of Interim Condensed Financial Statements

To The Shareholders Of Universal Modern Industries Co. For Edible Oil Public Shareholding Company

Amman- Jordan

E. 107202747

Introduction

We have reviewed the accompanying interim condensed financial position statements of **Universal Modern Industries Co. For Edible Oil** as of March 31, 2020 and the related interim statements of comprehensive income, changes in shareholders equity and cash flows for the three months period then ended and explanatory information. 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 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.


1/1

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed financial information does not give a true and fair view of the financial position of **Universal Modern Industries Co. For Edible Oil** as of March 31, 2020 and its financial performance and its cash flows for the three months period then ended in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting).

Arab Auditors
UHY- Jordan

Amman-Jordan
April 21 , 2020


Munir Qawasmi
License No. (761)

UHY Arab Auditors
Public Accountants & Consultants

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Amman - Jordan

Interim condensed statement of financial position
as of March 31, 2020 and December 31, 2019

(In Jordanian Dinar)

	<u>Notes</u>	<u>Unaudited</u> <u>31/03/2020</u>	<u>Audited</u> <u>31/12/2019</u>
Assets			
Current assets			
Cash and cash equivalents	3	4,459,056	5,936,423
Financial assets at fair value through income statement		68,485	79,029
Accounts receivables and Cheques under collection (Net)	4	2,377,343	1,500,754
Inventories		3,235,447	2,480,573
Letters of credit		139,652	277,771
Spare parts and others (Net)		317,017	296,355
Other current assets		70,692	77,786
Total current assets		10,667,692	10,648,691
Non-current assets			
Property, plant and equipment (Net)	5	1,311,604	1,366,438
Financial assets at fair value through comprehensive income statement		24,000	24,000
Total non-current assets		1,335,604	1,390,438
Total assets		12,003,296	12,039,129
<u>Liabilities and shareholders' equity</u>			
Current liabilities			
Credit banks		3,181	0
Accounts payable		793,456	989,423
Unpaid dividends liabilities		999,985	218,317
Income tax provision	6	169,558	139,487
Other current liabilities		298,651	419,003
Total current liabilities		2,264,831	1,766,230
<u>Shareholders' equity</u>			
Paid up Capital		6,000,000	6,000,000
Statutory reserve		1,518,451	1,518,451
Voluntary reserve		605,772	605,772
Retained earnings		1,614,242	2,148,676
Total shareholders' equity		9,738,465	10,272,899
Total liabilities and shareholders' equity		12,003,296	12,039,129

The accompanying notes from(1) to (13) are an integral part of these statements

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Amman - Jordan

Interim condensed statement of comprehensive income
For the three months ended March 31, 2020 and 2019

(In Jordanian Dinar)

	<u>Notes</u>	<u>Unaudited</u>	
		<u>2020</u>	<u>2019</u>
Net sales		3,715,270	3,012,928
Cost of goods sold		(3,053,654)	(2,594,198)
Gross profit		661,616	418,730
Selling and Distribution expenses		(88,920)	(55,083)
General and administrative expenses		(145,034)	(142,007)
Expected credit loss		(57,775)	(33,299)
Property & Equipment Depreciation		(14,702)	(13,460)
Other revenues (Net)	7	26,358	29,734
Profit for the period before income tax		381,543	204,615
Income tax	6	(71,508)	(35,124)
national contribution		(4,469)	0
Profit for the period after tax		305,566	169,491
Comprehensive income for the period		305,566	169,491
Basic and Diluted EPS (JOD / Stocks)		0.051	0.028

The accompanying notes from(1) to (13) are an integral part of these statements

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Amman - Jordan

Interim condensed statement of changes in shareholders' equity
For the three months ended March 31, 2020 and 2019

(In Jordanian Dinar)

	Paid Up Capital	Statutory Reserve	Voluntary Reserve	Retained Earnings	Total
Balance as of Jan. 1, 2020	6,000,000	1,518,451	605,772	2,148,676	10,272,899
Dividends	0	0	0	(840,000)	(840,000)
Comprehensive income for the period	0	0	0	305,566	305,566
Balance as of March 31, 2020 (Unaudited)	6,000,000	1,518,451	605,772	1,614,242	9,738,465
Balance as of Jan. 1, 2019	6,000,000	1,518,451	605,772	2,226,802	10,351,025
Dividends	0	0	0	(780,000)	(780,000)
Comprehensive income for the period	0	0	0	169,491	169,491
Balance as of March 31, 2019 (Unaudited)	6,000,000	1,518,451	605,772	1,616,293	9,740,516

The accompanying notes from(1) to (13) are an integral part of these statements

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Amman - Jordan

Interim condensed statement of cash flows
For the three months ended March 31, 2020 and 2019

(In Jordanian Dinar)

		Unaudited	
		2020	2019
<u>Cash flows from operating activities</u>			
Profit for the period before income tax		381,543	204,615
Depreciation		59,863	58,925
Losses on valuation of financial assets through income		10,544	(2,418)
Expected credit losses provision		57,775	33,299
Adjusted profit before changes in working capital		509,725	294,421
Change in Accounts receivables		(933,723)	(715,290)
Changes in inventories		(754,874)	461,499
Changes in goods in transit		138,119	282,675
Change in Spare parts		(20,662)	(1,023)
Change in Other current assets		7,094	20,536
Change in Accounts payable		(195,967)	(49,227)
Change in Other current liabilities		(120,352)	(126,280)
Income tax paid		(41,437)	(16,959)
Net cash flows (used in) from operating activities		(1,412,077)	150,352
<u>Cash flows from investing activities</u>			
Purchase of property and equipment		(5,029)	(15,973)
Net cash flows used in investing activities		(5,029)	(15,973)
<u>Cash flows from financing activities</u>			
Credit banks		3,181	(67,438)
Dividends paid for the period	10-B	(62,801)	(4,348)
Net cash flows used in financing activities		(59,620)	(71,786)
Net decrease/ increase in cash and cash equivalents		(1,476,726)	62,593
Cash and cash equivalents at the beginning of the year	3	5,939,677	4,040,548
Cash and cash equivalents at the end of the year	3	4,462,951	4,103,141

The accompanying notes from(1) to (13) are an integral part of these statements

Universal Modern Industries Co. For Edible Oil
(Public Shareholding Company)
Notes to the interim condensed financial statements

1- General

- Universal Modern Industries Co. For Edible Oil was established in the register of public shareholding companies under No. 204 on April 10, 1989. The Company's registration center is the Hashemite Kingdom of Jordan. The company's main objectives is to establish a plant for refining, producing and filling vegetable oils for domestic consumption and export.

Company objectives:

- Establishment of a plant for refining, producing and mining vegetable oils for domestic consumption and export.

2- Summary of significant accounting policies

Basis of Preparing Financial Statements:

- The interim condensed financial statements have been prepared in accordance with International Accounting Standard 34 (Interim Financial Reporting).
- The interim condensed financial statements have been prepared under the historical cost except for financial assets (if any) that are presented at fair value in the interim condensed financial statements.
- The Jordanian Dinar is the currency of the presentation of the financial statements, which represents the Company's main currency.
- The condensed interim financial statements do not contain all the information and notes required in the annual financial statements prepared in accordance with International Financial Reporting Standards and should be read in conjunction with the Company's annual report as of December 31, 2019. In addition, results for the three months ended March 31, 2020 doesn't necessary represent an indicator of the expected results for the year ended December 31, 2020.

Accounting policies

- The accounting policies adopted during the interim period are the same with accounting policies used in the financial year ended December 31, 2019.
- The preparation of interim progress reports as of March 31, 2020 in accordance with IAS 34 requires management to use significant accounting estimates.
- The accounting policies used in the interim condensed financial statements as at March 31, 2020 have been disclosed in the final financial statements for 2019.

Use of estimates and judgments:

The preparation of the financial statements and the application of accounting policies require management to make estimates and judgments that affect the amounts of property, equipment and liabilities and disclose potential liabilities. These estimates and judgments also affect the income, expenses and provisions and in particular require management to make judgments and judgments to estimate the amounts and timing of future cash flows arising from the circumstances of those estimates in the future. These estimates are necessarily based on assumptions and multiple factors that have varying degrees of estimation and uncertainty and that the actual results may differ from the estimates as a result of future changes in the conditions of those provisions.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and at bank and cheques under collection with original of maturities of three months or less .

Accounts receivable:

Accounts receivable are stated at cost less any provision for any uncollectible amounts. If there are any indications of receivables impairment the company estimate the recoverable amount to determine the amount of impairment loss.

Property Plant and equipment:

- Property, plant and equipment are stated at cost (except land) less any depreciation and any accumulated impairment losses.
- If the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset shall be reduced to its recoverable amount, and the impairment loss shall recognized in the income statement.
- If there are any changes on the useful life of the property, plant and equipment and its depreciation method the changes calculated prospectively.
- The company depreciated property, plant and equipment using straight line method over and estimated useful life at annual rates 4% - 35% as follow :

<u>Asset</u>	<u>Depreciation rates</u>
Buildings and constructions	4%-10%
Oil tanks	10%
Machinery and equipment	20%
Solar power	10%
Cars	15%
Others	10%-35%

Inventory and spare parts:

- **Finished goods and spare parts:**
Finished goods are valued at cost or net realizable value, which is lower .
- **Raw materials:**
Raw materials and spare parts are valued at cost ,The Company follows FIFO basis to determine the cost of inventory.
- **Goods in process:**
Goods in process are valued at the cost of the production orders.

IFRS (9) Financial instruments

- **Investing in financial instrument**
Financial assets are recorded at the cost plus any related expenses except financial assets through income statement which classifies as follow :
- **Financial assets at fair value through income statement**
Financial assets which are purchased with the aim of resale in the near future in order to generate profit from the short term market prices fluctuation or the trading profit margins.
Financial instruments at fair value through profit or loss are initially measured at fair value, transaction costs are recorded in the income statement at the date of transaction. Subsequently, these assets are revalued at fair value. Gains or losses arising on subsequent measurement of these financial assets including the change in fair value arising from non-monetary assets in foreign currencies are recognized in the income statement. When these assets or portion of these assets are sold, the gain or loss arising is recorded in the consolidated statement of income.

- **Offsetting**

Offsetting between financial assets and financial liabilities and presenting the net amount on the statement of financial position is performed only when there are legally-enforceable rights to offset, the settlement is on a net basis, or the realization of the assets and satisfaction of the liabilities is simultaneous.

- **Impairment of financial assets**

For all debt instruments, the Company has applied the standards general approach and has calculated ECLs based on lifetime expected credit losses, Financial instrument divide for 3 phases as

- Stage (1) based on 12 months .
- Stage (2 and 3) based on financial instrument lifetime .

The Company assesses at each financial position date whether there is any objective evidence that a financial assets are impaired. If there is any impairment indications the company estimate the recoverable amount to determine the expected impairment loss. If the recoverable less than book value the impairment loss will be recognize in the income statement.

- **Fair value**

The fair value is measured based on the assumption that the sale or purchase transaction of financial assets is facilitated through an active market for financial assets and liabilities respectively. In case there is no active market, a market best fit for financial assets and liabilities is used instead. If there is no active market available the financial asset stated at cost less any impairment losses.

IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments : Recognition and Measurement for annual periods beginning on or after January 2019, bringing together all three aspects of the accounting for financial instruments : classification and measurement ; impairment; and hedge

The adoption of IFRS 9 has changed the Company's accounting for impairment losses for financial assets by replacing IAS 39's incurred loss (ECL) approach .

The company amended the financial statements and applying IFRS (9)

IFRS 15 Revenue from Contracts with Customers

- IFRS 15 supersedes IAS 11 Construction Contracts, IAS 18 Revenue and related Interpretations and it applies to all revenue arising from contracts with customers, unless these contracts are in the a scope of other standards . The new standard establishes a five-step model to account for revenue a rising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or provide services to a customer .
- The standard requires entities to exercise judgment , taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers .
- The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract .
- There was no material impact on the financial statements from the adoption of IFRS (15) . The accounting polices for revenue recognition are as follows:
- The company's contracts with customers for the sale of equipment/ goods generally include performance obligation(s). The company has concluded that revenue from sale of equipment/goods should be recognized at the point in time when control of the asset is transferred to the customer, generally on delivery of the equipment / goods. Therefore , the adoption of IFRS 15 did not have an impact on the timing of revenue recognition.

Provisions:

- Provisions are recognized when the company has a present obligation as a result of a past event, it is probable that the company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Income

- Income tax provision calculated in accordance with Income Tax Law No. 34 of 2014 and its amendments

Dividends

- Dividends are recognized after the general assembly approved it.

Foreign

- Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognized in the income statement.

3- Cash and cash equivalents

	31/03/2020	2019
Cash on hand	1,724	3,428
Cash at banks - Current	555,534	1,131,781
Cash at banks - Deposits *	2,594,474	2,167,444
Cheques under collection	1,311,219	2,637,024
Total	4,462,951	5,939,677
Expected credit losses provision	(3,895)	(3,254)
Total	4,459,056	5,936,423

* Interest rate on bank deposits reached 5.3 % to 6% with different maturities

4- Accounts receivables and Checks under collection (Net)

	31/03/2020	2019
Checks under collection	0	29,875
Military and civil service consumer corporation	1,565,134	1,015,227
Local trade receivables	1,307,660	927,871
Other receivables	66,800	32,898
Total	2,939,594	2,005,871
Expected credit loss Provision	(562,251)	(505,117)
Net	2,377,343	1,500,754

5- Property, plant and equipment

For the period ended March 31, 2020

Asset	Lands	Buildings and constructions	Oil tanks	Machinery	Solar energy system	Cars	Computer hardware and software	Project under construction	Total
Cost									
Cost as of 01 Jan. 2020	151,173	2,117,929	906,058	6,643,044	609,247	621,236	308,112	5,356	11,362,155
Additions	0	0	0	4,639	0	0	390	0	5,029
Cost as of March 31, 2020	151,173	2,117,929	906,058	6,647,683	609,247	621,236	308,502	5,356	11,367,184
Accumulated Depreciation									
01 Jan. 2020	0	1,941,426	855,548	6,359,525	160,442	387,295	291,481	0	9,995,717
Depreciation	0	4,100	2,282	18,245	15,231	18,362	1,643	0	59,863
Accumulated Depreciation									
March 31, 2020	0	1,945,526	857,830	6,377,770	175,673	405,657	293,124	0	10,055,580
Book value March 31, 2020	151,173	172,403	48,228	269,913	433,574	215,579	15,378	5,356	1,311,604

Asset	Lands	Buildings and constructions	Oil tanks	Machinery	solar energy system	Cars	Computer hardware and software	Project under construction	Total
Cost									
Cost as of 01 Jan. 2019	151,173	2,111,750	891,578	6,372,084	596,190	582,063	301,093	4,378	11,010,309
Additions	0	6,179	14,480	270,960	13,057	65,266	7,019	978	377,939
Disposals	0	0	0	0	0	(26,093)	0	0	(26,093)
Cost as of 31 Dec 2019	151,173	2,117,929	906,058	6,643,044	609,247	621,236	308,112	5,356	11,362,155
Accumulated Depreciation									
01 Jan. 2019	0	1,924,237	846,360	6,279,783	99,517	342,327	283,900	0	9,776,124
Depreciation	0	17,189	9,188	79,742	60,925	71,061	7,581	0	245,686
Disposals	0	0	0	0	0	(26,093)	0	0	(26,093)
Accumulated Depreciation									
31 Dec. 2019	0	1,941,426	855,548	6,359,525	160,442	387,295	291,481	0	9,995,717
Book value 31 Dec. 2019	151,173	176,503	50,510	283,519	448,805	233,941	16,631	5,356	1,366,438

6- Income tax provision

	31/03/2020	2019
Income tax for the period/ year	71,508	178,777
Prior years income tax	139,487	75,490
Income tax down payments	(39,320)	(106,850)
Withholding tax on income from interest on deposits	(2,117)	(7,930)
Balance at the end of the period/year	169,558	139,487

The movements made on the income tax provision account are as follows:

The balance as at the beginning of the year	139,487	75,490
Income tax for the year	71,508	178,777
Withholding tax on income from interest on deposits	(2,117)	(7,930)
Payments and reimbursements	(39,320)	(106,850)
Balance at the end of the period/year	169,558	139,487

Tax status

- The Company has calculated a provision for income tax for the periods ended March 31, 2020 and December 31, 2019 in accordance with Income Tax Law No. 34 of 2014 and its amendments.
- Income tax was audited and settled until 2018 and income tax returns for the year 2018 were submitted within the specified legal period and were not audited until the date of the issuance of the interim condensed financial statements.

7- Other revenues (Net)

	31/03/2020	31/03/2019
Interest revenue	30,250	24,488
(Loss) gains of financial assets revaluation	(10,544)	2,418
Dividends from financial investments	4,800	2,583
Currency exchange	1,852	245
Balance at the end of the period	26,358	29,734

8- Earnings per share

- The calculation of EPS is based on distributable earnings attributable to ordinary shareholders divided by the weighted number of shares listed and issued during the year.
- The diluted EPS is based on basic EPS adjusted to allow for the issuance of shares and the effect of distributions after income tax on assumed transfers for all reduced options and diluted ordinary shares.

The following are the profit and number of weighted shares used in calculating EPS:

	31/03/2020	31/03/2019
Profit for the period after tax	305,566	169,491
Number of shares weighted	6,000,000	6,000,000
Earnings per share (JD/Share)	0.051	0.028

9- Transactions with related parties

Transactions with related parties are as follows:

		31/03/2020	31/03/2019
Commercial operations (Purchasing and selling) and services			
Packing factories Co.	Purchase	22,646	23,624
Delta insurance company	Services	5,662	7,499
Total		28,308	31,123

Top management rewards

The main employees of the company are the General Manager and the Company's main managers

	31/03/2020	31/03/2019
Salaries, wages and bonuses	127,029	126,327

10- Dividends

A- The General Assembly decided at their meeting held on 13/02/2020 to distribute JD (840000) as dividends to the shareholders which represent 14% of the authorized capital.

B- Details of dividends distributed and paid during the period is as follows:

<u>Dividends paid</u>	31/03/2020	31/03/2019
Dividends for the reported period	(840,000)	(780,000)
Unpaid dividends	840,000	780,000
Dividends paid for prior years	(62,801)	(4,348)
Dividends paid during the period	(62,801)	(4,348)

11-Contingent liabilities

The contingent liabilities of the Company as at 31 March 2020 are as follows:

- Bank guarantees with Jordan Kuwait Bank amounted JD (635894).
- Insurance checks issued to shipping companies amounted JD (39,901) .

12-Subsequent events

Corona virus (COVID-19) appeared at the beginning of the year 2020 and spread worldwide including Jordan , causing the disruption of many companies and economic activities.

Management believes that this pandemic is a nonrecognized event that will not adjust the financial statements. Because the prevailing situation is variable and rapidly evolving , management believes that it's impossible to evaluate the potential impact of this pandemic on the company's future financial statements at this stage .

13-Approval for the interim condensed financial statements

The interim condensed financial statements have been approved by the Board of Directors' meeting on 21/04/2020 .