



الشركة العالمية الحديثة لصناعة الزيوت النباتية
المساهمة العامة المحدودة

نظام الجودة والسلامة للمنتج مطابق
للمواصفات الايزو ٩٠٠١ والهيست العالمية

Date: 29/10/2019

بسم الله الرحمن الرحيم
التاريخ ٢٩ / ١٠ / ٢٠١٩
م/ع

To: Jordan Securities Commission

Amman Stock Exchange

Sub: Semi-Annual Report as of 30/9/2019

Attached the semi-annual report of the Universal Modern Industries Co. for edible oil as of 30 Jul 2019.

Also we attach a CD ROM containing the above article in PDF format.

With our high appreciation and respect.

Universal Modern Industries Co. For Edible Oil

Shareholders Dept



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

**Interim Condensed Financial Statements and
Review Report for the period ended 30 September 2019
(Reviewed and Unaudited)**

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

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Review Report of Interim Condensed Financial Statements

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

Amman- Jordan

E. 133192689

Introduction

We have reviewed the accompanying interim condensed financial position statements of **Universal Modern Industries Co. For Edible Oil** as of 30 September 2019 and the related interim condensed statements of comprehensive income, interim condensed changes in shareholders equity and interim condensed cash flows for the nine 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.

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 30 September 2019, and its financial performance and its cash flows for the nine months period then ended in accordance with International Accounting Standard IAS 34 (Interim Financial Reporting).

Arab Auditors
Member of UHY International

Muneer Qawasmi
License No. (761)

UHY Arab Auditors
Public Accountants & Consultants

Amman-Jordan
15 October 2019

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

The interim condensed statement of financial position
as of 30 September 2019 and 31 December 2018

(In Jordanian Dinar)

	<u>Notes</u>	<u>Reviewed & Unaudited 30/09/2019</u>	<u>Audited 31/12/2018</u>
Assets			
Current assets			
Cash and cash equivalents	3	4,544,331	4,037,185
Financial assets at fair value through income statement		79,238	79,635
Cheques under collection	4-B	58,636	494,480
Financial assets at fair value through income statement		2,328,603	1,404,974
Accounts receivables (Net)	5	2,705,870	3,663,516
Inventories		139,717	398,126
Spare parts and others		294,706	302,883
Other current assets		82,924	50,208
Total current assets		10,234,025	10,431,007
Non-current assets			
Property, plant and equipment (Net)	6	1,371,280	1,234,185
Financial assets at fair value through comprehensive income statement		24,000	24,000
Total non-current assets		1,395,280	1,258,185
Total assets		11,629,305	11,689,192
<u>Liabilities and shareholders' equity</u>			
Current liabilities			
Credit banks		0	88,265
Accounts payable		790,667	528,431
Income tax provision	7	104,346	75,490
Unpaid dividends liabilities		243,200	231,974
Other current liabilities		290,504	414,007
Total current liabilities		1,428,717	1,338,167
<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		2,076,365	2,226,802
Total shareholders' equity		10,200,588	10,351,025
Total liabilities and shareholders' equity		11,629,305	11,689,192

The accompanying notes from(1) to (14) 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 period ended 30 September 2019 and 2018 (Reviewed and Unaudited)

<i>(In Jordanian Dinar)</i>	<u>Notes</u>	For the nine months ended 30 September		For the three months ended 30 September	
		2019	2018	2019	2018
Net sales		9,291,368	9,679,429	3,361,154	3,186,437
Cost of goods sold		(7,812,939)	(8,521,843)	(2,787,912)	(2,844,279)
Gross profit		1,478,429	1,157,586	573,242	342,158
Selling and Distribution expenses		(216,972)	(181,909)	(68,631)	(58,543)
General and administrative expenses		(489,636)	(377,004)	(222,844)	(113,670)
Property & Equipment Depreciation		(46,866)	(40,289)	(17,543)	(13,786)
Commission and bank interests		(54,762)	(1,932)	6,312	(9,945)
Other revenues (Net)	8	98,095	116,410	19,135	20,290
Profit for the period before income tax		768,288	672,862	289,671	166,504
Income tax provision	7	(138,725)	(93,391)	(56,885)	(23,871)
Profit for the period after tax		629,563	579,471	232,786	142,633
Comprehensive income for the period		629,563	579,471	232,786	142,633
Basic and Diluted EPS (JOD / Stocks)	9	0.105	0.096	0.039	0.023

The accompanying notes from(1) to (14) 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 period ended 30 September 2019 and 2018 (Reviewed and Unaudited)

(In Jordanian Dinar)

	Capital	Statutory Reserve	Voluntary Reserve	Retained Earnings	Total
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	629,563	629,563
Balance as of September 30,	6,000,000	1,518,451	605,772	2,076,365	10,200,588
Balance as of Jan. 1, 2018	6,000,000	1,518,451	605,772	2,457,988	10,582,211
Dividends	0	0	0	(840,000)	(840,000)
Comprehensive income for the period	0	0	0	579,471	579,471
Balance as of September 30, 2018	6,000,000	1,518,451	605,772	2,197,459	10,321,682

The accompanying notes from(1) to (14) 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 period ended 30 September 2019 and 2018 (Reviewed and Unaudited)

(In Jordanian Dinar)

	For the nine months ended 30 september	
	2019	2018
<u>Cash flows from operating activities</u>		
Profit for the period before income tax	768,288	672,862
Depreciation	172,551	207,408
Increase in doubtful accounts	154,762	1,932
Gain (Losses) on valuation of financial assets through income	397	(3,376)
Capital gains	(3,448)	(6,250)
Adjusted profit before changes in working capital	1,092,550	872,576
Change in Accounts receivables	(1,078,551)	209,253
Change in Cheques under collection	435,844	335,480
Changes in inventories	957,646	(1,283,432)
Change in Spare parts	8,177	22,891
Change in Other current assets	(32,716)	(93,356)
Letter of guarantee	258,409	0
Change in Accounts payable	262,236	266,826
Change in Other current liabilities	(123,503)	(141,903)
Paid income tax	(109,869)	(160,487)
Net cash flows from operating activities	1,670,223	27,848
<u>Cash flows from investing activities</u>		
Proceeds from sale of property and equipment	3,448	28,250
Purchase of property and equipment	(309,646)	(311,396)
Net cash flows used in investing activities	(306,198)	(283,146)
<u>Cash flows from financing activities</u>		
Credit banks	(88,265)	0
Dividends paid during the period	11-B (768,774)	(814,703)
Net cash flows used in financing activities	(857,039)	(814,703)
Net decrease/ increase in cash and cash equivalents	506,986	(1,070,001)
Cash and cash equivalents at the beginning of the period	4,040,548	5,960,614
Cash and cash equivalents at the end of the period	4,547,534	4,890,613

The accompanying notes from(1) to (14) 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.

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 at 31 December 2018. In addition, results for the nine months ended 30 September 2018 doesn't necessary represent an indicator of the expected results for the year ended 31 December 2019.

Accounting policies

- The accounting policies adopted during the condensed interim period are similar to the accounting policies adopted for the financial year ended 31 December 2018.
- The preparation of condensed interim progress reports as of 30 September 2019 in accordance with IAS 34 requires management to use significant accounting estimates.
- The accounting policies used in the condensed interim condensed financial statements as of 30 September 2019 have been disclosed in the final financial statements for 2018.

IFRS 9 Financial Instruments

- IFRS 9 Financial Instruments replaces IAS 39 Financial Instruments : Recognition and Measurement for annual periods beginning on or after January 2018, bringing together all three aspects of the accounting for financial instruments : classification and measurement ; impairment; and hedge accounting .
- The company had previously implemented the first phase of IFRS 9 as issued during 2009. The date of initial implementation of the first phase of IFRS 9 was January 2011. It has been applied retrospectively and, in line with IFRS 9, comparative amounts have not been restated .
- The standard eliminates these of the IAS 39 incurred loss impairment model approach, uses the revised hedge accounting framework, and the revised guidance on the classification and measurement requirements.

Impairment

- 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 .
- IFRS 9 requires the company to record an allowance for ECLs for all debt instruments measured at amortized cost .
- For all debt instruments , the Company has applied the standards simplified approach and has calculated ECLs based on lifetime expected credit losses .
- There was no material impact on the interim condensed financial statements from the adoption of 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 arising 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
- 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 interim condensed financial statements from the adoption of IFRS 15 . The accounting policies 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.

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.

3- Cash and cash equivalents

	30/09/2019	31/12/2018
Cash on hand	23,626	4,646
Cash at banks - Current	237,307	30,931
Cash at banks - Deposits	2,133,028	2,240,044
Cheques under collection	2,153,573	1,764,927
Total	4,547,534	4,040,548
Expected credit losses provision	(3,203)	(3,363)
Total	4,544,331	4,037,185

4-A

*** Expected credit losses provision**

Beginning Balance	3,363	0
Effect of Applying IFRS (9)	0	3,938
Decrease provision	(160)	(575)
Total	3,203	3,363

* Interest rate on bank deposits reached 5.75% to 6.25% with different maturities

4-Cheques under collection

	30/09/2019	31/12/2018
A- Cheques collected during 90 day	2,153,573	1,764,927
B- Cheques collected after 90 day	58,636	494,480
Total	2,212,209	2,259,407

*Cheques collected during 90 day were classified in cash and cash equivalents and cheques collected after 90 day were classified as cheques under collection .

5- Accounts receivables

	30/09/2019	31/12/2018
Military and civil service consumer corporation	1,110,587	1,084,128
Local trade receivables	1,522,704	476,359
Other receivables	37,892	32,145
Total	2,671,183	1,592,632
Allowance for doubtful accounts	(342,580)	(187,658)
Net	2,328,603	1,404,974

According to the management's opinion the balances mentioned above are collectible, and allowance for doubtful debts is sufficient.

6- Property, plant and equipment

For the period ended in 30 September 2019

Asset	Lands	Buildings and constructions	Oil tanks	Machinery	Solar energy system	Cars	Computer hardware and software	Projects under construction	Total
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	0	14,480	3,914	0	65,266	10,496	215,490	309,646
Disposals	0	0	0	0	0	(26,093)	0	0	(26,093)
Cost as of 30 September 2019	151,173	2,111,750	906,058	6,375,998	596,190	621,236	311,589	219,868	11,293,862
Accumulated Depreciation as of 01 Jan. 2019	0	1,924,237	846,360	6,279,783	99,517	342,327	283,900	0	9,776,124
Depreciation	0	12,299	6,364	48,471	44,715	54,756	5,946	0	172,551
Disposals	0	0	0	0	0	(26,093)	0	0	(26,093)
Accumulated depreciation as of 30 September. 2019	0	1,936,536	852,724	6,328,254	144,232	370,990	289,846	0	9,922,582
Net Book value as of 30 September 2019	151,173	175,214	53,334	47,744	451,958	250,246	21,743	219,868	1,371,280

For the year ended in 31 December 2018

Asset	Lands	Buildings and constructions	Oil tanks	Machinery	solar energy system	Cars	Computer hardware and software	Projects under construction	Total
Cost as of 01 Jan. 2018	151,173	2,028,445	887,178	6,320,055	464,718	558,405	362,667	27,665	10,800,306
Additions	0	85,805	4,400	14,914	131,472	114,437	10,713	18,388	380,129
Disposals	0	(2,500)	0	0	0	(90,779)	(76,847)	0	(170,126)
Transfers	0	0	0	37,115	0	0	4,560	(41,675)	0
Cost as of 31 Dec 2018	151,173	2,111,750	891,578	6,372,084	596,190	582,063	301,093	4,378	11,010,309
Accumulated Depreciation as of 01 Jan. 2018	0	1,909,074	837,170	6,166,425	46,472	340,121	352,387	0	9,651,649
Depreciation	0	17,663	9,190	113,358	53,045	70,985	8,360	0	272,601
Disposals	0	(2,500)	0	0	0	(68,779)	(76,847)	0	(148,126)
Accumulated depreciation as of 31 Dec. 2018	0	1,924,237	846,360	6,279,783	99,517	342,327	283,900	0	9,776,124
Net Book value as of 31 Dec. 2018	151,173	187,513	45,218	92,301	496,673	239,736	17,193	4,378	1,234,185

7- Income tax provision

	30/09/2019	31/12/2018
Income tax for the current period/ year	138,725	105,334
Prior years income tax	3,635	4,725
Down Payments	(32,737)	(27,808)
	(5,277)	(6,761)
Balance at the end of the period/year	104,346	75,490

*

Beginning Balance	75,490	132,728
Income tax for the year	138,725	105,334
Income tax deducted from deposit interest	(5,277)	(6,761)
Down Payments	(104,592)	(155,811)
Ending Balance for the period / year	104,346	75,490

Tax status

- The Company has calculated a provision for income tax for the periods ended 30 September 2019 and 31 December 2018 in accordance with Income Tax Law No. 34 of 2014
- Income tax has been reviewed by the Income Tax Department and adjusted up to 2015 and the income tax for 2017 and 2018 has been submitted within the specified legal period and has not been reviewed until the date of issuance of the interim condensed financial statements.

8- Other revenues (Net)

	30/09/2019	30/09/2018
Interest revenue	78,795	99,029
Gains of financial assets revaluation	(397)	3,376
Dividends from financial investments	13,075	6,905
Capital gains	3,448	6,250
Currency exchange	3,174	850
Balance at the end of the period	98,095	116,410

9- 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 earnings and number of weighted shares used in calculating EPS:

	30/09/2019	30/09/2018
Profit for the period after tax	629,563	579,471
Number of shares weighted	6,000,000	6,000,000
Earnings per share (JD/Share)	0.105	0.096

10- Transactions with related parties

Transactions with related parties are as follows:

		30/09/2019	30/9/2018
Packing factories Co.	Purchase	73,480	51,156
Delta insurance company	Services	84,856	51,993
Total		158,336	103,149

Top management rewards

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

	30/09/2019	30/9/2018
Salaries, wages and bonuses	276,386	283,956

11- Dividends

A- The General Assembly decided at their meeting held on 15/2/2019 to distribute JD (780,000) as dividends to the shareholders which represent 13% of the authorized capital.

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

<u>Dividends paid</u>	30/09/2019	30/9/2018
Dividends for the reported period	(780,000)	(840,000)
Unpaid dividends to shareholders	30,394	44,496
Dividends paid for prior years	0	(19,199)
Dividends paid during the period	(749,606)	(814,703)

12-Contingent liabilities

The contingent liabilities of the Company as of 30 September 2019 are as follows:

- Bank guarantees with Jordan Kuwait Bank amounted JD (485,254).
- Goods for others (Zamzam company) amounted JD (223,486) .
- Guarantees to the Unified insurance company for transport and commercial agencies amounted JD (93301).

13-Subsequent events

There are no subsequent events on the date of the interim condensed financial statements or after the preparation of the interim condensed financial statements.

14-Approval for the interim condensed financial statements

The interim condensed financial statements have been approved by the Board of Directors' meeting held on 15/10/2019 .