Dubai Refreshments (P.J.S.C.) and its Subsidiary

CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2013

Building a better working world

Ernst & Young
P.O. Box 9267
28th Floor, Al Attar Business Tower
Sheikh Zayed Road
Dubai, United Arab Emirates

Tel: +971 4 332 4000
Fax: +971 4 332 4004
dubai@ae.ey.com
ey.com/mena

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUBAI REFRESHMENTS (P.J.S.C.) AND ITS SUBSIDIARY

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Dubai Refreshments (P.J.S.C.) (the "Company") and its Subsidiary (together referred to as the "Group"), which comprise the consolidated statement of financial position as at 31 December 2013 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards and the applicable provisions of the Articles of Association of the Company and the UAE Commercial Companies Law of 1984 (as amended), and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate for the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Ernst & Young
P.O. Box 1350
BM Towers, Office No. 2501
Al Ittihad Street, Al Nahda
Sharjah, United Arab Emirates

Tel: +971 6 528 7626
Fax: +971 4 701 0722
ey.com/mena

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF DUBAI REFRESHMENTS (P.J.S.C.) AND ITS SUBSIDIARY (continued)

Opinion
In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Group as of 31 December 2013 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Report on Other Legal and Regulatory Requirements
We also confirm that, in our opinion, the consolidated financial statements include, in all material respects, the applicable requirements of the UAE Commercial Companies Law of 1984 (as amended) and the Articles of Association of the Company; proper books of account have been kept by the Company; an inventory was duly carried out; and the contents of the report of the Board of Directors relating to these financial statements are consistent with the books of account. We have obtained all the information and explanations which we required for the purpose of our audit and, to the best of our knowledge and belief, no violations of the UAE Commercial Companies Law of 1984 (as amended) or of the Articles of Association of the Company have occurred during the year which would have had a material effect on the business of the Company or on its financial position.

Ernst & Young

Signed by
Joseph Murphy
Partner
Registration No. 492
16 February 2014
Dubai, United Arab Emirates

CONSOLIDATED INCOME STATEMENT

Year ended 31 December 2013

	Notes	2013 AED '000	2012 AED '000
Sales		**891,906**	1,004,122
Cost of sales		**(589,456)**	(690,138)
GROSS PROFIT		**302,450**	313,984
Other operating income		**10,392**	12,150
Selling and distribution expenses		**(135,722)**	(119,132)
General and administrative expenses		**(58,668)**	(52,551)
Amortisation of intangible assets	6	**(3,322)**	(3,120)
OPERATING INCOME		**115,130**	151,331
Finance income		**2,290**	3,279
Finance expense		**(1,127)**	(1,759)
Dividend income		**6,770**	4,398
Other income / expense		**(1,961)**	1,977
Gain on sale of available-for-sale investments		**1,881**	3,336
PROFIT FOR THE YEAR	4	**122,983**	162,562
Earnings per share in AED	18	**1.33**	1.77

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Year ended 31 December 2013

	Notes	2013 AED '000	2012 AED '000
Profit for the year		**122,983**	162,562
Other comprehensive income			
Other comprehensive income to be reclassified to profit or loss in subsequent periods:			
Change in fair value of available-for-sale investments	7	**2,610**	50,870
Change in fair value of cash flow hedges	25	**(493)**	(347)
Net other comprehensive income to be reclassified to profit or loss in subsequent periods		**2,117**	50,523
Gain on sale of available-for-sale investments recognised in income statement		**(1,881)**	(3,336)
Other comprehensive income for the year		**236**	47,187
Total comprehensive income for the year		**123,219**	209,749

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2013

	Notes	2013 AED '000	2012 AED '000
ASSETS			
Non-current assets			
Property, plant and equipment	5	**422,613**	255,271
Intangible assets	6	**35,652**	31,974
Available-for-sale investments	7	**176,467**	184,816
		634,732	472,061
Current assets			
Inventories	8	**75,286**	60,743
Trade and other receivables	9	**92,235**	73,849
Advances to Greenfield contractors and suppliers		**92,326**	49,511
Bank balances and cash	10	**208,799**	292,396
		468,646	476,499
TOTAL ASSETS		**1,103,378**	948,560
EQUITY AND LIABILITIES			
Equity			
Share capital	12	**90,000**	90,000
Statutory reserve	13	**45,000**	45,000
General reserve	14	**342,182**	226,403
Fair value reserve	15	**145,384**	144,655
Cash flow hedge reserve		**(1,619)**	(1,126)
Retained earnings		**119,483**	160,779
Total equity		**740,430**	665,711
Non-current liabilities			
Employees' end of service benefits	17	**16,679**	15,671
Non-current portion of term loans	20	**116,966**	58,085
Non-current portion of amount payable for land conversion to freehold		**-**	11,548
		133,645	85,304
Current liabilities			
Trade and other payables	11	**186,179**	174,130
Current portion of term loans	20	**33,281**	12,265
Bank overdraft	10	**9,843**	11,150
		229,303	197,545
Total liabilities		**362,948**	282,849
TOTAL EQUITY AND LIABILITIES		**1,103,378**	948,560

The consolidated financial statements have been approved by the Board of Directors on 16 February 2014, and signed on their behalf by:

Director
16 February 2014

Director
16 February 2014

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Share capital AED'000	*Statutory reserve AED'000*	*General reserve AED'000*	*Fair value reserve AED'000*	*Cash flow hedge reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*
Balance as of 1 January 2013	90,000	45,000	226,403	144,655	(1,126)	160,779	665,711
Profit for the year	-	-	-	-	-	122,983	122,983
Other comprehensive income for the year	-	-	-	729	(493)	-	236
Total comprehensive income for the year	-	-	-	729	(493)	122,983	123,219
Dividends paid (Note 16)	-	-	-	-	-	(45,000)	(45,000)
Transfer to general reserve (Note 14)	-	-	115,779	-	-	(115,779)	-
Directors' fees	-	-	-	-	-	(3,500)	(3,500)
Balance as of 31 December 2013	**90,000**	**45,000**	**342,182**	**145,384**	**(1,619)**	**119,483**	**740,430**

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2013

	Share capital AED'000	*Statutory reserve AED'000*	*General reserve AED'000*	*Fair value reserve AED'000*	*Cash flow hedge reserve AED'000*	*Retained earnings AED'000*	*Total AED'000*
Balance as of 1 January 2012	90,000	43,217	149,241	97,121	(779)	116,662	495,462
Profit for the year	-	-	-	-	-	162,562	162,562
Other comprehensive income for the year	-	-	-	47,534	(347)	-	47,187
Total comprehensive income for the year	-	-	-	47,534	(347)	162,562	209,749
Transfer to statutory reserve	-	1,783	-	-	-	(1,783)	-
Dividends paid (Note 16)	-	-	-	-	-	(36,000)	(36,000)
Transfer to general reserve (Note 14)	-	-	77,162	-	-	(77,162)	-
Directors' fees	-	-	-	-	-	(3,500)	(3,500)
Balance as of 31 December 2012	90,000	45,000	226,403	144,655	(1,126)	160,779	665,711

The attached notes 1 to 27 form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2013

	Notes	2013 AED '000	2012 AED '000
OPERATING ACTIVITIES			
Profit for the year		**122,983**	162,562
Adjustments for:			
Depreciation	5	**20,394**	19,204
Amortisation of intangible assets	6	**3,322**	3,120
Loss / (profit) on disposal of property, plant and equipment		**3,177**	(213)
Finance expense		**1,127**	1,759
Finance income		**(2,290)**	(3,279)
Dividend income		**(6,770)**	(4,398)
Gain on sale of available-for-sale investments		**(1,881)**	(3,336)
Provision for employees' end of service benefits	17	**2,253**	3,445
		142,315	178,864
Working capital changes:			
Inventories		**(14,543)**	(4,933)
Trade and other receivables		**(18,386)**	(5,451)
Trade and other payables		**10,910**	(21,729)
		120,296	146,751
Employees' end of service benefits paid	17	**(1,245)**	(1,161)
Finance income received		**2,290**	3,279
Net cash from operating activities		**121,341**	148,869
INVESTING ACTIVITIES			
Acquisition of property, plant and equipment	5	**(190,726)**	(101,931)
Proceeds from disposal of property, plant and equipment		**459**	238
Amount paid for the conversion of land to freehold		**(11,548)**	-
Advances to Greenfield contractors and suppliers		**(42,815)**	(49,511)
Acquisition of leasehold rights	6	**(7,000)**	-
Purchase of available-for-sale investments	7	**-**	(21,750)
Proceeds from sale of available-for-sale investment		**10,959**	4,163
Dividend income received		**6,770**	4,398
Net cash used in investing activities		**(233,901)**	(164,393)
FINANCING ACTIVITIES			
Proceeds from term loans		**92,077**	62,683
Repayment of term loans		**(12,180)**	(5,054)
Dividends paid	16	**(45,000)**	(36,000)
Directors' fees		**(3,500)**	(3,500)
Finance expense paid		**(1,127)**	(1,759)
Net cash from financing activities		**30,270**	16,370
(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS		**(82,290)**	846
Cash and cash equivalents at 1 January		**281,246**	280,400
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	10	**198,956**	281,246

The attached notes 1 to 27 form part of these financial statements.

1 ACTIVITIES

Dubai Refreshments (P.J.S.C) (the "Company") was incorporated in Dubai in 1959 by a Decree issued by His Highness The Ruler of Dubai. The registered address of the Company is P.O. Box 420, Dubai, United Arab Emirates.

The Company is engaged in bottling and selling Pepsi Cola International products in Dubai, Sharjah and the other Northern emirates of UAE. The Company also exports Pepsi Cola International products from time to time to foreign countries after obtaining authorization from Pepsi Cola International. The Company holds 7Up and Aquafina bottling and selling rights for the whole of the UAE.

The Company is also the holding company for Emirates International Food Holdings Inc. (the "Subsidiary"), a limited liability company registered in the British Virgin Islands. The Company and its Subsidiary together are referred to as the "Group".

2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been presented in U.A.E. Dirhams, which is the functional and reporting currency of the Group, rounded to the nearest thousand (AED '000), except when otherwise indicated.

The consolidated financial statements are prepared under the historical cost convention modified to include the measurement at fair value of available-for-sale investments and derivative financial instruments.

2.2 BASIS OF CONSOLIDATION

The consolidated financial statements comprise the financial statements of the Company and its subsidiary as at 31 December 2013. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- Exposure, or rights, to variable returns from its involvement with the investee; and
- The ability to use its power over the investee to affect its returns.

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the statement of comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

2.2 BASIS OF CONSOLIDATION (continued)

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities

2.3 CHANGES IN ACCOUNTING POLICIES

New and amended standards and interpretations
The Group applied, for the first time, certain standards and amendments that require additional disclosure to be made. This is mainly in respect of IFRS 13 Fair Value Measurement.

Several other amendments apply for the first time in 2013. However, they do not impact the consolidated financial statements of the Group. These are listed below:

- IFRS 10 Consolidated Financial Statements and IAS 27 Separate Financial Statements
- IFRS 11 Joint Arrangements and IAS 28 Investment in Associates and Joint Ventures
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 19 Employee Benefits (Revised 2011)
- Recoverable Amount Disclosures for Non-Financial Assets – Amendments to IAS 36 Impairment of Assets
- IAS 1 Clarification of the requirement for comparative information (Amendment)

The nature and the impact of the new standards and amendments applicable to the Group are described below:

IFRS 13 Fair Value Measurement
IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. IFRS 13 also requires additional disclosures.

The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 26.

IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1
The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income (OCI). Items that could be reclassified (or recycled) to profit or loss at a future point in time (e.g., net gain on hedge of net investment, exchange differences on translation of foreign operations, net movement on cash flow hedges and net loss or gain on available-for-sale financial assets) now have to be presented separately from items that will never be reclassified (e.g., actuarial gains and losses on defined benefit plans and revaluation of land and buildings). The amendment affected presentation only and had no impact on the Group's financial position or performance.

Standards issued but not yet effective
The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's consolidated financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

The nature and the impact of the new standards and amendments applicable to the Group are described below:

2.3 CHANGES IN ACCOUNTING POLICIES (continued)

Standards issued but not yet effective (continued)
IFRS 9 Financial Instruments
IFRS 9, as issued, reflects the first phase of the IASB's work on the replacement of IAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in IAS 39. The standard was initially effective for annual periods beginning on or after 1 January 2013, but Amendments to IFRS 9 Mandatory Effective Date of IFRS 9 has not yet been specified. In subsequent phases, the IASB is addressing hedge accounting and impairment of financial assets. The adoption of the first phase of IFRS 9 will have an effect on the classification and measurement of the Group's financial assets, but will not have an impact on classification and measurements of the Group's financial liabilities. The Group will quantify the effect in conjunction with the other phases, when the final standard including all phases is issued.

IAS 32 Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
These amendments clarify the meaning of "currently has a legally enforceable right to set-off" and the criteria for non-simultaneous settlement mechanisms of clearing houses to qualify for offsetting. These are effective for annual periods beginning on or after 1 January 2014. These amendments are not expected to be relevant to the Group.

IAS 39 Novation of Derivatives and Continuation of Hedge Accounting – Amendments to IAS 39
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria. These amendments are effective for annual periods beginning on or after 1 January 2014. The Group has not novated its derivatives during the current period. However, these amendments would be considered for future novations.

Several other amendments issued but not yet effective up to the date of issuance of the Group's consolidated financial statement which do not impact the Group's consolidated financial statements are listed below:

- Investment Entities (Amendments to IFRS 10, IFRS 12 and IAS 27)
- IFRIC Interpretation 21 Levies (IFRIC 21)

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Current versus non-current classification
The Group presents assets and liabilities in statement of financial position based on current/non-current classification. An asset as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The Group classifies all other liabilities as non-current.

Fair value measurement
The Group measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Fair value measurement (continued)
The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

Revenue recognition
Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Group has concluded that it is acting as a principal in all of its revenue arrangements. The specific recognition criteria described below must also be met before revenue is recognised.

Sale of goods
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

Sale incentives
The Group receives sale incentives on its export sales based on volumes sold and agreed rates. These incentives are recognised when related export sales are recognised.

Interest income
Interest income is recognised as the interest accrues.

Dividend income
Dividend income is recognised when the Group's right to receive the dividend payment is established.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	3 to 20 years
Plant, machinery and equipment	2 to 15 years
Motor vehicles	3 to 5 years
Coolers and vending machines	5 years
Furniture and fixtures	2 years

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property, plant and equipment (continued)
Land and capital work-in-progress are not depreciated.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the consolidated income statement as the expense is incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the consolidated income statement in the period the asset is derecognised.

Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

During the year, the Group capitalised borrowing costs amounting to AED 6,328 thousand (2012: AED 1,461 thousand).

Intangible assets
Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the consolidated income statement in the expense category consistent with the function of the intangible asset.

Amortisation is calculated on a straight line basis over the assets' estimated useful lives as follows:

Franchise and bottling rights	20 years
Lease rights	20 years

Impairment of non-financial assets
At each reporting date the Group reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Group makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the consolidated income statement.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the consolidated income statement.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Available-for-sale investments
Available-for-sale investments are recognised and derecognised, on a trade date basis, when the Group becomes, or ceases to be, a party to the contractual provisions of the instrument.

Investments designated as available-for-sale investments are initially recorded at cost and subsequently measured at fair value, unless this cannot be reliably measured. Changes in fair value are reported as a separate component of equity. Upon impairment any loss, or upon derecognition any gain or loss, previously reported as "fair value reserve" within equity is included in the consolidated income statement for the year.

Accounts receivable
Accounts receivable are stated at original invoice amount less a provision for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off when there is no possibility of recovery.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdraft.

Impairment and uncollectibility of financial assets
The Group assesses, at each reporting date, whether there is objective evidence that a financial asset or a group of financial asset is impaired. A financial asset or a group of financial assets is deemed to be impaired if there is an objective evidence of impairment as a result of one or more events that has occurred since the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated. Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. If such evidence exists, any impairment loss is recognised in the consolidated income statement. Impairment is determined as follows:

a) For assets carried at fair value, impairment is the difference between cost and fair value, less any impairment loss previously recognised in the consolidated income statement;
b) For assets carried at cost, impairment is the difference between carrying value and the present value of future cash flows discounted at the current market rate of return for a similar financial asset; and
c) For assets carried at amortised cost, impairment is the difference between carrying amount and the present value of future cash flows discounted at the original effective interest rate.

Inventories
Inventories are stated at the lower of cost and net realisable value. Costs are those incurred in bringing each product to its present location and condition, as follows:

Raw materials – purchase cost on weighted average basis;
Spares and consumables – purchase cost on weighted average basis;
Finished goods – cost of direct materials and direct labour plus an appropriate share of production overheads based on normal operating capacity and is determined on weighted average basis.

Net realisable value is based on the estimated selling price less any further costs expected to be incurred on disposal. Damaged and obsolete inventories are written off.

Government and other grants
Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate. When the grant relates to an asset, it is recognised as deferred income and released to income in equal amounts over the expected useful life of the related asset.

When the Group receives a non-monetary grant, the asset and the grant are recorded at a nominal amount of AED AED 1.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts payable and accruals
Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Provisions
Provisions are recognised when the Group has an obligation (legal or constructive) arising from a past event, and the costs to settle the obligation are both probable and able to be reliably measured.

Employees' end of service benefits
The Group provides end of service benefits to its expatriate employees. The entitlement to these benefits is based upon the employees' salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

With respect to its national employees, the Group makes contributions to government pension scheme calculated as a percentage of the employees' salaries. The Group's obligations are limited to these contributions, which are expensed when due.

Contingencies
Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefits is probable.

Operating leases
Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognised as an expense in the consolidated income statement on a straight-line basis over the lease term.

Derivative financial instruments
The Group uses derivative financial instruments, such as forward currency contracts and forward commodity contracts, to hedge its foreign currency risks and commodity price risks, respectively. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The fair value of commodity purchase contracts that meet the definition of a derivative under IAS 39 are recognised in the consolidated income statement in cost of sales. Commodity contracts that are entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the Group's expected purchase, sale or usage requirements are held at cost.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to the consolidated income statement, except for the effective portion of cash flow hedges, which is recognised in other comprehensive income.

For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment; or
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item or transaction, the nature of the risk being hedged and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods in which they were designated.

2.4 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Derivative financial instruments (continued)
Hedges that meet the strict criteria for hedge accounting are accounted for as described below:

Fair value hedges
The change in the fair value of a hedging derivative is recognised in consolidated income statement. The change in the fair value of the hedged item attributable to the risk hedged is recorded as a part of the carrying value of the hedged item and is also recognised in consolidated income statement.

For fair value hedges related to items carried at amortised cost, the adjustment to the carrying value is amortised through the consolidated income statement over the remaining term to maturity. Any adjustment to the carrying amount of a hedged financial instrument for which the effective interest rate method is used is amortised through the consolidated income statement.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in the consolidated income statement.

When an unrecognised firm commitment is designated as hedged item, the subsequent cumulative change in fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in the consolidated income statement. The changes in the fair value of the hedging instrument are also recognised in the consolidated income statement.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised directly as other comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the consolidated income statement in finance costs.

Amounts recognised as other comprehensive income are transferred to the consolidated income statement when the hedged transaction affects the consolidated income statement, such as when the hedged financial income or financial expense is recognised or when a forecast sale occurs. Where the hedged item is the cost of a non-financial asset or non financial liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction or firm commitment is no longer expected to occur, the cumulative gain or loss previously recognised in equity are transferred to the consolidated income statement. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, any cumulative gain or loss previously recognised in other comprehensive income remains in other comprehensive income until the forecast transaction or firm commitment affects profit or loss.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the reporting date. All differences are taken to the statement of comprehensive income.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in other comprehensive income or profit or loss are also recognised in other comprehensive income or profit or loss, respectively).

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements
In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant impact on the amounts recognised in the consolidated financial statements.

Classification of investments
Management decides on acquisition of an investment whether it should be classified as held to maturity, held for trading, carried at fair value through profit or loss or available-for-sale.

For those investments deemed to be held to maturity, management ensures that the requirements of IAS 39 are met and, in particular that the Group has the intention and ability to hold these to maturity.

The Group classifies investments as trading if they are acquired primarily for the purpose of making a short term profit.

Classification of investments as fair value through profit or loss depends on how management monitors the performance of these investments. When they are not classified as trading but have readily available reliable fair values and the changes in fair values are reported as part of profit or loss in the management accounts, these are classified as fair value through profit or loss.

All other investments are classified as available-for-sale.

Classification of properties
Management decides at the time of acquisition of a property whether it should be classified as held for sale, property, plant and equipment or an investment property. The Group classifies properties as properties held for sale when its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group also classifies properties as property, plant and equipment when the properties are held for use by, or in the operations, of the Group. Properties are classified as investment properties when the intention is to hold them for capital appreciation, for rental or for undetermined use. The Group changes the classification when the intention changes.

Estimates and assumptions
The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Impairment of accounts receivable
An 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 is applied according to the length of time past due, based on historical recovery rates.

At the reporting date, gross trade accounts receivable were AED 68,032 thousand (2012: AED 56,413 thousand), and the provision for doubtful debts was AED 3,167 thousand (2012: AED 3,167 thousand). Any difference between the amounts actually collected in future periods and the amounts expected will be recognised in the consolidated income statement.

3 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS (continued)

Estimates and assumptions (continued)

Impairment of inventories

Inventories are held at the lower of cost and net realisable value. When inventories become old or obsolete, an estimate is made of their net realisable 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 is applied according to the inventory type and the degree of ageing or obsolescence, based on historical selling prices.

At the reporting date, gross inventory were AED 76,613 thousand (2012: AED 62,268 thousand) with provisions for slow moving inventories of AED 1,327 thousand (2012: AED 1,525 thousand). Any difference between the amounts actually realised in future periods and the amounts expected will be recognised in the consolidated income statement.

Useful lives and depreciation of property, plant and equipment

The management periodically reviews the estimated useful lives and depreciation method to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Useful lives and amortisation of intangible assets

The management periodically reviews the estimated useful lives and amortisation method to ensure that the method and period of amortisation are consistent with the expected pattern of economic benefits from these assets.

Derivatives

The fair values are obtained from quoted market prices available from the counter party bank, discounted cash flow models and valuation models as appropriate. The Group uses widely recognised valuation models for determining the fair value of forward currency contracts and forward commodity contracts. For these financial instruments, inputs into models are market observable.

4 PROFIT FOR THE YEAR

The profit for the year is stated after charging:

	2013 *AED'000*	*2012* *AED'000*
Staff costs	**91,636**	86,694
Rental - operating lease	**24,780**	23,909

5 PROPERTY, PLANT AND EQUIPMENT

	Land AED'000	*Buildings AED'000*	*Plant machinery and equipment AED'000*	*Coolers and vending machines AED'000*	*Software AED'000*	*Furniture and fixtures AED'000*	*Capital work-in-progress AED'000*	*Total AED'000*
Cost:								
At 1 January 2013	38,041	56,048	153,129	94,275	-	5,738	114,164	461,395
Additions	-	-	4,424	9,621	523	594	176,210	191,372
Transfer / reclassification	-	(462)	5,451	-	17,297	462	(22,748)	-
Disposals	-	-	(6,432)	(3,046)	-	(398)	(3,156)	(13,032)
At 31 December 2013	**38,041**	**55,586**	**156,572**	**100,850**	**17,820**	**6,396**	**264,470**	**639,735**
Accumulated depreciation:								
At 1 January 2013	-	31,538	85,358	84,263	-	4,965	-	206,124
Charge for the year	-	3,454	10,710	4,259	1,021	950	-	20,394
Disposal	-	-	(6,396)	(2,735)	-	(265)	-	(9,396)
At 31 December 2013	-	**34,992**	**89,672**	**85,787**	**1,021**	**5,650**	-	**217,122**
Net book value:								
At 31 December 2013	**38,041**	**20,594**	**66,900**	**15,063**	**16,799**	**746**	**264,470**	**422,613**

The factory buildings have been constructed on land granted by H.H. The Ruler of Dubai. In 2012, the land was converted from granted status to owned status.

The staff quarters have been constructed on land leased to the Group on an annual basis. In the opinion of management, the lease will be renewed for a period at least equivalent to the useful life of the staff quarters.

Capital work in progress mainly pertains to the construction of new office building and production facility.

Plant and machinery with a carrying value of AED 4.25 million (2012: AED 4.62 million) has been assigned in favour of a bank (Note 20).

5 PROPERTY, PLANT AND EQUIPMENT (continued)

	Land *AED'000*	*Buildings* *AED'000*	*Plant machinery and equipment* *AED'000*	*Coolers and vending machines* *AED'000*	*Furniture and fixtures* *AED'000*	*Capital work-in-progress* *AED'000*	*Total* *AED'000*
Cost:							
At 1 January 2012	-	55,870	152,439	94,288	5,471	20,319	328,387
Additions	38,041	160	2,741	2,398	1,165	93,996	138,501
Transfer	-	18	67	-	66	(151)	-
Disposals	-	-	(2,118)	(2,411)	(964)	-	(5,493)
At 31 December 2012	38,041	56,048	153,129	94,275	5,738	114,164	461,395
Accumulated depreciation:							
At 1 January 2012	-	28,030	76,901	82,554	4,903	-	192,388
Charge for the year	-	3,508	10,565	4,108	1,023	-	19,204
Disposal	-	-	(2,108)	(2,399)	(961)	-	(5,468)
At 31 December 2012	-	31,538	85,358	84,263	4,965	-	206,124
Net book value:							
At 31 December 2012	38,041	24,510	67,771	10,012	773	114,164	255,271

5 PROPERTY, PLANT AND EQUIPMENT (continued)

The depreciation charge of the year has been allocated as follows:

	2013 AED'000	*2012 AED'000*
Cost of sales	**7,927**	7,876
Selling and distribution expenses	**8,411**	8,685
Administrative and general expenses	**4,056**	2,643
	20,394	19,204

6 INTANGIBLE ASSETS

	Franchise and bottling rights AED'000	*Lease rights AED'000*	*Total AED'000*
Cost:			
At 1 January 2013	62,391	-	62,391
Additions	-	7,000	7,000
At 31 December 2013	**62,391**	**7,000**	**69,391**
Amortisation:			
At 1 January 2013	30,417	-	30,417
Charge for the year	3,118	204	3,322
At 31 December 2013	**33,535**	**204**	**33,739**
Net book value:			
At 31 December 2013	**28,856**	**6,796**	**35,652**

	Franchise and bottling rights AED'000	*Lease rights AED'000*	*Total AED'000*
Cost:			
At 1 January 2012	62,391	-	62,391
Additions	-	-	-
At 31 December 2012	62,391	-	62,391
Amortisation:			
At 1 January 2012	27,297	-	27,297
Charge for the year	3,120	-	3,120
At 31 December 2012	30,417	-	30,417
Net book value:			
At 31 December 2012	31,974	-	31,974

7 AVAILABLE-FOR-SALE INVESTMENTS

	2013 AED'000	*2012 AED'000*
Opening balance	**184,816**	116,359
Additions during the year	**-**	21,750
Change in market fair value	**2,610**	50,870
Disposals during the year	**(10,959)**	(4,163)
Closing balance	**176,467**	184,816

The Group's available-for-sale investments are held in equity securities listed on stock exchanges. Included in the above are investments in 47,914 shares of Etisalat with a carrying amount of AED 560.59 thousands, which were held in the name of the late Mr. Humaid Al Owais in trust and for the benefit of the Group. These shares are in the process of being transferred in the name of a Director of the Group who will hold them in trust for the beneficial interest of the Group.

8 INVENTORIES

	2013 AED'000	*2012 AED'000*
Raw material and consumable	**49,267**	34,798
Finished goods	**22,542**	22,347
Spare part and supplies	**4,804**	5,123
	76,613	62,268
Less: provision for slow moving inventories	**(1,327)**	(1,525)
	75,286	60,743

9 TRADE AND OTHER RECEIVABLES

	2013 AED'000	*2012 AED'000*
Trade receivables	**68,032**	56,413
Less: provision for doubtful debts	**(3,167)**	(3,167)
	64,865	53,246
Prepaid expenses	**7,279**	10,388
Due from a related party (Note 19)	**1,549**	648
Financial instruments at fair value through profit or loss (Note 25)	**50**	-
Other receivables	**18,492**	9,567
	92,235	73,849

As at 31 December 2013, trade accounts receivable with a nominal value of AED 3,167 thousand (2012: AED 3,167 thousand) were impaired. Movements in the provision for impairment of trade receivables were as follows:

	2013 AED'000	*2012 AED'000*
At 1 January	**3,167**	3,001
Charge for the year	**-**	166
At 31 December	**3,167**	3,167

9 TRADE AND OTHER RECEIVABLES (continued)

As at 31 December, the ageing of unimpaired trade receivables is as follows:

	Total AED'000	Neither past due nor impaired AED'000	Past due but not impaired				
			<30 days AED'000	30-60 days AED'000	60-90 days AED'000	90-120 days AED'000	>120 days AED'000
2013	**64,865**	**64,535**	**330**	-	-	-	-
2012	53,246	48,876	4,370	-	-	-	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable. It is not the practice of the Group to obtain collateral over receivables and the vast majority are, therefore, unsecured.

10 CASH AND CASH EQUIVALENTS

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following:

	2013 AED'000	2012 AED'000
Cash at banks and on hand	**27,036**	105,641
Short-term deposits	**181,763**	186,755
Bank balances and cash	**208,799**	292,396
Bank overdraft	**(9,843)**	(11,150)
	198,956	281,246

Short-term deposits are made for varying periods between one day and three months and earn interest at the respective short-term deposits rates.

11 TRADE AND OTHER PAYABLES

	2013 AED'000	2012 AED'000
Trade payable	**88,799**	87,864
Amount payable for land conversion to freehold	**11,547**	11,547
Accrued expenses	**27,010**	25,313
Accrual for staff costs	**14,326**	15,281
Accrual for project costs	**14,121**	13,475
Advances from customers	**4,705**	6,638
Retentions payable	**15,126**	3,515
Deferred income	**4,593**	4,222
Due to a related party (Note 19)	**-**	697
Financial instruments at fair value through profit or loss (Note 25)	**-**	269
Financial instruments at fair value through other comprehensive income (Note 25)	**1,619**	779
Other payables	**4,333**	4,530
	186,179	174,130

12 SHARE CAPITAL

	2013 AED'000	*2012 AED'000*
Authorised issued and fully paid up:		
90 million shares of AED 1 each	**90,000**	90,000

13 STATUTORY RESERVE

In accordance with UAE Commercial Companies Law of 1984 (as amended) and the Company's articles of association, 10% of the annual profit of the Company is required to be transferred to a statutory reserve until the reserve equals 50% of the share capital. No transfer was made to the statutory reserve in 2013 as the reserve has already reached 50% of the share capital. This reserve is not available for distribution except as stipulated by the law.

14 GENERAL RESERVE

In accordance with Article 193 of the UAE Commercial Companies Law of 1984 (as amended) and the Company's articles of association, 10% of the Company's net profit may be transferred to a general reserve to be used only for the purposes stated in the Company's article.

In accordance with Clause 66 of the Company's article of association, 10% of the net profit for each year should be transferred to this reserve and such transfers may cease when the reserve equals 5% of the paid up share capital of the Company.

During the Board of Directors' meeting held on 27 January 2014, the Directors has approved to transfer AED 115,779 thousand from retained earnings to general reserve.

15 FAIR VALUE RESERVE

Changes in fair value of available for sale investments are recognised in other comprehensive income and reported as fair value reserve within equity. Upon impairment loss or upon derecognition, any loss or gain previously reported as fair value reserve within equity is included in the consolidated income statement for the year.

16 DIVIDENDS

During the Annual General Meeting held on 25 February 2013, the shareholders approved a cash dividend of AED 0.50 per share totaling to AED 45 million relating to 2012 (2012: AED 0.40 per share totaling to AED 36 million relating to 2011).

During the Board of Directors' meeting held on 19 December 2013, the Directors proposed a cash dividend of AED 0.60 per share totaling to AED 54 million relating to 2013.

17 EMPLOYEES' END OF SERVICE BENEFITS

The movement in the provision recognised in the consolidated statement of financial position is as follows:

	2013 AED'000	*2012 AED'000*
Provision as at 1 January	**15,671**	13,387
Provided during the year	**2,253**	3,445
End of service benefits paid	**(1,245)**	(1,161)
Provision as at 31 December	**16,679**	15,671

18 EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Company, net of directors fees, amounting to AED 119.48 million (2012: AED 159.06 million) by the weighted average number of shares outstanding during the year of 90 million shares (2012: 90 million shares).

The Group has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

19 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management.

a Significant transactions with related parties:

Significant transactions with related parties included in the consolidated income statement are as follows:

	2013 AED'000	*2012 AED'000*
Sales to a related party	**10,138**	8,398
Purchases from related parties	**4,614**	5,614

Compensation of key management personnel
The remuneration of directors and other key members of management during the year was as follows:

	2013 AED'000	*2012 AED'000*
Short-term benefits	**14,752**	13,421
Employees' end of service benefits	**511**	256
Board of Directors' sitting fees	**620**	700
	15,883	14,377

19 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b Due from a related party (Note 9):

	2013 AED'000	*2012 AED'000*
Other related party		
Oman Refreshments Company Limited	**1,549**	648

c Due to a related party (Note 11):

	2013 AED'000	*2012 AED'000*
Other related party		
Emirates Refreshments Company	-	697

Outstanding balances at the year-end arise in the normal course of business. For the year ended 31 December 2013, the Group has not recorded any impairment of amounts owed by related parties (2012: AED Nil).

20 TERM LOANS

	Current portion AED'000	*Non-current portion AED'000*	*Total AED'000*
Loan 1 (a)	3,191	1,596	4,787
Loan 2 (b)	17,690	106,140	123,830
Loan 3 (c)	12,400	9,230	21,630
Balance at 31 December 2013	**33,281**	**116,966**	**150,247**
Balance at 31 December 2012	12,265	58,085	70,350

(a) In 2010, the Group obtained three term loans denominated in Euro to finance the purchasing and installation of new plant and machinery. These loans will be repaid over the term of 3-5 years and carry interest at 6 months EURIBOR plus 1.85% per annum. A fair value hedge has been created through a series of forward foreign exchange contracts matching the repayment dates.

Plant and machinery having a carrying value of AED 4.25 million (2012: 4.62 million) has been assigned in favour of the banks against these term loans denominated in Euro.

(b) The Group availed a term loan from a local bank to finance the construction of an office and plant facility (Greenfield Project) at the Dubai Investment Park. The term loan is repayable in 14 half yearly instalments starting on June 2014 and ending on December 2020 and carries interest at 3 months EIBOR plus 1.85% per annum.

(c) The Group also obtained a term loan from a local bank for the purpose of payment to Dubai Electricity and Water Authority for the Greenfield project. The loan is repayable in 30 monthly instalments ending on September 2015 and carries interest of 4% per annum.

21 OPERATING LEASE COMMITMENTS

The Group leases land, staff accommodations, office and warehouse premises and vehicles under operating lease agreements. The leases typically run for a period of 1 year to 30 years with an option to renew the lease after that date. The future aggregate minimum lease payments under non-cancellable operating leases are as follows:

	2013 AED'000	*2012 AED'000*
Within 1 year	**11,880**	14,870
After one year but not more than five years	**22,398**	27,973
More than 5 years	**135,626**	140,654
Total operating lease expenditure contracted for at the reporting date	**169,904**	183,497

22 CONTINGENCIES AND CAPITAL COMMITMENTS

	2013 AED'000	*2012 AED'000*
Bank guarantees	**103**	103
Letter of credit	**11,683**	869
Capital commitments - contracted	**282,388**	331,134
Capital commitments - uncontracted	**103,567**	231,921

The Group's capital commitments mainly pertain to approved expenditure of AED 658.3 million (31 December 2012: AED 658.3 million) on office and plant facility (Greenfield Project) at the Dubai Investment Park.

23 SEGMENT REPORTING

The Group operates in a single reporting segment of canning, bottling, distribution and trading of soft drinks and related beverages products. All the relevant information relating to this reporting/operating segment is disclosed in the consolidated statement of financial position, consolidated income statement and notes to the consolidated financial statements.

Additional information required by IFRS 8 *Segment Reporting*, is disclosed below:

a) Information about geographical segments

During the year ended 31 December 2013, revenue from customers located in the Group's country of domicile (UAE) is AED 743 million (year ended 31 December 2012: AED 712 million) and revenue from customers outside UAE (foreign customers) is AED 149 million (year ended 31 December 2012: AED 292 million).

b) Major customer

During the year ended 31 December 2013, there were no customers of the Group with revenues greater than 10% of the total revenue of the Group (2012: Nil).

24 RISK MANAGEMENT

Interest rate risk
The Group is exposed to interest rate risk on its interest bearing assets and liabilities (bank deposits and term loans).

The following table demonstrates the sensitivity of the consolidated income statement to reasonably possible changes in interest rates, with all other variables held constant.

The sensitivity of the consolidated income statement is the effect of the assumed changes in interest rates on the Group's result for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

There is no impact on the Group's equity.

	Increase/ decrease in basis points	*Effect on profit for the year AED'000*
2013		
AED	**+50**	**(800)**
AED	**-50**	**800**
2012		
AED	+50	(408)
AED	-50	408

Credit risk
The Group seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables.

The Group limits its credit risk with regard to bank deposits by only dealing with reputable banks.

Credit risk is limited to the carrying values of financial assets in the consolidated statement of financial position.

With respect to credit risk arising from other financial assets of the Group, including cash and cash equivalents, the Group's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

Liquidity risk
The Group limits its liquidity risk by ensuring that adequate internally generated funds and bank facilities are available. The Group's terms of sales require amounts to be paid within 30 to 60 days from the date of sale. Trade payables are normally settled within 30 to 90 days from the date of purchase.

The table below summarises the maturities of the Group's undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

At 31 December 2013

	Less than 6 months AED'000	*6 to 12 months AED'000*	*1 to 5 years AED'000*	*>5 years AED'000*	*Total AED'000*
Accounts payable and other payables	**155,981**	**20,900**	**-**	**-**	**176,881**
Term loans	**18,663**	**18,491**	**89,859**	**36,573**	**163,586**
Bank overdraft	**9,843**	**-**	**-**	**-**	**9,843**
Total	**184,487**	**39,391**	**89,859**	**36,573**	**350,310**

24 RISK MANAGEMENT (continued)

Liquidity risk (continued)
At 31 December 2012

	Less than 6 months AED'000	*6 to 12 months AED'000*	*1 to 5 years AED'000*	*>5 years AED'000*	*Total AED'000*
Accounts payable and other payables	153,982	9,288	11,548	-	174,818
Term loans	7,306	7,274	46,685	18,816	80,081
Bank overdraft	11,150	-	-	-	11,150
Total	172,438	16,562	58,233	18,816	266,049

Currency risk
The Group had the following significant net exposures denominated in foreign currencies in the form of bank balances and term loans.

	2013 AED'000 equivalent	*2012 AED'000 equivalent*
Net assets:		
Euro	**21,530**	70,048

The below analysis calculates the effect of a reasonably possible movement of the AED currency rate against the above mentioned currency, with all other variables held constant, on the statement of comprehensive income (due to the fair value of currency sensitive monetary assets and liabilities).

	Increase/ decrease in exchange rate to the AED	*Effect on profit for the year increase/ (decrease) AED'000*	*Effect on other comprehensive income for the year increase/ (decrease) AED'000*
2013	**+5%**	**1,159**	-
	-5%	**(1,159)**	-
2012	+5%	3,755	-
	- 5%	(3,755)	-

Capital management
The primary objective of the Group's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2013 and 31 December 2012. Capital comprises share capital, reserves and retained earnings and is measured at AED 740 million as at 31 December 2013 (2012: AED 666 million).

25 FAIR VALUE OF DERIVATIVES

Derivatives not designated as hedging instruments
The Group uses forward currency contracts to manage some of its financing transaction exposures. Foreign currency forward contracts are not designated as cash flow, fair value or net investment hedges and are entered into for periods consistent with currency transaction exposures, generally 3 to 36 months. Derivatives where no hedging relationship is established or which are contracted for general purposes are not considered as cash flow or fair value hedges.

Cash flow hedges
The Group also uses forward commodity contracts and forward currency contracts to manage some of its financing transaction exposures, highly probable transactions and commitment. The hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transaction is accounted for as a cash flow hedge.

The cash flow hedges were assessed to be highly effective and as at 31 December 2013, and a net unrealized loss of AED 493 thousands (2012: AED 347 thousands) was included in other comprehensive income in respect of these contracts.

The table below shows the positive and negative fair values of derivative financial instruments including cash flow hedges, which are equivalent to the market values, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

			Notional amounts by term to maturity		
	Positive fair value AED'000	***Negative fair value AED'000***	***Notional amount AED'000***	***Within 1 year AED'000***	***1-5 years AED'000***
Derivatives					
Designated as cash flow hedges	-	(1,619)	37,533	37,533	-
Not designated for hedging	50	-	1,656	1,656	-
31 December 2013	**50**	**(1,619)**	**39,189**	**39,189**	**-**

			Notional amounts by term to maturity		
	Positive fair value AED'000	*Negative fair value AED'000*	*Notional amount AED'000*	*Within 1 year AED'000*	*1-5 years AED'000*
Derivatives					
Designated as cash flow hedges	-	(779)	42,968	42,968	-
Not designated for hedging	-	(269)	5,053	3,397	1,645
31 December 2012	-	(1,048)	48,021	46,365	1,645

The fair value of derivatives is presented in the consolidated statement of financial position as:

	2013 AED'000	*2012 AED'000*
Current assets (Note 9)	**50**	-
Current liabilities (Note 11)	**1,619**	1,048

26 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables and available-for-sale investments. Financial liabilities consist of bank borrowings, payables and derivatives.

The fair values of financial instruments are not materially different from their carrying values.

Fair value hierarchy
The Group uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.
Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.
Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

As at 31 December 2013, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	31 Dec 2013 AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Available-for-sale investments (Note 7)				
Quoted equity shares				
Consumer products sector	**175,906**	**175,906**	-	-
Telecommunications sector	**561**	**561**	-	-
Financial instruments at fair value through profit or loss (Note 9)				
Foreign exchange forward contracts - EUR	**50**	-	**50**	-

Liabilities measured at fair value

	31 Dec 2013 AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Financial instruments at fair value through other comprehensive income (Note 11)				
Foreign exchange forward contracts - EUR	**62**	-	**62**	-
Commodity derivative (aluminum)	**1,557**	-	**1,557**	-

As at 31 December 2012, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	31 Dec 2012 AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Available-for-sale investments (Note 7)				
Quoted equity shares				
Consumer products sector	178,877	178,877	-	-
Banking sector	5,504	5,504	-	-
Telecommunications sector	435	435	-	-

26 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

Liabilities measured at fair value

	31 Dec 2012 AED'000	*Level 1 AED'000*	*Level 2 AED'000*	*Level 3 AED'000*
Financial instruments at fair value through profit or loss (Note 11)				
Foreign exchange forward contracts - EUR	269	-	269	-
Financial instruments at fair value through other comprehensive income (Note 11)				
Foreign exchange forward contracts - EUR	99	-	99	-
Commodity derivative (aluminum)	680	-	680	-

During the years ended 31 December 2013 and 31 December 2012, there were no transfers between the various levels of fair value measurements.

27 NON-CASH TRANSACTIONS

The following non-cash transaction has been excluded from the statement of cash flows:

	Notes	***2013 AED'000***	*2012 AED'000*
Amounts payable for the conversion of land to freehold			
Current portion	11	-	11,547
Non-current portion		-	11,548
Accrual for project costs	11	**14,121**	13,475
Total additions to property, plant and equipment		**14,121**	36,570