Gulfa Mineral Water and Processing Industries Co. P.L.C.

Interim condensed financial statements
For the three months period ended 31 March 2018

Gulfa Mineral Water and Processing Industries Co. P.L.C.

Interim condensed financial information
For the three months period ended 31 March 2018

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Report on review of interim condensed financial statements to the Shareholders of Gulfa Mineral Water and Processing Industries Co. P.L.C.

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Gulfa Mineral Water and Processing Industries Co. P.L.C. (the "Company") as at 31 March 2018 and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the three-month period then ended and other explanatory notes. Management is responsible for the preparation and presentation of this interim condensed financial statements in accordance with International Accounting Standard 34 "Interim Financial Reporting" as issued by the International Accounting Standards Board (IASB). Our responsibility is to express a conclusion on this 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 statements performed by the independent auditor of the entity'. A review of interim financial statements 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 statements is not prepared, in all material respects, in accordance with International Accounting Standard 34 "Interim Financial Reporting".

PricewaterhouseCoopers
14 May 2018

Douglas O'Mahony
Registered Auditor Number 834
Dubai, United Arab Emirates

Gulfa Mineral Water and Processing Industries Co. P.L.C.

Interim condensed statement of financial position

	Note	As at 31 March 2018 AED (Reviewed)	As at 31 December 2017 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	12,127,543	12,685,640
Intangible assets		121,632	129,234
		12,249,175	12,814,874
Current assets			
Inventories	6	6,428,310	5,977,580
Trade and other receivables	7	8,504,307	12,561,569
Due from related parties	8	1,067,139	1,081,389
Cash and cash equivalents		7,343,843	7,183,247
		23,343,599	26,803,785
Total assets		35,592,774	39,618,659
EQUITY AND LIABILITIES			
Equity			
Capital and reserves			
Share capital	9	30,000,000	30,000,000
Statutory reserve	10	5,887,566	5,887,566
Voluntary reserve	11	234,067	234,067
Accumulated losses		(10,819,787)	(6,456,442)
Net equity		25,301,846	29,665,191
Liabilities			
Non-current liabilities			
Provision for employees' end of service benefits		2,878,062	3,376,909
		2,878,062	3,376,909
Current liabilities			
Trade and other payables	13	7,253,647	6,530,852
Due to related parties	8	159,219	45,707
		7,412,866	6,576,559
Total liabilities		10,290,928	9,953,468
Total equity and liabilities		35,592,774	39,618,659

The interim condensed financial statements were approved for issue by the Board of Directors on 14 May 2018 and were signed on its behalf by:

Mr. Mostafa Gooba
General Manager

Mr. Ahmed Sobhy
Deputy Finance Manager

The notes on pages 6 to 18 are an integral part of these financial statements.

Gulfa Mineral Water and Processing Industries Co. P.L.C.

Interim condensed statement of comprehensive income

	Note	Three months period ended 31 March 2018 AED (Reviewed)	2017 AED (Reviewed)
Revenue		5,904,506	10,106,104
Cost of revenue	14	(5,546,228)	(9,172,605)
Gross profit		358,278	933,499
Other income		6,475	42,907
General and administrative expenses		(1,771,757)	(366,386)
Selling and distribution expenses		(1,243,928)	(942,145)
Loss for the period		(2,650,932)	(332,125)
Other comprehensive income		-	-
Total comprehensive income for the period		(2,650,932)	(332,125)
Basic and diluted losses per share	12	(0.088)	(0.011)

The notes on pages 6 to 18 are an integral part of these financial statements.

Gulfa Mineral Water and Processing Industries Co. P.L.C.

Interim condensed statement of changes in equity

	Note	Share Capital AED	Statutory reserve AED	Voluntary reserve AED	Retained earnings AED	Total AED
Balance At 1 January 2017		30,000,000	5,887,566	234,067	1,217,013	37,338,646
Loss for the period		-	-	-	(332,125)	(332,125)
Balance at 31 March 2017 (Reviewed)		30,000,000	5,887,566	234,067	884,888	37,006,521
Balance at 31 December 2017		30,000,000	5,887,566	234,067	(6,456,442)	29,665,191
Impact of application of new standard	2.5	-	-	-	(1,712,413)	(1,712,413)
Balance at 1 January 2018		30,000,000	5,887,566	234,067	(8,168,855)	27,952,778
Loss for the period		-	-	-	(2,650,932)	(2,650,932)
Balance at 31 March 2018 (Reviewed)		30,000,000	5,887,566	234,067	(10,819,787)	25,301,846

The notes on pages 6 to 18 are an integral part of these financial statements.

Gulfa Mineral Water and Processing Industries Co. P.L.C.

Interim condensed statement of changes in cash flows

	Three months period ended 31 March	
	2018 AED (Reviewed)	2017 AED (Reviewed)
Cash flows from operating activities		
Loss for the period	(2,650,932)	(332,125)
Adjustments for:		
Depreciation	613,682	527,506
Amortisation	7,602	2,281
Gain on sale of property, plant and equipment	(76)	(20,000)
Provision for employees' end of service benefits	67,885	(387,809)
Provision for impairment of trade and other receivables	(959,524)	-
Provision for obsolete, slow moving, and defective inventories	38,665	-
Operating cash flows before changes in working capital	(2,882,698)	(210,147)
Payment of employees' end of service benefits	(566,732)	(264,801)
Changes in working capital:		
Trade and other receivables	3,304,373	(2,804,606)
Inventories	(489,395)	(508,149)
Due from related parties	14,250	(172,812)
Trade and other payables	722,795	(1,245,159)
Due to related parties	113,512	-
Net cash generated from/(used in) operating activities	216,105	(5,205,674)
Cash flows from investing activity		
Purchase of property, plant and equipment	(56,108)	(397,579)
Proceeds from sale of property, plant and equipment	599	20,000
Purchase of intangibles	-	(107,000)
Net cash used in investing activities	(55,509)	(484,579)
Net increase/(decrease) in cash and cash equivalents	160,596	(5,690,253)
Cash and cash equivalents, beginning of the period	7,183,247	15,491,054
Cash and cash equivalents, end of the period	7,343,843	9,800,801

The notes on pages 6 to 18 are an integral part of these financial statements.

Gulfa Mineral Water and Processing Industries Co. P.L.C.

Notes to the interim condensed financial information for the three months period ended 31 March 2018

1 General information

Gulfa Mineral Water and Processing Industries Co. P.L.C. (the "Company") was established in Ajman by an Emiri decree number 13 issued by His Highness the Ruler of Ajman on 28 March 1977. The Company started its operations on 24 May 1977. The Company is a publicly listed company on the Dubai Financial Market since 17 April 2007. The Company's registered address is at Gulfa Street, P.O.Box 929, Ajman, United Arab Emirates.

The Company is 92.7 % effectively owned subsidiary of Kuwait Food Company (Americana), a company incorporated in Kuwait (the "Parent Company"). The Ultimate parent of the Company is Adeptio AD Holdings SPC Ltd. ("Ultimate Parent Company"), a company incorporated in Dubai.

The Company's plant is in Muzeirah Street Masfout, P.O. Box 929, Ajman, United Arab Emirates. The main activities of the Company are production and bottling of mineral water, manufacturing and trading of juices, food stuff, preforms and screw caps.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these interim condensed financial statements are set out below. These policies have been consistently applied during the years presented, unless otherwise stated.

2.1 Basis of preparation

This interim condensed financial statements for the three-month period ended 31 March 2018 have been prepared in accordance with IAS 34, 'Interim financial reporting'. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in financial position and performance of the Company since the last annual financial statements as at and for the year ended 31 December 2017. The interim condensed financial statements does not include all the information required for full annual financial statements prepared in accordance with International Financial Reporting Standards ("IFRS") and IFRS Interpretations Committee ("IFRS IC"). The interim condensed financial statements should be read in conjunction with the annual financial statements as at and for the year ended 31 December 2017.

At 31 March 2018, the Company had net loss of AED 2,650,932 (2017: AED 332,125) and accumulated losses of AED 10,819,787 (2017: AED 6,456,442). The Parent Company has confirmed its intention to provide continuous financial support to the Company to enable it both to meet its obligations as and when they fall due and to carry on its business without a significant curtailment of its operations for a period of at least twelve months from the date of signing of these interim condensed financial statements. Accordingly, these interim condensed financial statements have been prepared on a going concern basis.

The interim condensed financial statements has been prepared under the historical cost convention.

2 Summary of significant accounting policies (continued)

2.2 New standards, amendments and interpretations

(a) Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2018:

- IFRS 9, 'Financial instruments: Classification and Measurement' (effective from 1 January 2018); and
- IFRS 15, 'Revenue from contracts with customers' (effective from 1 January 2018).

The impact of the above amendment to standards on the interim condensed financial statements of the Company, has been disclosed in Notes 2.4 and 2.5.

(b) New standards and amendments issued but not effective until financial years beginning after 1 January 2018 and not early adopted by the Company:

- IFRS 16, 'Leases' (effective from 1 January 2019).

The Company is assessing the impact of the accounting changes that will arise as a result of IFRS 16.

2.3 Accounting policies

The accounting policies adopted are consistent with those of the financial statements as at and for the year ended 31 December 2017, except for the adoption of new and amended standards as set out below.

2.4 IFRS 15 Revenue from contracts with customers

IFRS 15 establishes a comprehensive framework for determining whether, how and when revenue is recognised. It replaced IAS 18 Revenues, IAS 11 Construction contracts and related interpretations.

The Company has adopted IFRS 15 using the modified retrospective transition approach which means that the cumulative impact of the adoption will be recognised in retained earnings as of 1 January 2018 and that comparatives for 2017 will not be restated.

The impact of IFRS 15 on the condensed interim financial statements of the Company is as follows:

- Sales return – IFRS 15 requires that a variable consideration in relation to sales return, shall be recognised upon recognition of revenue rather than of when the return actually occurs. After adoption of IFRS 15, the Group should recognise:
  a) Revenue for the transferred products in the amount of consideration to which the entity expects to be entitled.
  b) A corresponding refund liability and;
  c) An asset and corresponding adjustment to cost of sales for its right to recover products from its customers on settling the refund liability.

2 Summary of significant accounting policies (continued)

2.4 IFRS 15 Revenue from contracts with customers (continued)

- Progressive rebates – The Group provide progressive rebates to its customers whereby such customers are provided with additional discounts where they meet specified sales targets. Such discounts represent IFRS 15 variable consideration and will be included in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur when the uncertainty associated with the variable consideration is subsequently resolved.

Changes in accounting policies resulting from the adoption of IFRS 15 has not resulted any material impact on opening balance of retained earnings/equity.

2.5 IFRS 9 Financial instruments

In July 2014, the International Accounting Standards Board issued the final version of IFRS 9 Financial Instruments. IFRS 9 is effective for annual periods beginning on or after 1 January 2018.

The Group has adopted IFRS 9 retrospectively, with a date of initial application as of 1 January 2018. The requirements of IFRS 9 represent a significant change from IAS 39 Financial Instruments: Recognition and Measurement. The new standard brings fundamental changes to the accounting for financial assets and to certain aspects of the accounting for financial liabilities.

The key changes to the Company's accounting policies resulting from its adoption of IFRS 9 are summarised below.

IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income (FVOCI) and fair value through profit or loss (FVTPL). For financial receivables, IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows. For equity instruments, IFRS 9 now requires measurement of all assets at fair value and provides an irrevocable option to measure certain securities at FVOCI rather than through profit or loss.

The derecognition rules have been transferred from IAS 39 Financial Instruments: Recognition and Measurement and have not been changed. The new impairment model requires the recognition of impairment provisions based on expected credit losses (ECL) rather than only incurred credit losses as is the case under IAS 39.

All other assets that were previously classified as loans and receivables will now be classified as assets measured at amortised cost under IFRS 9. The adoption of IFRS 9 has not had a significant effect on the Company's accounting policies for financial liabilities.

The adoption of IFRS 9 based on ECL has resulted an impact of AED 1,712,413 on opening balance of retained earnings/equity.

2 Summary of significant accounting policies (continued)

2.5 IFRS 9 Financial instruments (continued)

The following table summarises the impact of adopting IFRS 9 and 15 on the Company's condensed interim statement of income for the three-month period ended 31 March 2018:

	Amounts without adoption of IFRS 9 and 15 AED	Adjustments AED	As reported 31 March 2018 AED
Revenue	5,932,296	(27,790)	5,904,506
Cost of revenue	(5,546,228)	-	(5,546,228)
Gross profit	386,068	(27,790)	358,278
Other income	6,475	-	6,475
General and administrative expenses	(1,627,580)	(144,177)	(1,771,757)
Selling and distribution expenses	(1,243,928)	-	(1,243,928)
Loss for the period	(2,478,965)	(171,967)	(2,650,932)

2.6 Functional and presentation currency

Items included in the interim condensed financial statements of the Company are measured using the currency of primary economic environment in which the Company operates ('the functional currency'). The interim condensed financial statements are presented in United Arab Emirates Dirhams ("AED"), which is the Company's functional and presentational currency.

3 Financial risk management

3.1 Financial risk factors

The Company's activities may expose it to a variety of financial risks: market risk (including foreign exchange risk), credit risk and liquidity risk. The management carries out risk assessment for managing each of these risks. The overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the financial performance of the Company.

The interim condensed financial statements does not include all financial risk management statements and disclosures required in the annual financial statements; they should be read in conjunction with the Company's annual financial statements for the year ended 31 December 2017. There have been no changes in the risk management department or in any risk management policies since the year end.

(a) Credit risk

Credit risk arises from trade and other receivables (Note 7), due from related parties balances (Note 8) and cash and cash equivalents. The Company assesses the credit quality of its customers, taking into account their financial position, past experience and other factors.

The table below on the next page shows the credit rating at the end of the reporting period based on Moody's ratings for the main banking relationships:

Rating	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Aa3	7,011,324	7,018,368
A3	96,114	96,114
	7,107,438	7,114,482

The cash on hand as at 31 March 2018 amounted to AED 236,405 (31 December 2017: 68,765).

3 FINANCIAL RISK MANAGEMENT (continued)

3.1 Financial risk factors (continued)

(b) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Due to the dynamic nature of the underlying businesses, the Company aims to maintain flexibility in funding by keeping committed credit lines available.

The table below presents the Company's financial liabilities which are all due within 12 months. The amounts disclosed in the table are the contractual undiscounted cash flows at maturity. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Financial liabilities		
Trade and other payables	7,253,647	6,530,852
Due to related parties	159,219	45,707
Total	7,412,866	6,576,559

4 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of these interim condensed financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in future periods.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

In preparing these interim condensed financial statements, the significant judgements made by management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the financial statements for the year ended 31 December 2017.

Notes to the interim condensed financial information for the three months period ended 31 March 2018 (continued)

5 EQUIPMENT AND VEHICLES

	Land AED	Building AED	Machinery and equipment AED	Furniture and fixtures AED	Motor vehicles AED	Capital work-in-progress AED	Total AED
Cost							
At 1 January 2017	243,000	20,000,972	50,208,067	2,383,593	2,519,368	3,829,809	79,184,809
Additions	-	-	497,093	64,603	73,890	-	635,586
Disposals	-	(3,160)	(3,830,030)	(152,759)	(101,500)	-	(4,087,449)
Transfer	-	-	3,784,769	-	-	(3,829,809)	(45,040)
At 31 December 2017 (Audited)	243,000	19,997,812	50,659,899	2,295,437	2,491,758	-	75,687,906
Additions			51,658	4,450	-	-	56,108
Disposals	-	-	-	(3,590)	-	-	(3,590)
At 31 March 2018 (Reviewed)	243,000	19,997,812	50,711,557	2,296,297	2,491,758	-	75,740,424
Accumulated depreciation							
At 1 January 2017	-	14,270,951	45,979,075	2,055,178	2,445,769	-	64,750,973
Charge for the period	-	445,496	1,689,318	129,357	74,571	-	2,338,742
Disposals	-	(3,160)	(3,830,030)	(152,759)	(101,500)	-	(4,087,449)
At 31 December 2017 (Audited)	-	14,713,287	43,838,363	2,031,776	2,418,840	-	63,002,266
Charge for the period	-	111,046	456,301	32,677	13,658	-	613,682
Disposals	-	-	-	(3,067)	-	-	(3,067)
At 31 March 2018 (Reviewed)	-	14,824,333	44,294,664	2,061,386	2,432,498	-	63,612,881
Net book amount							
At 31 March 2018 (Reviewed)	243,000	5,173,479	6,416,893	234,911	59,260	-	12,127,543
At 31 December 2017 (Audited)	243,000	5,284,525	6,821,536	263,661	72,918	-	12,685,640

6 INVENTORIES

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Raw materials	2,885,708	2,655,202
Spare parts	2,582,798	2,475,235
Finished products	1,244,980	1,093,654
	6,713,486	6,224,091
Provision for obsolete, slow moving, and defective inventories	(285,176)	(246,511)
	6,428,310	5,977,580

7 TRADE AND OTHER RECEIVABLES

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Trade receivables	13,132,820	16,195,613
Provision for impairment of trade receivables	(7,251,029)	(5,394,439)
	5,881,791	10,801,174
Advances to suppliers	1,323,450	897,185
Provision for advances to suppliers	(811,616)	(202,904)
	6,393,625	11,495,455
Prepayments	839,876	283,782
Refundable deposits	782,332	782,332
Other receivables	488,474	-
	8,504,307	12,561,569

8 RELATED PARTY BALANCES AND TRANSACTIONS

Related parties include the shareholders, Parent Company, Ultimate Parent Company, key management personnel, associated companies, joint venture, directors and businesses including affiliates controlled directly or indirectly by the shareholders, Parent Company, Ultimate Parent Company and directors or over which they exercise significant management influence. A fellow subsidiary is an entity which comes under the common controller of the Parent Company.

8 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(a) Related parties balances

		31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Due from related parties	**Relationship**		
Gulf Food Industries Company	Fellow subsidiary	767,139	781,389
Egyptian Canning Company - Americana	Fellow subsidiary	300,000	300,000
		1,067,139	1,081,389

		31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Due to related parties	**Relationship**		
Kuwait Food Company S.A.K (Americana) -Kuwait	Parent Company	46,911	43,814
Kuwait food Co. (Americana) - Main office	Fellow subsidiary	112,308	1,893
		159,219	45,707

(b) Related party transactions

During the period, the Company entered into the following transactions with related parties at mutually agreed prices:

	Relationship	31 March 2018 AED (Reviewed)	31 March 2017 AED (Reviewed)
Gulf Food Industries Company	Fellow subsidiary		
Recharges of salaries and other benefits		-	193,345
Recharges of general and administrative expenses		14,250	20,532
Kuwait Food Company S.A.K. (Americana) -Kuwait	Fellow subsidiary		
Recharges of salaries and other benefits		39,513	-
Sale of goods		37,569	-
Kuwait food Co. (Americana) - Main Office	Fellow subsidiary		
Recharges of general and administrative expenses		110,415	-

8 RELATED PARTY BALANCES AND TRANSACTIONS (continued)

(c) Key management personnel

	31 March 2018 AED (Reviewed)	31 March 2017 AED (Reviewed)
Compensation to key management personnel comprises:		
Salaries and other short term employee benefits	39,513	179,522
End of service benefits	-	(524,506)
	39,513	(344,984)

9 SHARE CAPITAL

On 18 April 2016, the paid up capital of the Company was increased from AED 25,000,000 to AED 30,000,000 by distributing bonus shares worth 20% of the capital and balance amount from voluntary reserve.

The Company's authorized share capital is AED 40 million. The issued and fully paid up capital is AED 30 million comprising of 30 million shared with nominal value of AED 1 each (31 March 2017: 30 million shares with nominal value of AED 1 each). All shared are in cash.

10 STATUTORY RESERVE

As required by the Company law of United Arab Emirates, 10% of the profit for the year is to be transferred to a statutory reserve up to 50% of the share capital.

The shareholders may resolve to discontinue such annual transfers as reserve equals one half of the share capital. This reserve is not available for distribution

11 VOLUNTARY RESERVE

In compliance with the Company's articles of association, the Board of Directors determines a percentage of net profit to be transferred to the voluntary reserve. The transfer may be stopped by a resolution adopted by the ordinary assembly of the Company as recommended by the Board of Directors. There are no restrictions on distribution from the voluntary reserve.

12 LOSS PER SHARE

	31 March 2018 AED (Reviewed)	31 March 2017 AED (Audited)
Loss for the period	(2,650,932)	(332,125)
Weighted average number of ordinary shares for purposes of basic earnings	30,000,000	30,000,000
Basic and diluted loss per share	(0.088)	(0.11)

Diluted losses per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. On 31 March 2018, the Company did not have any such dilutive ordinary shares. Therefore, diluted losses per share equals the basic losses per share.

13 TRADE AND OTHER PAYABLES

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Trade payables	2,832,428	2,380,063
Accruals	3,824,253	3,687,529
Provisions	536,196	441,926
Other payables	60,770	21,334
	7,253,647	6,530,852

14 COST OF SALES

	For the three-month period ended	
	31 March 2018 AED (Reviewed)	31 March 2017 AED (Reviewed)
Costs of goods sold	3,435,178	7,017,789
Staff costs	1,033,173	1,158,458
Depreciation	577,878	496,358
Ajman Government - Concession fee*	499,999	500,000
	5,546,228	9,172,605

*In accordance with the letter dated 8 February 2013, received from the Rulers' Court of Ajman, Ajman Government agreed to receive a sum of AED 2,000,000 as an annual concession fee for the use of natural resources from a land contributed by the Government for a period of three years effective 1 January 2013 to 31 December 2015. The above concession fee agreement has been extended till 31 December 2018.

15 OTHER INCOME

	For the three-month period ended	
	31 March 2018 AED (Reviewed)	31 March 2017 AED (Reviewed)
Gain on disposal of property, plant and equipment	76	20,000
Others	6,399	22,907
	6,475	42,907

16 FINANCIAL INSTRUMENTS

The accounting policies for the financial instruments have been applied to the line items below:

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Financial assets		
Due from related parties (Note 8)	1,067,139	1,081,389
Trade and other receivables (excluding advances to suppliers, prepayments and deposits) (Note 7)	5,881,791	8,885,857
Cash and cash equivalents	7,343,843	7,183,247
	14,292,773	17,353,397

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Financial liabilities		
Due to related parties (Note 8)	159,219	45,707
Trade and other payables (Note 13)	7,253,647	6,530,852
	7,412,866	6,576,559

17 CONTINGENCIES AND COMMITMENTS

	31 March 2018 AED (Reviewed)	31 December 2017 AED (Audited)
Letter of guarantee	300,000	300,000

18 SEGMENT INFORMATION

In determining the Company's operating segment, management has primarily considered the financial information in the internal reports that are reviewed and used by the Board of Directors in assessing performance and in determining the allocation of resources. Management has concluded that the Company has a single operating segment, being the production and bottling of mineral water, juices, soft drinks, food stuff, preforms and screw caps in the United Arab Emirates.

19 RE-ARRANGEMENT OF COMPARATIVES

The comparative figures have been reclassified to align with the current period classifications. These reclassifications do not have any impact on the results for the three-month period ended 31 March 2018 or the Company's net assets. The impact of these reclassifications is summarised in the table below:

	Three months ended 31 March 2017		
	As previously stated AED	Reclassifications AED	As reclassified AED
Revenue	10,106,085	19	10,106,104
Cost of revenue	(8,672,590)	(500,015)	(9,172,605)
Provision no longer required	558,515	(558,515)	-
General and administrative expenses	(924,900)	558,514	(366,386)
Selling and distribution expenses	(942,142)	(3)	(942,145)
Concession fee provision provided by the Government	(500,000)	500,000	-
Net statement of income impact	(375,032)	-	(375,032)