UNITED FOODS COMPANY (PSC)

CONDENSED INTERIM FINANCIAL STATEMENTS (UNAUDITED)

FOR THE PERIOD ENDED 30 SEPTEMBER 2020

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Report on review of condensed interim financial statements to the Board of Directors of United Foods Company (PSC)

Introduction

We have reviewed the accompanying condensed interim statement of financial position of United Foods Company (PSC) (the "Company") as at 30 September 2020 and the related condensed interim statement of profit or loss, condensed interim statement of comprehensive income for the three-month and nine-month periods then ended, condensed interim statement of changes in equity and condensed interim statement of cash flows for the nine-month period then ended, and related explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, *Interim Financial Reporting* ("IAS 34"). Our responsibility is to express a conclusion on these condensed interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

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4 November 2020

United Foods Company (PSC)

CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS

For the period ended 30 September 2020 (Unaudited)

		Nine months ended		*Three months ended*	
	Notes	***30 September 2020 AED***	*30 September 2019 AED*	***30 September 2020 AED***	*30 September 2019 AED*
Sales, gross		**325,800,313**	302,478,405	**101,741,792**	86,715,028
Less: Discounts and marketing expenses		**(14,555,991)**	(11,416,055)	**(4,003,600)**	(2,624,786)
Sales, net		**311,244,322**	291,062,350	**97,738,192**	84,090,242
Cost of sales		**(252,457,146)**	(229,041,204)	**(78,524,518)**	(67,003,519)
Gross profit		**58,787,176**	62,021,146	**19,213,674**	17,086,723
Selling and distribution expenses		**(25,453,528)**	(24,135,223)	**(8,299,348)**	(7,585,865)
General and administrative expenses		**(12,935,944)**	(13,402,439)	**(4,399,039)**	(4,001,562)
Finance expense		**(670,018)**	(719,119)	**(208,461)**	(218,141)
Gain on sale of investment in an associate	6	**10,572,453**	-	**-**	-
Other income, net		**2,470,174**	2,700,269	**745,520**	885,270
Profit before the results of associate		**32,770,313**	26,464,634	**7,052,346**	6,166,425
Share of results of an associate	6	**-**	(2,959,666)	**-**	(902,877)
Profit for the period		**32,770,313**	23,504,968	**7,052,346**	5,263,548
Earnings per share in AED	9	**1.08**	0.78	**0.23**	0.17

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 September 2020 (Unaudited)

	Nine months ended		*Three months ended*	
	30 September 2020 AED	*30 September 2019 AED*	***30 September 2020 AED***	*30 September 2019 AED*
Profit for the period	**32,770,313**	23,504,968	**7,052,346**	5,263,548
Other comprehensive (loss)/income				
Other comprehensive loss not to be reclassified to profit or loss in subsequent periods:				
Change in fair value of investment securities measured at FVOCI, equity securities	**(206,949)**	12,729	**(25,589)**	35,893
Other comprehensive loss to be reclassified to profit or loss in subsequent periods:				
Share of other comprehensive loss of an associate	-	(67,172)	-	(6,204)
Other comprehensive (loss)/income	**(206,949)**	(54,443)	**(25,589)**	29,689
Total comprehensive income for the period	**32,563,364**	23,450,525	**7,026,757**	5,293,237

United Foods Company (PSC)

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

As at 30 September 2020

	Notes	***30 September 2020 AED (Unaudited)***	*31 December 2019 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**97,659,695**	104,645,858
Intangible assets		**260,716**	397,292
Right-to-use assets	5	**18,784,901**	14,326,567
Investment securities		**892,996**	252,067
Investment in an associate	6	**-**	8,998,477
		117,598,308	128,620,261
Current assets			
Inventories		**76,083,721**	45,265,178
Trade and other receivables		**81,598,735**	79,518,500
Amounts due from related parties	11	**34,703**	5,726,659
Bank balances and cash	7	**108,517,814**	84,475,907
		266,234,973	214,986,244
TOTAL ASSETS		**383,833,281**	343,606,505
EQUITY AND LIABILITIES			
Equity			
Share capital	8	**30,250,000**	30,250,000
Statutory reserve		**15,125,000**	15,125,000
Regular reserve		**15,125,000**	15,125,000
General reserve		**65,314,980**	65,314,980
Fair value reserve		**(224,381)**	(404,786)
Retained earnings		**183,686,140**	159,889,472
Total equity		**309,276,739**	285,299,666
Non-current liabilities			
Employees' end of service benefits		**7,814,609**	7,056,882
Lease liabilities	10	**11,891,483**	12,719,439
		19,706,092	19,776,321
Current liabilities			
Trade and other payables		**53,516,965**	36,740,379
Lease liabilities	10	**1,333,485**	1,790,139
		54,850,450	38,530,518
Total liabilities		**74,556,542**	58,306,839
TOTAL EQUITY AND LIABILITIES		**383,833,281**	343,606,505

04 NOV 2020

Ali Bin Humaid Al Owais
Chairman

Mohammed Abdel Aziz Ali Abdalla Al Owais
Executive Vice Chairman

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2020 (Unaudited)

2020:	*Share capital AED*	*Statutory reserve AED*	*Regular reserve AED*	*General reserve AED*	*Fair value reserve AED*	*Retained earnings AED*	*Total AED*
Balance as at 1 January 2020	30,250,000	15,125,000	15,125,000	65,314,980	(404,786)	159,889,472	285,299,666
Impact of sale of an associate (Note 6)	-	-	-	-	380,160	108,549	488,709
Impact of sale of investment securities	-	-	-	-	7,194	(7,194)	-
Profit for the period	-	-	-	-	-	32,770,313	32,770,313
Other comprehensive loss	-	-	-	-	(206,949)	-	(206,949)
Total comprehensive income for the period	-	-	-	-	(206,949)	32,770,313	32,563,364
Dividends declared (Note 8)	-	-	-	-	-	(9,075,000)	(9,075,000)
Balance as at 30 September 2020	**30,250,000**	**15,125,000**	**15,125,000**	**65,314,980**	**(224,381)**	**183,686,140**	**309,276,739**

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY
For the period ended 30 September 2020 (Unaudited)

2019:	*Share capital* *AED*	*Statutory reserve* *AED*	*Regular reserve* *AED*	*General reserve* *AED*	*Fair value reserve* *AED*	*Retained earnings* *AED*	*Total* *AED*
Balance as at 1 January 2019	30,250,000	15,125,000	15,125,000	65,314,980	(332,325)	141,217,306	266,699,961
Profit for the period	-	-	-	-	-	23,504,968	23,504,968
Other comprehensive loss	-	-	-	-	(54,443)	-	(54,443)
Total comprehensive income for the period	-	-	-	-	(54,443)	23,504,968	23,450,525
Dividends declared (Note 8)	-	-	-	-	-	(7,562,500)	(7,562,500)
Balance as at 30 September 2019	30,250,000	15,125,000	15,125,000	65,314,980	(386,768)	157,159,774	282,587,986

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

CONDENSED INTERIM STATEMENT OF CASH FLOWS
For the period ended 30 September 2020 (Unaudited)

	Notes	*Nine months ended* 30 September 2020 AED	30 September 2019 AED
OPERATING ACTIVITIES			
Profit for the period		**32,770,313**	23,504,968
Adjustments for:			
Depreciation on property, plant and equipment		**8,563,986**	8,143,439
Depreciation on right-to-use assets	5	**1,321,764**	1,067,911
Amortisation of intangible assets		**136,576**	130,672
Gain on sale of investment in an associate	6	**(10,572,453)**	-
Gain on sale of investment securities		**(82)**	-
(Gain)/loss on disposal of property, plant and equipment		**(2,126)**	3,839
Finance cost		**670,018**	719,119
Provision for employees' end of service benefits		**1,087,583**	825,996
Provision for expected credit losses		**1,040,306**	721,400
Share of results of associate	6	**-**	2,959,666
		35,015,885	38,077,010
Working capital changes:			
Inventories		**(30,818,543)**	(2,526,277)
Trade and other receivables		**(2,670,591)**	3,191,057
Trade and other payables		**16,776,586**	(12,112,349)
Amounts due from related parties		**24,296**	(132,556)
		18,327,633	26,496,885
Employees' end of service benefits paid		**(329,856)**	(554,192)
Net cash generated from operating activities		**17,997,777**	25,942,693
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(1,577,823)**	(1,935,604)
Purchase of intangible assets		**-**	(101,035)
Proceeds from disposal of property, plant and equipment		**2,126**	-
Proceeds from disposal of investment in an associate		**20,059,639**	-
Purchase of investment securities		**(856,306)**	-
Proceeds from disposal of investment securities		**11,935**	-
Net cash generated from/(used in) investing activities		**17,639,571**	(2,036,639)
FINANCING ACTIVITIES			
Payment of lease liabilities	10	**(2,393,122)**	(1,380,636)
Finance costs paid		**(127,319)**	(167,456)
Dividends paid	8	**(9,075,000)**	(7,562,500)
Net cash used in financing activities		**(11,595,441)**	(9,110,592)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**24,041,907**	14,795,462
Cash and cash equivalents at 1 January		**82,925,907**	56,061,316
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	**106,967,814**	70,856,778

The accompanying notes from 1 to 15 form an integral part of these condensed interim financial statements.

1 ACTIVITIES

United Foods Company (PSC) (the "Company") is a Public Shareholding Company, incorporated on 1 November 1976 by a Decree issued by His Highness, The Ruler of Dubai. On 27 June 1994, the Company amended its status to a public shareholding company to comply with the provisions of the UAE Federal Law No. (2) of 2015.

The Company's shares are listed on the Dubai Financial Market (DFM) since July 2006.

The Company is primarily engaged in the manufacturing, processing and marketing of vegetable ghee, cooking oil, margarine, butter products and fat including trading of food products. The registered address of the Company is P.O. Box 5836, Dubai, UAE.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES

Basis of preparation

The condensed interim financial statements for the nine months period ended 30 September 2020 have been prepared in accordance with IAS 34 "*Interim Financial Reporting*". The condensed interim financial statements do not include all the information and disclosures required in the annual financial statements and should be read in conjunction with the Company's annual financial statements as at 31 December 2019.

In addition, results for the nine months period ended 30 September 2020 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2020.

When preparing the condensed interim financial statements, management undertakes number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

New standards, interpretations and amendments thereof, adopted by the Company

The accounting policies adopted in the preparation of the condensed interim financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2019, except for the adoption of new standards, interpretations and amendments mandatorily effective for the first time as of 1 January 2020 stated on the next page. The Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

2 BASIS OF PREPARATION AND CHANGES TO THE COMPANY'S ACCOUNTING POLICIES (continued)

Standards, interpretations and amendments to existing standards that are effective in 1 January 2020

There are amendments to existing standards effective from 1 January 2020 issued by IASB. Management has adopted the following relevant pronouncements in accordance with their transitional provisions; and, unless otherwise stated, none of these have significant impact on the Company's condensed interim financial statements:

i) IAS 1 (Amendments), *Presentation of Financial Statements* and IAS 8 (Amendments), *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Material* (effective from 1 January 2020). The amendments provide a clearer definition of 'material' in IAS 1 by including the concept of 'obscuring' material information with immaterial information as part of the new definition, and clarifying the assessment threshold (i.e., misstatement of information is material if it could reasonably be expected to influence decisions made by primary users, which consider the characteristic of those users as well as the entity's own circumstances). The definition of material in IAS 8 has been accordingly replaced by reference to the new definition in IAS 1. In addition, amendment has also been made in other Standards that contain definition of material or refer to the term 'material' to ensure consistency.

ii) Revised Conceptual Framework for Financial Reporting (effective from 1 January 2020). The revised conceptual framework will be used in standard-setting decisions with immediate effect. Key changes include (a) increasing the prominence of stewardship in the objective of financial reporting, (b) reinstating prudence as a component of neutrality, (c) defining a reporting entity, which may be a legal entity, or a portion of an entity, (d) revising the definitions of an asset and a liability, (e) removing the probability threshold for recognition and adding guidance on derecognition, (f) adding guidance on different measurement basis, and, (g) stating that profit or loss is the primary performance indicator and that, in principle, income and expenses in other comprehensive income should be recycled where this enhances the relevance or faithful representation of the financial statements. No changes will be made to any of the current accounting standards. However, entities that rely on the framework in determining their accounting policies for transactions, events or conditions that are not otherwise dealt with under the accounting standards will need to apply the revised framework from 1 January 2020. These entities will need to consider whether their accounting policies are still appropriate under the revised framework.

   As per the management's assessment, no impact on the condensed interim financial statements for the above revisions.

Significant events and transactions

On 11 March 2020, the World Health Organisation (WHO) officially declared COVID-19, the disease caused by novel Coronavirus, a pandemic. Management believes that the outbreak has not had a significant impact to the Company's operations to date. Management currently has an appropriate response plan in place and believes that the Company is well positioned to cope with an expected downturn in the economy due to COVID-19 Coronavirus outbreak.

The Company is closely monitoring the situation and has activated its business continuity plan and other risk management practices to manage the business disruption resulted from COVID-19 outbreak in order to boost the liquidity and sustain the business.

3 PROFIT FOR THE PERIOD

Profit for the period is stated after charging:

	Nine months ended		*Three months ended*	
	30 September 2020 AED (Unaudited)	*30 September 2019 AED (Unaudited)*	***30 September 2020 AED (Unaudited)***	*30 September 2019 AED (Unaudited)*
Inventories charged to cost of sales	**231,685,876**	206,785,668	**71,704,462**	60,028,721
Employee expenses	**28,294,543**	27,257,224	**9,301,990**	8,902,121
Rental - operating lease	**60,835**	188,261	**12,495**	32,871
Relocation expenses of product lines	**-**	873,525	**-**	82,716

Rental – operating leases expense for the period ended 30 September 2020 relates to the lease contracts that have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

4 PROPERTY, PLANT AND EQUIPMENT

Additions and disposals
During the period ended 30 September 2020, the Company incurred costs in respect of additions amounting to AED 1,577,710 (for the year ended 31 December 2019: AED 2,237,281).

During the period ended 30 September 2020, fully depreciated assets were disposed of by the Company (net book value for the year ended 31 December 2019: AED 3,878).

As at 30 September 2020, capital work-in-progress of AED 1,175,156 (31 December 2019: AED 239,692) includes the expenditure incurred on the expansion of factory and warehouse facility in Jebel Ali Industrial Area. It includes capital advances of AED 196,711 (31 December 2019: AED 37,350). During the period ended 30 September 2020, capital work-in-progress amounting to AED 642,245 (31 December 2019: AED 4,464,645) pertaining to expenditures incurred on the expansion of factory and warehouse facility in Jebel Ali Industrial Area have been capitalised.

The Company has temporarily rented out a portion of land and building in Al Quoz and certain staff accommodation units to third party to earn rentals.

5 RIGHT-TO-USE ASSETS

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
As at 1 January	**14,326,567**	14,919,028
Addition during the period/year	**5,780,098**	858,453
Less: depreciation for the period/year	**(1,321,764)**	(1,450,914)
	18,784,901	14,326,567

The Company has lease contracts for various items of land, building and motor vehicles.

6 INVESTMENT IN AN ASSOCIATE

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
As at 1 January	**8,998,477**	12,733,792
Share of comprehensive loss of associate	**-**	(3,623,276)
Share of other comprehensive loss of associate	**-**	(112,039)
Disposal of investment in an associate	**(8,998,477)**	-
	-	8,998,477

On 2 February 2020, the Company disposed 100% of its shares in Emirates Refreshments Co., an associate. The Company recognized gain on disposal of investment in associate amounting to AED 10,572,453 recorded in the statement of profit or loss. Impact of sale of an associate amounted to AED 488,709 reclassified from the statement of changes in equity to the statement of profit or loss.

7 CASH AND CASH EQUIVALENTS

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

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
Cash in hand	**126,640**	72,907
Bank balances	**16,791,174**	1,753,000
Deposits	**91,600,000**	82,650,000
Bank balances and cash	**108,517,814**	84,475,907
Less: deposits with an original maturity of more than three months	**(1,550,000)**	(1,550,000)
Cash and cash equivalents	**106,967,814**	82,925,907

8 SHARE CAPITAL

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
Authorised, issued and fully paid up:		
30,250,000 ordinary shares of 1 AED each		
(31 December 2019: 30,250,000 ordinary shares of 1 AED each)	**30,250,000**	30,250,000

Dividend declared

The Annual General Meeting held on 15 March 2020 approved 30% cash dividend totaling to AED 9,075,000 relating to 2019 which was paid during the period (relating to 2018: Annual General Meeting held on 25 March 2019 approved 25% cash dividend totaling to AED 7,562,500).

9 EARNINGS PER SHARE

Basic and diluted earnings per share are calculated by dividing the profit for the period amounting to AED 32,770,313 (30 September 2019: AED 23,504,968) by the weighted average number of ordinary shares outstanding during the period ended 30 September 2020 of 30,250,000 shares (during the period ended 30 September 2019: 30,250,000 shares).

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

10 LEASE LIABILITIES

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
At 1 January	**14,509,578**	14,801,392
Addition during the period/ year	**565,813**	858,453
Add: finance cost	**542,699**	735,229
Less: payments during the period / year, net of prepayments and accruals adjustment	**(2,393,122)**	(1,885,496)
	13,224,968	14,509,578

Presented on statement of financial position as follows:

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
Current	**1,333,485**	1,790,139
Non-current	**11,891,483**	12,719,439
	13,224,968	14,509,578

11 RELATED PARTY TRANSACTIONS AND BALANCES

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

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

a) Significant transactions with related parties:

Significant transactions with related parties are as follows:

	Nine months ended		*Three months ended*	
	30 September 2020 AED (Unaudited)	*30 September 2019 AED (Unaudited)*	**30 September 2020 AED (Unaudited)**	*30 September 2019 AED (Unaudited)*
Other related parties:				
Sales to related parties	**409,863**	475,106	**36,250**	156,530
Purchases of raw materials and services	**9,633**	301,029	-	287,418
Expenses recharged	**792**	386,852	-	116,540
Rental income	**125,000**	83,333	-	83,333

Compensation of key management personnel

The remuneration of directors and other key members of management during the period were as follows:

	Nine months ended		*Three months ended*	
	30 September 2020 AED (Unaudited)	*30 September 2019 AED (Unaudited)*	**30 September 2020 AED (Unaudited)**	*30 September 2019 AED (Unaudited)*
Short-term benefits	**2,471,097**	2,438,597	**828,699**	818,699
Employees' end of service benefits	**108,143**	108,610	**36,343**	36,390
Bonus	**485,397**	373,973	**171,260**	126,028
	3,064,637	2,921,180	**1,036,302**	981,117

b) Amounts due from related parties:

	30 September 2020 AED (Unaudited)	*31 December 2019 AED (Audited)*
Trade receivables	**34,703**	726,659
Advance paid	-	5,000,000
	34,703	5,726,659

The Company signed memorandum of understanding/pre-sales agreement and given refundable advance of AED 5,000,000 to a related party for purchase of properties. The Annual General Meeting held on 25 March 2019 approved the transaction. During 2020, a lease agreement was signed between the Company and the related party effective April 2020. The advance was capitalised to right-to-use assets and depreciated over 25 years as per IFRS 16.

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Amounts due from related parties (continued):

During June 2020, the Company lost significant influence over one of its related parties. Hence, the amount due from the entity amounting to AED 247,862 (2019: AED 453,375) was presented under trade receivables.

12 CONTINGENCIES AND COMMITMENTS

Contingent liabilities
At 30 September 2020, the Company had contingent liabilities in respect of banks amounting to AED 1,815,662 (31 December 2019: AED 1,750,000) from which it is anticipated that no material liabilities will arise.

Legal claim contingency
The Company has a few pending litigations that occur in the ordinary course of business. To the extent, the Directors believe appropriate, adequate provisions have been made in the accounts.

Capital commitments
At 30 September 2020, the Company had capital commitments in respect of purchase of property, plant and equipment amounting to AED 1,707,619 (31 December 2019: AED 560,005).

13 SEGMENTAL REPORTING

The Company operates in a single reporting segment primarily engaged in manufacturing, processing and marketing of hydrogenated vegetable ghee, cooking oil, margarine, butter products and fat including trading of food products. All the relevant information relating to this reporting/operating segment is disclosed in the condensed interim statement of financial position, condensed interim statement of profit or loss, condensed interim statement of comprehensive income and notes to the condensed interim financial statements.

IFRS also requires an entity to report its segment assets and revenues along geographical regions. All significant activities of the Company are performed on an integrated basis in the Middle East and the Directors do not consider an analysis by individual country would be meaningful.

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

Major customer
During the period ended 30 September 2020, revenue from no customer accounts for 10% or more of the Company's total revenue (30 September 2019: revenue from no customer accounts for 10% or more of the Company's total revenue).

14 FIDUCIARY ASSETS

As at 30 September 2020, the Company held 3.09 MT (31 December 2019: 2.28 MT) raw materials, in a fiduciary capacity on behalf of third parties.

15 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, trade and other receivables, amounts due from related parties and investment securities at fair value through other comprehensive income. Financial liabilities consist of trade and other payables and lease liabilities.

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

Fair value hierarchy
The Company 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 30 September 2020, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

	30 September 2020 AED	**Level 1 AED**	**Level 2 AED**	**Level 3 AED**
Quoted equity securities				
Consumer Staples Sector	**682,996**	**682,996**	-	-
Investments and Financial Services Sector	**210,000**	**210,000**	-	-
Total	**892,996**	**892,996**	-	-

As at 31 December 2019, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

	31 Dec 2019 AED	Level 1 AED	Level 2 AED	Level 3 AED
Quoted equity securities				
Investments and Financial Services Sector	242,500	242,500	-	-
Marine Terminal Operations Sector	9,567	9,567	-	-
Total	252,067	252,067	-	-

During the period ended 30 September 2020 and year ended 31 December 2019, there were no transfers between the various levels of fair value measurements.