UNITED FOODS COMPANY (PSC)
AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS

30 SEPTEMBER 2021

Building a better working world

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REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UNITED FOODS COMPANY (PSC)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of United Foods Company (PSC) (the "Company") and its subsidiaries (collectively referred to as the "Group") which comprise the interim condensed consolidated statement of financial position as at 30 September 2021 and the related interim condensed consolidated statements of profit or loss and comprehensive income for the three-month and nine-month periods then ended, statement of changes in equity and cash flows for the nine-month period then ended, and explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

Other Matters

The financial statements of the Company as at and for the year ended 31 December 2020 were audited by another auditor who issued an unmodified audit report on those statements on 8 February 2021.The interim condensed financial statements of the Company as at and for the three and nine-month periods ended 30 September 2020 were reviewed by another auditor who issued an unmodified review conclusion on those interim condensed financial statements on 4 November 2020.

For Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration No. 690

14 November 2021

Dubai, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 September 2021 (Unaudited)

		Nine months ended (Unaudited)		***Three months ended (Unaudited)***	
	Notes	***30 September 2021 AED***	*30 September 2020 AED*	***30 September 2021 AED***	*30 September 2020 AED*
Sales, gross		**392,641,383**	325,800,313	**122,234,937**	101,741,792
Less: Discounts and marketing expenses		**(14,556,060)**	(14,555,991)	**(3,629,882)**	(4,003,600)
Sales, net		**378,085,323**	311,244,322	**118,605,055**	97,738,192
Cost of sales		**(326,109,231)**	(252,457,146)	**(102,794,678)**	(78,524,518)
GROSS PROFIT		**51,976,092**	58,787,176	**15,810,377**	19,213,674
Selling and distribution expenses		**(26,284,641)**	(25,453,528)	**(8,939,639)**	(8,299,348)
General and administrative expenses		**(20,185,757)**	(12,935,944)	**(4,416,462)**	(4,399,039)
Finance expense		**(728,334)**	(670,018)	**(248,939)**	(208,461)
Gain on sale of investment securities	4.1	**-**	10,572,453	**-**	-
Other income, net		**1,465,006**	2,470,174	**301,910**	745,520
PROFIT FOR THE PERIOD	3	**6,242,366**	32,770,313	**2,507,247**	7,052,346
Profit attributable to:					
Owners of the Company		**6,242,366**	32,770,313	**2,507,247**	7,052,346
Earnings per share in AED	9	**0.21**	1.08	**0.08**	0.23

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/ (LOSS)

For the period ended 30 September 2021 (Unaudited)

	Nine months ended (Unaudited)		***Three months ended (Unaudited)***	
	30 September 2021 AED	*30 September 2020 AED*	***30 September 2021 AED***	*30 September 2020 AED*
Profit for the period	**6,242,366**	32,770,313	**2,507,247**	7,052,346
Other comprehensive 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	**516,705**	(206,949)	**267,860**	(25,589)
Other comprehensive income / (loss)	**516,705**	(206,949)	**267,860**	(25,589)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**6,759,071**	32,563,364	**2,775,107**	7,026,757
Total comprehensive income attributable to:				
Owners of the Company	**6,759,071**	32,563,364	**2,775,107**	7,026,757

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2021

	Notes	*30 September 2021 AED (Unaudited)*	*31 December 2020 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**88,920,073**	95,951,200
Right-of-use assets	5	**18,597,623**	19,848,951
Intangible asset		**557,994**	214,952
Goodwill	6	**1,321,304**	-
Investment securities	15	**1,500,687**	983,982
		110,897,681	116,999,085
Current assets			
Inventories		**106,012,226**	61,512,632
Trade and other receivables		**96,432,794**	77,855,187
Amounts due from related parties	11	**533,085**	139,335
Bank balances and cash	7	**82,856,957**	115,015,279
		285,835,062	254,522,433
TOTAL ASSETS		**396,732,743**	371,521,518
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		**383,308**	(133,397)
Retained earnings		**172,560,755**	185,980,889
Total equity		**298,759,043**	311,662,472
Non-current liabilities			
Employees' end of service benefits		**8,231,802**	7,804,771
Lease liabilities	10	**11,466,024**	12,717,526
		19,697,826	20,522,297
Current liabilities			
Trade and other payables	10.1	**76,316,864**	37,558,345
Lease liabilities	10	**1,959,010**	1,778,404
		78,275,874	39,336,749
Total liabilities		**97,973,700**	59,859,046
TOTAL EQUITY AND LIABILITIES		**396,732,743**	371,521,518

Mohammed Abdel Aziz Ali Abdalla Al Owais
Executive Vice Chairman
09/11/2021

Ahmed Abdulla Sultan Abdulla Al Owais
Director
09/11/2021

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

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 September 2021 (Unaudited)

2021:	*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 2021	30,250,000	15,125,000	15,125,000	65,314,980	(133,397)	185,980,889	311,662,472
Profit for the period	-	-	-	-	-	6,242,366	6,242,366
Other comprehensive income	-	-	-	-	516,705	-	516,705
Total comprehensive income for the period	-	-	-	-	516,705	6,242,366	6,759,071
Dividends declared	-	-	-	-	-	(19,662,500)	(19,662,500)
Balance as at 30 September 2021	**30,250,000**	**15,125,000**	**15,125,000**	**65,314,980**	**383,308**	**172,560,755**	**298,759,043**

The Annual General Meeting held on 22 March 2021 approved a dividend of AED 0.65 per share totalling to AED 19,662,500, which was paid during the period ended 30 September 2021, and approved the remuneration of the Board of Directors of AED 3,700,000 accounted for as at 31 December 2020.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the period ended 30 September 2021 (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 4.1)	-	-	-	-	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	-	-	-	-	-	(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 Annual General Meeting held on 12 March 2020 approved a dividend of AED 0.30 per share totalling to AED 9,075,000, which was paid during March 2020, and approved the remuneration of the Board of Directors of AED 2,475,000 accounted for as at 31 December 2019.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 30 September 2021 (Unaudited)

	Notes	*Nine months ended* **30 September 2021 AED**	*30 September 2020 AED*
OPERATING ACTIVITIES			
Profit for the period		**6,242,366**	32,770,313
Adjustments for:			
Depreciation on property, plant and equipment		**8,413,392**	8,563,986
Depreciation on right-of-use assets	5	**1,386,921**	1,321,764
Amortisation of intangible assets		**202,425**	136,576
Gain on sale of investment in an associate	4.1	**-**	(10,572,453)
Gain on sale of investment securities		**-**	(82)
Finance cost		**728,334**	670,018
Gain on disposal of property, plant and equipment		**(69,789)**	(2,126)
Gain on termination of leases		**(10,912)**	-
Provision for employees' end of service benefits		**975,756**	1,087,583
Provision for expected credit losses		**38,519**	1,040,306
Provision for legal case	3	**7,140,723**	-
Provision for slow moving inventories		**(38,814)**	-
		25,008,921	35,015,885
Working capital changes:			
Inventories		**(43,381,953)**	(30,818,543)
Trade and other receivables		**(16,425,786)**	(2,670,591)
Trade and other payables		**30,522,815**	16,776,586
Amounts due from related parties		**(393,750)**	24,296
		(4,669,753)	18,327,633
Employees' end of service benefits paid		**(745,023)**	(329,856)
Net cash (used in) / generated from operating activities		**(5,414,776)**	17,997,777
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(1,971,518)**	(1,577,823)
Purchase of intangible assets		**(460,953)**	-
Refund against purchase of property, plant and equipment		**932,200**	2,126
Proceeds from disposal of property, plant and equipment		**238,225**	-
Proceeds from disposal of investment in an associate	4.1	**-**	20,059,639
Fixed deposit placements		**(500,000)**	-
Purchase of investment securities		**-**	(856,306)
Proceeds from disposal of investment securities		**-**	11,935
Acquisition of subsidiaries, net of cash acquired	6	**(3,903,245)**	-
Net cash (used in) / generated from investing activities		**(5,665,291)**	17,639,571
FINANCING ACTIVITIES			
Payment of lease liabilities	10	**(1,726,263)**	(2,393,122)
Finance costs paid		**(189,492)**	(127,319)
Dividends paid		**(19,662,500)**	(9,075,000)
Net cash used in financing activities		**(21,578,255)**	(11,595,441)
NET CHANGE IN CASH AND CASH EQUIVALENTS		**(32,658,322)**	24,041,907
Cash and cash equivalents at 1 January		**114,515,279**	82,925,907
CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	7	**81,856,957**	106,967,814

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

During the current period, the Company has acquired 100% controlling interest in Stratus General Trading LLC and PAL Foodstuff & Beverages Trading LLC (Refer to note 6).

The Company and its following subsidiaries form the "Group". The subsidiaries included in the interim condensed consolidated financial statements, principal activities and legal and beneficial ownership of the subsidiaries are set out below:

Name of the subsidiary	*Principal activity*	*Country of incorporation*	*Ownership% 2021*	*Ownership% 2020*
Stratus General Trading LLC	General Trading -Wholesalers	U.A. E	**100%**	-
PAL Foodstuff & Beverages Trading LLC	Food and Beverages Trading	U.A. E	**100%**	-

After these acquisitions, this is the first interim condensed consolidated financial statements that have been produced and reviewed.

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

Basis of preparation

The interim condensed consolidated financial statements for the nine months period ended 30 September 2021 have been prepared in accordance with IAS 34 "*Interim Financial Reporting*". The condensed interim consolidated 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 2020 except for basis for consolidation and business combinations and goodwill, which are presented below.

The consolidated financial statements have been prepared on a historical cost basis, except for investment securities at fair value through other comprehensive income that have been measured at fair value.

In addition, results for the period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

When preparing the condensed interim consolidated 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.

Federal Decree Law No. 26 of 2020 which amends certain provisions of Federal Law No. 2 of 2015 on Commercial Companies was issued on 27 September 2020 and the amendments came into effect on 2 January 2021 which are required to be fully complied within one year from the date amendments came into effect. The group is in the process of reviewing the new provisions and will apply the requirements thereof no later than the transition period given in the amendments.

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

Basis of consolidation

The interim condensed consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 September 2021. 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
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and 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(s) 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 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.

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 related assets (including goodwill), liabilities, noncontrolling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether it measures the non-controlling interest in the acquiree either at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition costs incurred are expensed and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognised in the statement of comprehensive income in accordance with IAS 39. Other contingent consideration not within the scope of IAS 39, it is measured at fair value at each reporting date with changes in fair value recognized in the statement of comprehensive income.

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

Business combinations and goodwill (continued)

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the re-assessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units

Where goodwill has been allocated to a cash-generating unit (CGU) and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

Impairment of goodwill

On an annual basis, the Group determines whether goodwill is impaired. This requires an estimation of the value in use of cash generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from cash generating unit and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Company's financial statements for the year ended 31 December 2020, except for basis of consolidation and for adoption of new standards, amendments and interpretations effective as of 1 January 2021. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several standards, amendments and interpretations apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the group. The Group intends to use the practical expedients in future periods if they become applicable.

3 PROFIT FOR THE PERIOD

Profit for the period is stated after charging:

	Nine months ended		*Three months ended*	
	30 September 2021 AED (Unaudited)	*30 September 2020 AED (Unaudited)*	***30 September 2021 AED (Unaudited)***	*30 September 2020 AED (Unaudited)*
Inventories charged to cost of sales	**307,360,127**	231,685,876	**96,735,372**	71,704,462
Employee expenses	**28,454,427**	28,294,543	**9,479,425**	9,301,990
Rental - operating lease	**543,776**	60,835	**119,983**	12,495
Provision for legal cases	**7,140,723**	-	-	-

Rental – operating leases expense for the period ended 30 September 2021 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 2021, the Group incurred costs in respect of additions amounting to AED 1,971,518 (for the year ended 31 December 2020: AED 2,727,444).

During the period ended 30 September 2021, the Group acquired property, plant and equipment of AED 511,270 (Note 6) from acquisition.

As at 30 September 2021, capital work-in-progress of AED 1,708,526 (31 December 2020: AED 1,690,822) majorly includes expenditure incurred on the expansion of factory and warehouse facility in Jebel Ali Industrial Area. It includes capital advances of AED 324,164 (31 December 2020: AED 117,027). During the period ended 30 September 2021, capital work-in-progress amounting to AED 1,953,814 (31 December 2020: AED 1,276,314) pertaining to expenditures incurred on the expansion of factory and warehouse facility in Jebel Ali Industrial Area have been capitalized.

4.1 INVESTMENT IN AN ASSOCIATE

On February 2, 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. On derecognition of the associate on February 2, 2020, amount of AED 488,709 relating to share of other comprehensive income of the associate was derecognized and reclassified from the statement of changes in equity to the statement of profit or loss.

5 RIGHT-TO-USE ASSETS

	30 September 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
As at 1 January	**19,848,951**	14,326,567
Addition during the period/year	**643,200**	7,294,099
Acquired through business combination (Note 6)	**8,156**	-
Less: retirements during the period/year	**(515,763)**	-
Less: depreciation for the period/year	**(1,386,921)**	(1,771,715)
	18,597,623	19,848,951

The Group has lease contracts for various items of land and motor vehicles.

6 BUSINESS COMBINATION

Effective 31 August 2021, the Company has entered into share purchase agreements to acquire 100% of voting shares of Stratus General Trading LLC ("SGT") and PAL Foodstuff & Beverages Trading LLC ("PAL"), unlisted companies incorporated and registered in United Arab Emirates. The Company has acquired SGT and PAL because these expand both its existing product portfolio and customer base in GCC region. No non-controlling interest arose from the acquisitions.

The Company has accounted for the above acquisition on provisional basis by applying the acquisition method as per IFRS 3' Business Combinations' on achieving the control and expect to finalise the acquisition accounting on finalisation of fair values of assets acquired and liabilities assumed within one year of the acquisition date.

6 BUSINESS COMBINATION (continued)

The Group has recognised a provisional value of goodwill of AED 1,321,304. The goodwill recognised is primarily attributed to the expected synergies and other benefits from combining the assets and activities of SGT and PAL with those of the Group. The Group intend to allocate the Goodwill on finalisation of acquisition accounting. The Group has concluded that there are no indicator of impairment of goodwill as at the reporting date.

The interim condensed consolidated financial statements include the results of SGT and PAL from date of acquisition i.e. 31 August 2021 till 30 September 2021.

Assets acquired and liabilities assumed - SGT
The provisional fair values of the identifiable assets and liabilities of SGT as at date of acquisition 31 August 2021 were:

	Provisional fair values recognised on acquisition AED (Unaudited)
Assets	
Property, plant and equipment (Note 4)	**474,113**
Intangible assets	**84,514**
Right-of-use assets (Note 5)	**8,156**
Inventories	**1,078,231**
Trade receivables and other receivables	**1,408,669**
Bank balances and cash (Note 7)	**83,029**
	3,136,712

	Provisional fair values recognised on acquisition AED (Unaudited)
Liabilities	
Trade and other payables (Note 10.1)	**257,762**
Employees' end of service benefits	**147,547**
Total liabilities	**405,309**
Total identifiable net assets at fair value	**2,731,403**
Consideration payable by the Company to acquire 100% of equity	**3,820,000**
Less: fair value of net assets acquired	**(2,731,403)**
Goodwill	**1,088,597**

Consideration
As per sale and purchase agreement, the consideration agreed was AED 4,250,000, subject to certain adjustments resulting form change in net assets of SGT from the date of sale and purchase agreement to closing date i.e. 31 August 2021, to be agreed between the parties. The Company has adjusted the consideration to AED 3,820,000 after considering the adjustments as per agreement. However, those adjustments are yet to be formally agreed with seller.

6 BUSINESS COMBINATION (continued)

Contribution during the period

From the date of acquisition, SGT has contributed AED 539,808 of revenue and loss of AED 205,386 from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue would have been AED 6,360,268 and the loss for the period would have been AED 1,488,252.

Assets acquired and liabilities assumed - PAL

	Provisional Fair value recognised on acquisition *AED* *(Unaudited)*
Assets	
Property, plant and equipment (Note 4)	**37,157**
Inventories	**596**
Trade receivables and other receivables	**107,291**
Bank balances and cash (Note 7)	**98,726**
	243,770

	Provisional Fair value recognised on acquisition *AED* *(Unaudited)*
Liabilities	
Trade and other payables (Note 10.1)	**162,726**
Employees' end of service benefits	**48,751**
Total liabilities	**211,477**
Total identifiable net assets at fair value	**32,293**
Consideration payable by the Company to acquire 100% of equity	**265,000**
Less: fair value of net assets acquired	**(32,293)**
Goodwill	**232,707**
Analysis of cash flows on acquisitions:	
Net cash acquired with the subsidiary (included in cash flows from investing activities)	**181,755**
Cash paid	**(4,085,000)**
Net cash flow on acquisition	**(3,903,245)**

Consideration

As per sale and purchase agreement, the consideration agreed was AED 300,000, subject to certain adjustments resulting form change in net assets of PAL from the date of sale and purchase agreement to closing date i.e. 31 August 2021, to be agreed between the parties. The Company has adjusted the consideration to AED 265,000 after considering the adjustments as per agreement. However, those adjustments are yet to be formally agreed with seller.

6 BUSINESS COMBINATION (continued)

Contribution during the period
From the date of acquisition, PAL has contributed AED 73,840 of revenue and loss of AED 101,785 from the continuing operations of the Group. If the acquisition had taken place at the beginning of the year, revenue would have been AED 1,251,721 and the loss for the period would have been AED 1,339,504.

Reconciliation of the carrying amount of goodwill at the beginning and end of the reporting period is presented below:

	Goodwill (AED) (Unaudited)
Gross carrying amount	
At 1 January 2021	-
Acquisition of subsidiaries	
- SGT	**1,088,597**
- PAL	**232,707**
At 30 September 2021	**1,321,304**

7 CASH AND CASH EQUIVALENTS

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

	30 September 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
Cash in hand	**206,754**	96,885
Bank balances	**32,550,203**	9,318,394
Deposits	**50,100,000**	105,600,000
Bank balances and cash	**82,856,957**	115,015,279
Less: deposits subject to lien	**(1,000,000)**	(500,000)
Cash and cash equivalents	**81,856,957**	114,515,279

Deposits are placed with local banks and accrue interest at prevailing market rates.

The Group has acquired Cash and cash equivalents amounting to AED 181,755 in business combination (Note 6) during the period.

8 SHARE CAPITAL

	30 September 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
Authorised, issued and fully paid up:		
30,250,000 ordinary shares of 1 AED each (31 December 2020: 30,250,000 ordinary shares of 1 AED each)	**30,250,000**	30,250,000

9 EARNINGS PER SHARE

Basic and diluted earnings per share of AED 0.21 per share (for the period ended 30 September 2020: AED 1.08 per share) are calculated by dividing the profit for the period amounting to AED 6,242,366 (for the period ended 30 September 2020: AED 32,770,313) by the weighted average number of ordinary shares outstanding during the period ended 30 September 2021 of 30,250,000 shares (during the period ended 30 September 2020: 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 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
At 1 January	**14,495,930**	14,509,578
Addition during the period/ year	**643,200**	2,079,814
Add: finance cost	**538,842**	732,848
Less: Retirements during the period/year	**(526,675)**	-
Less: payments during the period / year, net of prepayments and accruals adjustment	**(1,726,263)**	(2,826,310)
	13,425,034	14,495,930

Presented on interim condensed consolidated statement of financial position as follows:

	30 September 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
Current	**1,959,010**	1,778,404
Non-current	**11,466,024**	12,717,526
	13,425,034	14,495,930

Additions to lease liabilities during the year ended 31 December 2020 were recognized at inception of respective leases after netting off an advance payment of AED 5,000,000 and other receivables of AED 214,285 from one of the lessors at the inception of lease.

10.1 TRADE AND OTHER PAYABLES

	30 September 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
Trade payables	**14,639,284**	17,225,350
Accrued expenses and other payables	**24,466,086**	15,167,135
Directors' remuneration payable	**-**	3,700,000
Accrual for goods in transit	**36,202,250**	1,052,040
Advances from customers	**916,200**	320,776
Dividend payable	**93,044**	93,044
	76,316,864	37,558,345

The Group has assumed Trade and other payables amounting to AED 420,488 in business combination (Note 6) during the period.

11 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 Company's management in line with the Company's board of directors.

a) Significant transactions with related parties:

Significant transactions with related parties are as follows:

	Nine months ended		*Three months ended*	
	30 September 2021 AED (Unaudited)	*30 September 2020 AED (Unaudited)*	***30 September 2021 AED (Unaudited)***	*30 September 2020 AED (Unaudited)*
Entities under common control:				
Sales to related parties	**1,276,200**	409,863	**507,700**	36,250
Associate:				
Purchases of raw materials and services	**8,610**	9,633	**-**	-
Expenses recharged	**-**	792	**-**	-
Rental income	**-**	125,000	**-**	-

Until last 31 December 2020, a portion of some land and building was rented out to a related party and earned rentals of AED 125,000 for the three months period ended 31 March 2020.

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 2021 AED (Unaudited)	*30 September 2020 AED (Unaudited)*	***30 September 2021 AED (Unaudited)***	*30 September 2020 AED (Unaudited)*
Short-term benefits	**2,396,097**	2,396,097	**798,699**	798,699
Employees' end of service benefits	**109,310**	108,143	**36,390**	36,343
Bonus	**433,808**	485,397	**146,192**	171,260
Director Sitting fee	**90,000**	75,000	**45,000**	30,000
	3,029,215	3,064,637	**1,026,281**	1,036,302

11 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

b) Amounts due from related parties:

	30 September 2021 AED (Unaudited)	*31 December 2020 AED (Audited)*
Entities under common control		
Trade receivables	**533,085**	139,335
Shareholders		
Dividends payable	**93,044**	93,044

12 CONTINGENCIES AND COMMITMENTS

Contingent liabilities
At 30 September 2021, the Group had contingent liabilities in respect of banks amounting to AED 733,120 (31 December 2020: AED 2,124,372) from which it is anticipated that no material liabilities will arise.

Legal claim contingency
The Group 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 2021, the Group had capital commitments in respect of purchase of property, plant and equipment amounting to AED 3,787,095 (31 December 2020: AED 1,601,326).

13 SEGMENTAL REPORTING

The Group operates in a single reporting segment primarily engaged in manufacturing, processing and marketing of 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 interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated financial statements.

IFRS also requires an entity to report its segment assets and revenues along geographical regions. All significant activities of the Group 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 2021, revenue from no customer accounts for 10% or more of the Group’s total revenue (30 September 2020: Revenue from no customer accounts for 10% or more of the Group’s total revenue).

14 FIDUCIARY ASSETS

As at 30 September 2021, the Group held 3.09 MT (31 December 2020: 3.09 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 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 30 September 2021, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	30 September 2021 AED	***Level 1 AED***	***Level 2 AED***	***Level 3 AED***
Quoted equity securities				
Consumer Staples Sector	**1,240,687**	**1,240,687**	**-**	**-**
Investments and Financial Services Sector	**260,000**	**260,000**	**-**	**-**
Total	**1,500,687**	**1,500,687**	**-**	**-**

As at 31 December 2020, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

	31 December 2020 AED	*Level 1 AED*	*Level 2 AED*	*Level 3 AED*
Quoted equity securities				
Consumer Staples Sector	751,482	751,482	-	-
Investments and Financial Services Sector	232,500	232,500	-	-
Total	983,982	983,982	-	-

During the period ended 30 September 2021 and year ended 31 December 2020, there were no transfers between the various levels of fair value measurements.