UNITED FOODS COMPANY (PSC)
AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

31 MARCH 2023

Ernst & Young Middle East
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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, the "Group"), which comprise the interim condensed consolidated statement of financial position as at 31 March 2023, and the related interim condensed consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows for the three-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.

For Ernst & Young

Signed by:
Ashraf Abu Sharkh
Partner
Registration No. 690

10 May 2023

Dubai, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
For the period ended 31 March 2023 (Unaudited)

		Three months ended	
	Notes	***31 March 2023 AED***	*31 March 2022 AED*
Revenue from contracts with customers, gross		**186,470,491**	195,850,788
Less: Discounts and rebates		**(9,003,158)**	(6,427,831)
Revenue from contracts with customers, net		**177,467,333**	189,422,957
Cost of sales		**(150,078,447)**	(165,552,489)
GROSS PROFIT		**27,388,886**	23,870,468
Selling and distribution expenses		**(11,892,614)**	(11,414,995)
General and administrative expenses		**(4,905,125)**	(4,585,746)
Finance costs		**(263,079)**	(268,829)
Other income, net		**1,000,695**	615,509
PROFIT FOR THE PERIOD	3	**11,328,763**	8,216,407
Profit attributable to:			
Owners of the Group		**11,328,763**	8,216,407
Earnings per share:			
Basic and diluted in AED	10	**0.37**	0.27

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 31 March 2023 (Unaudited)

		Three months ended	
		31 March 2023 AED	*31 March 2022 AED*
Profit for the period		**11,328,763**	8,216,407
Other comprehensive income / (loss)			
Items that will not be reclassified subsequently to profit or loss			
Change in fair value of equity securities measured at FVOCI	17	**(276,327)**	(108,697)
		(276,327)	(108,697)
Items that may be reclassified subsequently to profit or loss			
Change in fair value of debt securities measured at FVOCI – Sukuk instruments	17	**130,803**	-
		130,803	-
Other comprehensive loss		**(145,524)**	(108,697)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**11,183,239**	8,107,710
Total comprehensive income attributable to:			
Owners of the Group		**11,183,239**	8,107,710

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

	Notes	***31 March 2023 AED (Unaudited)***	*31 December 2022 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	4	**79,847,424**	82,751,868
Right-of-use assets	5	**19,274,909**	19,773,326
Intangible assets		**1,856,654**	1,513,122
Financial assets at fair value through other comprehensive income	17	**10,510,272**	10,655,796
		111,489,259	114,694,112
Current assets			
Inventories	6	**77,587,037**	125,286,273
Trade and other receivables	7	**137,888,056**	110,293,001
Amounts due from related parties	13	**566,446**	501,029
Bank balances and cash	8	**67,560,740**	37,447,219
		283,602,279	273,527,522
TOTAL ASSETS		**395,091,538**	388,221,634
EQUITY AND LIABILITIES			
Equity			
Share capital	9	**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		**3,648**	149,172
Retained earnings		**189,425,302**	184,146,539
Total equity		**315,243,930**	310,110,691
Non-current liabilities			
Employees' end of service benefits		**9,367,110**	9,136,368
Lease liabilities	11	**12,877,182**	13,424,885
		22,244,292	22,561,253
Current liabilities			
Trade and other payables	12	**55,407,853**	53,454,913
Lease liabilities	11	**2,195,463**	2,094,777
		57,603,316	55,549,690
Total liabilities		**79,847,608**	78,110,943
TOTAL EQUITY AND LIABILITIES		**395,091,538**	388,221,634

Ali Bin Humaid Al Owais
Chairman
4 May 2023

Mohammed Abdel Aziz Ali Abdalla Al Owais
Executive Vice Chairman
4 May 2023

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the period ended 31 March 2023 (Unaudited)

2023:

	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 2023	30,250,000	15,125,000	15,125,000	65,314,980	149,172	184,146,539	310,110,691
Profit for the period	-	-	-	-	-	11,328,763	11,328,763
Other comprehensive loss	-	-	-	-	(145,524)	-	(145,524)
Total comprehensive income / (loss) for the period	-	-	-	-	(145,524)	11,328,763	11,183,239
Dividends declared	-	-	-	-	-	(6,050,000)	(6,050,000)
Balance as at 31 March 2023	**30,250,000**	**15,125,000**	**15,125,000**	**65,314,980**	**3,648**	**189,425,302**	**315,243,930**

The Annual General Meeting held on 27 March 2023 approved a dividend of AED 0.20 per share totalling to AED 6,050,000 and approved the remuneration of the Board of Directors of AED 1,592,100 accounted for as at 31 December 2022.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)
For the period ended 31 March 2023 (Unaudited)

2022:

	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 2022	30,250,000	15,125,000	15,125,000	65,314,980	833,433	174,354,383	301,002,796
Profit for the period	-	-	-	-	-	8,216,407	8,216,407
Other comprehensive loss	-	-	-	-	(108,697)	-	(108,697)
Total comprehensive income / (loss) for the period	-	-	-	-	(108,697)	8,216,407	8,107,710
Balance as at 31 March 2022	30,250,000	15,125,000	15,125,000	65,314,980	724,736	182,570,790	309,110,506

The Annual General Meeting held on 11 April 2022 approved a dividend of AED 0.20 per share totalling to AED 6,050,000 which was paid subsequent to the period ended 31 March 2022, and approved the remuneration of the Board of Directors of AED 725,000 accounted for as at 31 December 2021.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
For the period ended 31 March 2023 (Unaudited)

		Three months ended	
	Notes	***31 March 2023 AED***	*31 March 2022 AED*
OPERATING ACTIVITIES			
Profit for the period		**11,328,763**	8,216,407
Adjustments for:			
Depreciation on property, plant and equipment		**2,782,559**	2,757,093
Depreciation on right-of-use assets	5	**498,417**	417,639
Amortisation of intangible assets		**122,523**	83,677
Finance costs		**263,079**	268,829
Provision for employees' end of service benefits		**402,608**	520,406
Provision for expected credit losses	7	**96,147**	483,509
Provision for slow moving inventories	6	**1,153,677**	22,208
Gain on disposal of property, plant and equipment		**(33,333)**	-
		16,614,440	12,769,768
Working capital changes:			
Inventories		**46,545,559**	(2,802,732)
Trade and other receivables		**(27,691,202)**	(43,269,805)
Trade and other payables		**(4,097,060)**	18,851,716
Amounts due from related parties		**(65,417)**	7,166
Cash generated from / (used in) operations		**31,306,320**	(14,443,887)
Employees' end of service benefits paid		**(171,866)**	(202,316)
Net cash generated from / (used in) operating activities		**31,134,454**	(14,646,203)
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	4	**(344,170)**	(1,585,291)
Proceeds from disposal of property, plant and equipment		**33,333**	-
Acquisition of intangible assets		**-**	(85,000)
Net cash used in investing activities		**(310,837)**	(1,670,291)
FINANCING ACTIVITIES			
Payment of lease liabilities	11	**(650,841)**	(532,303)
Finance costs paid		**(59,255)**	(99,217)
Cash margins against bank guarantees	8	**-**	(7,212,949)
Net cash used in financing activities		**(710,096)**	(7,844,469)
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS		**30,113,521**	(24,160,963)
Cash and cash equivalents at 1 January		**17,447,219**	46,896,458
CASH AND CASH EQUIVALENTS AT 31 MARCH	8	**47,560,740**	22,735,495

Non-cash transactions:

The following non-cash transaction was excluded from the interim condensed consolidated statement of cash flows:

- On 27 March 2023, the Group declared a dividend of AED 6,050,000 which remained unpaid and included in accounts payable and accruals as of 31 March 2023.

The accompanying notes from 1 to 19 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 applicable UAE Federal Law at the time.

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 other food products. The registered address of the Company is P.O. Box 5836, Dubai, UAE.

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

Name of the subsidiary	***Principal activity***	***Country of incorporation***	***Ownership% 31 March 2023***	*Ownership% 31 December 2022*
Stratus General Trading LLC	General Trading **-**Wholesalers	U.A. E	**100%**	100%
PAL Foodstuff & Beverages Trading LLC	Food and Beverages Trading	U.A. E	**100%**	100%

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

Basis of preparation
The interim condensed consolidated financial statements for the three month period ended 31 March 2023 have been prepared in accordance with IAS 34 "Interim Financial Reporting". The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group's annual consolidated financial statements as at 31 December 2022. In addition, results for the three month period ended 31 March 2023 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2023.

When preparing the interim condensed 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.

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 Group's consolidated financial statements for the year ended 31 December 2022, except for the adoption of new standards, amendments and interpretations effective as of 1 January 2023. 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 2023, 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:

	Three months ended	
	31 March 2023 AED (Unaudited)	*31 March 2022 AED (Unaudited)*
Inventories charged to cost of sales	**141,505,922**	158,287,639
Employee expenses	**10,747,827**	10,310,302
Rental - operating lease *	**27,981**	107,810

* Rental – operating leases expense 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 31 March 2023, the Group incurred costs in respect of additions amounting to AED 344,170 (for the year ended 31 December 2022: AED 6,908,431).

As at 31 March 2023, capital work-in-progress of AED 2,297,001 (31 December 2022: AED 3,495,713) includes the expenditure incurred on the expansion of factory and warehouse facility in Jebel Ali Industrial Area.

5 RIGHT-OF-USE ASSETS

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
As at 1 January	**19,773,326**	17,739,476
Addition during the period/year	**-**	1,952,234
Modifications during the year	**-**	1,932,876
Less: retirements during the period/year	**-**	(8,156)
Less: depreciation for the period/year	**(498,417)**	(1,843,104)
	19,274,909	19,773,326

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

6 INVENTORIES

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Raw materials	**34,531,508**	44,074,006
Finished goods	**26,160,574**	28,755,761
Packing materials	**3,187,011**	2,404,420
Work-in-progress	**7,870,103**	8,740,748
Spares and consumables	**2,415,103**	2,520,761
	74,164,299	86,495,696
Less: provision for slow moving inventories	**(1,970,459)**	(816,782)
	72,193,840	85,678,914
Goods-in-transit	**5,393,197**	39,607,359
	77,587,037	125,286,273

Movement of the provision for slow moving inventories is as follows:

	31 March 2023 AED (Unaudited) AED	*31 December 2022 AED (Audited) AED*
At 1 January	**816,782**	760,930
Charge for the year, net	**1,153,677**	55,852
	1,970,459	816,782

7 TRADE AND OTHER RECEIVABLES

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Trade receivables	**137,205,481**	108,856,873
Less: provision for expected credit losses	**(6,206,170)**	(5,962,302)
	130,999,311	102,894,571
Prepaid expenses	**4,765,617**	4,497,682
Advances to suppliers	**157,507**	683,098
Consideration receivable	**204,000**	608,000
Accrued interest receivable	**839,363**	583,042
Staff receivables	**226,311**	122,830
Other receivables	**695,947**	903,778
	137,888,056	110,293,001

7 TRADE AND OTHER RECEIVABLES (continued)

Movement of the provision for expected credit losses is as follows:

	31 March 2023 AED (Unaudited) AED	*31 December 2022 AED (Audited) AED*
At 1 January	**5,962,302**	4,722,443
Provision for the year, net	**243,868**	1,239,859
	6,206,170	5,962,302

8 CASH AND CASH EQUIVALENTS

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

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*	*31 March 2021 AED (Unaudited)*
Cash in hand	**115,555**	91,089	146,312
Bank balances	**47,345,185**	17,256,130	18,772,404
Deposits *	**20,100,000**	20,100,000	40,100,000
Bank balances and cash	**67,560,740**	37,447,219	59,018,716
Less: Deposits with an original maturity of more than 3 months	**(20,000,000)**	(20,000,000)	(1,000,000)
Bank overdrafts	**-**	-	(28,070,272)
Cash margins against bank guarantees	**-**	-	(7,212,949)
Cash and cash equivalents	**47,560,740**	17,447,219	22,735,495

*Deposits are placed with local banks and accrue interest at prevailing market rates. During the period ended 31 March 2023, the Group earned interest income on these deposits of AED 155,148 (during the three month period ended 31 March 2022: AED 148,991).

9 SHARE CAPITAL

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Authorised, issued and fully paid up: 30,250,000 ordinary shares of 1 AED each (31 December 2022: 30,250,000 ordinary shares of 1 AED each)	**30,250,000**	30,250,000

10 EARNINGS PER SHARE

Basic and diluted earnings per share of AED 0.37 per share (for the three month period ended 31 March 2022: AED 0.27 per share) are calculated by dividing the profit for the period amounting to AED 11,328,763 (for the three month period ended 31 March 2022: AED 8,216,407) by the weighted average number of ordinary shares outstanding during the period ended 31 March 2023 of 30,250,000 shares (during the three month period ended 31 March 2022: 30,250,000 shares).

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

11 LEASE LIABILITIES

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
At 1 January	**15,519,662**	13,253,053
Additions during the period/ year	**-**	1,952,234
Add: finance costs	**203,824**	752,550
Modifications during the year	**-**	1,932,876
Less: payments during the period / year, net of prepayments and accruals adjustment	**(650,841)**	(2,371,051)
	15,072,645	15,519,662

Presented in the interim condensed consolidated statement of financial position as follows:

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Current	**2,195,463**	2,094,777
Non-current	**12,877,182**	13,424,885
	15,072,645	15,519,662

12 TRADE AND OTHER PAYABLES

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Trade payables	**22,910,084**	15,735,275
Accrued expenses and other payables	**17,930,078**	15,063,049
Dividends payable (note 13)	**6,126,258**	76,258
Accrual for goods in transit	**3,756,415**	17,868,742
Advances from customers	**1,527,879**	1,957,490
Directors' remuneration payable (note 13)	**1,607,100**	1,592,100
VAT payable	**1,550,039**	1,161,999
	55,407,853	53,454,913

13 RELATED PARTY TRANSACTIONS AND BALANCES

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

a) Significant transactions with related parties:

Significant transactions with related parties are as follows:

	Three months ended	
	31 March 2023 AED (Unaudited)	*31 March 2022 AED (Unaudited)*
Entities under common control:		
Sales to related parties	**693,497**	566,575

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

	Three months ended	
	31 March 2023 AED (Unaudited)	*31 March 2022 AED (Unaudited)*
Short-term benefits	**847,376**	766,876
Employees' end of service benefits	**38,977**	36,017
Bonus	**143,014**	143,014
Directors' sitting fees	**15,000**	15,000
	1,044,367	960,907

b) Amounts due from related parties:

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Entities under common control:		
Trade receivables	**566,446**	501,029

c) Amounts due to related parties:

	31 March 2023 AED (Unaudited)	*31 December 2022 AED (Audited)*
Dividend payable (note 12)	**6,126,258**	76,258
Directors' remuneration payable (note 12)	**1,607,100**	1,592,100
	7,733,358	1,668,358

14 CONTINGENCIES AND COMMITMENTS

Contingent liabilities
At 31 March 2023, the Group had contingent liabilities in respect of banks amounting to AED 4,554,952 (31 December 2022: AED 300,853) 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. The Group is also involved in a legal case with a third party claiming losses arising after closing their business relationships with the Group. As per advice received from the Group's legal advisor, management believes that the Group has a strong legal position to rebut any claim, in form and in substance, and therefore there will be no significant impact on the consolidated financial statements of the Group.

Capital commitments
At 31 March 2023, the Group had capital commitments in respect of purchase of property, plant and equipment amounting to AED 3,800,300 (31 December 2022: AED 4,140,291).

15 SEGMENTAL REPORTING

The Group 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 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 31 March 2023, revenue from no customer accounts for 10% or more of the Group's total revenue (31 March 2022: Revenue from no customer accounts for 10% or more of the Group's total revenue).

16 FIDUCIARY ASSETS

As at 31 March 2023, the Group held 12.17 MT (31 December 2022: 12.17 MT) raw materials, in a fiduciary capacity on behalf of third parties.

17 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.

17 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

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

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

As at 31 March 2023, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	31 March 2023 AED	***Level 1 AED***	***Level 2 AED***	***Level 3 AED***
Quoted equity securities				
Consumer Staples Sector	**957,126**	**957,126**	**-**	**-**
Investments and Financial Services Sector	**317,500**	**317,500**	**-**	**-**
Total	**1,274,626**	**1,274,626**	**-**	**-**
Quoted debt securities				
Sukuk instruments	**9,235,646**	**9,235,646**	**-**	**-**
Total	**10,510,272**	**10,510,272**	**-**	**-**

As at 31 December 2022, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	31 December 2022 AED	*Level 1 AED*	*Level 2 AED*	*Level 3 AED*
Quoted equity securities				
Consumer Staples Sector	1,173,453	1,173,453	-	-
Investments and Financial Services Sector	377,500	377,500	-	-
	1,550,953	1,550,953	-	-
Quoted debt securities				
Sukuk instruments	9,104,843	9,104,843	-	-
Total	10,655,796	10,655,796	-	-

During the period ended 31 March 2023 and year ended 31 December 2022, there were no transfers between the various levels of fair value measurements.

At 31 March 2023, the fair values of equity securities and debt securities were assessed which resulted in the fair value loss of AED 276,327 (31 March 2022: AED 108,697) and the fair value gain of AED 130,803, respectively.

18 COMPARATIVE INFORMATION

Certain amounts in the consolidated statement of financial position as at year end 31 December 2022 have been reclassified in order to conform to the presentation for the current period. These changes have been made to improve the quality of information presented. Such reclassification does not affect previously reported consolidated profit or total comprehensive income or equity.

The table below summarises the reclassification for the line items affected.

Consolidated statement of financial position	*As previously reported* *AED*	*Reclassifications* *AED*	*As reported now* *AED*
Trade and other receivables	111,030,288	(737,287)	110,293,001
Trade and other payables	(54,192,200)	737,287	(53,454,913)

19 TAXATION

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime is effective from 1 June 2023 and accordingly, it has an income tax related impact on the interim condensed consolidated financial statements for accounting periods beginning on or after 1 June 2023.

The Cabinet of Ministers Decision No. 116 of 2022 specifies the threshold of income over which the 9% tax rate would apply and accordingly, the Law is now considered to be substantively enacted from the perspective of IAS 12 – Income Taxes. A rate of 9% will apply to taxable income exceeding AED 375,000 and a rate of 0% will apply to taxable income not exceeding AED 375,000 and a rate of 0% on qualifying income of free zone entities.

As certain other cabinet decisions are pending as on the date of these interim condensed consolidated financial statements, the Group continues to assess the impact of these pending cabinet decisions on the deferred taxes as and when finalized and published.