UNITED FOODS COMPANY (PSC) AND ITS SUBSIDIARIES

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

30 JUNE 2024

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 30 June 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and six-month periods then ended, and the related interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the six-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

Sanjay Khiara
Registration No. 5513

14 August 2024

Dubai, United Arab Emirates

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 30 June 2024 (Unaudited)

		Six months ended		*Three months ended*	
	Notes	***30 June 2024 AED (Unaudited)***	*30 June 2023 AED (Unaudited)*	***30 June 2024 AED (Unaudited)***	*30 June 2023 AED (Unaudited)*
Revenue from contracts with customers, gross		**305,882,674**	324,790,929	**140,922,146**	138,320,438
Less: Discounts and rebates		**(13,675,615)**	(14,722,042)	**(5,695,008)**	(5,718,884)
Revenue from contracts with customers, net		**292,207,059**	310,068,887	**135,227,138**	132,601,554
Cost of sales		**(236,419,428)**	(263,701,607)	**(111,263,372)**	(113,623,160)
GROSS PROFIT		**55,787,631**	46,367,280	**23,963,766**	18,978,394
Selling and distribution expenses		**(23,566,247)**	(23,112,822)	**(11,127,622)**	(11,220,208)
General and administrative expenses		**(10,746,187)**	(9,728,009)	**(5,523,074)**	(4,822,884)
Finance costs		**(493,537)**	(490,290)	**(261,757)**	(227,211)
Other income, net		**3,494,172**	1,624,958	**1,685,008**	624,263
PROFIT BEFORE TAX FOR THE PERIOD		**24,475,832**	14,661,117	**8,736,321**	3,332,354
Income tax expense	3	**(2,189,807)**	-	**(773,251)**	-
PROFIT FOR THE PERIOD	4	**22,286,025**	14,661,117	**7,963,070**	3,332,354
Profit attributable to:					
Owners of the Group		**22,286,025**	14,661,117	**7,963,070**	3,332,354
Earnings per share:					
Basic and diluted in AED	11	**0.74**	0.48	**0.26**	0.11

The accompanying notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the period ended 30 June 2024 (Unaudited)

	Notes	*Six months ended*		*Three months ended*	
		30 June 2024 AED (Unaudited)	*30 June 2023 AED (Unaudited)*	***30 June 2024 AED (Unaudited)***	*30 June 2023 AED (Unaudited)*
Profit for the period		**22,286,025**	14,661,117	**7,963,070**	3,332,354
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	18	**(166,582)**	(69,969)	**(319,018)**	206,358
		(166,582)	(69,969)	**(319,018)**	206,358
Items that may be reclassified subsequently to profit or loss					
Change in fair value of debt securities measured at FVOCI – Sukuk instruments (net of tax)	18	**70,205**	82,807	**49,615**	(47,996)
		70,205	82,807	**49,615**	(47,996)
Other comprehensive income/ (loss)		**(96,377)**	12,838	**(269,403)**	158,362
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		**22,189,648**	14,673,955	**7,693,667**	3,490,716

The accompanying notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 June 2024

	Notes	***30 June 2024 AED (Unaudited)***	*31 December 2023 AED (Audited)*
ASSETS			
Non-current assets			
Property, plant and equipment	5	**74,021,964**	74,554,704
Right-of-use assets	6	**19,077,350**	19,324,146
Intangible assets		**1,391,944**	1,688,217
Financial assets at fair value through other comprehensive income	18	**35,541,219**	32,662,668
		130,032,477	128,229,735
Current assets			
Inventories	7	**66,453,959**	72,456,800
Trade and other receivables	8	**111,948,420**	99,066,059
Amounts due from related parties	14	**310,658**	391,335
Bank balances and cash	9	**91,705,931**	114,406,966
Deferred tax asset	3	**9,532**	-
		270,428,500	286,321,160
TOTAL ASSETS		**400,460,977**	414,550,895
EQUITY AND LIABILITIES			
Equity			
Share capital	10	**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		**(64,467)**	31,910
Retained earnings		**209,972,408**	205,836,383
Total equity		**335,722,921**	331,683,273
Liabilities			
Non-current liabilities			
Employees' end of service benefits		**10,494,459**	9,980,597
Lease liabilities	12	**13,643,529**	13,000,498
		24,137,988	22,981,095
Current liabilities			
Trade and other payables	13	**36,280,111**	57,589,405
Income tax payable	3	**2,189,807**	-
Lease liabilities	12	**2,130,150**	2,297,122
		40,600,068	59,886,527
Total liabilities		**64,738,056**	82,867,622
TOTAL EQUITY AND LIABILITIES		**400,460,977**	414,550,895

Ali Bin Humaid Ali Abdalla Al Owais
Chairman

13 August 2024

Mohammed Abdel Aziz Ali Abdalla Al Owais
Executive Vice Chairman

13 August 2024

The accompanying notes from 1 to 18 form an integral part of these interim condensed consolidated financial statements.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 30 June 2024 (Unaudited)

2024:	*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 2024	30,250,000	15,125,000	15,125,000	65,314,980	31,910	205,836,383	331,683,273
Profit for the period	-	-	-	-	-	22,286,025	22,286,025
Other comprehensive income	-	-	-	-	(96,377)	-	(96,377)
Total comprehensive income for the period	-	-	-	-	(96,377)	22,286,025	22,189,648
Dividends paid	-	-	-	-	-	(18,150,000)	(18,150,000)
Balance as at 30 June 2024	**30,250,000**	**15,125,000**	**15,125,000**	**65,314,980**	**(64,467)**	**209,972,408**	**335,722,921**

The Annual General Meeting held on 17 April 2024 approved a dividend of AED 0.60 per share totalling to AED 18,150,000, which was paid during the period ended 30 June 2024, and approved the remuneration of the Board of Directors of AED 2,914,110 accounted for as at 31 December 2023.

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (continued)

For the period ended 30 June 2024 (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	-	-	-	-	-	14,661,117	14,661,117
Other comprehensive income	-	-	-	-	12,838	-	12,838
Total comprehensive income for the period	-	-	-	-	12,838	14,661,117	14,673,955
Dividends paid	-	-	-	-	-	(6,050,000)	(6,050,000)
Balance as at 30 June 2023	30,250,000	15,125,000	15,125,000	65,314,980	162,010	192,757,656	318,734,646

The Annual General Meeting held on 27 Marh 2023 approved a dividend of AED 0.20 per share totalling to AED 6,050,000, which was paid during the period ended 30 June 2023, 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 CASH FLOWS

For the period ended 30 June 2024 (Unaudited)

	Note	*Six months ended*	
		30 June 2024 AED (Unaudited)	*30 June 2023 AED (Unaudited)*
OPERATING ACTIVITIES			
Profit before tax for the period		**24,475,832**	14,661,117
Adjustments for:			
Depreciation of property, plant and equipment		**5,355,227**	5,576,075
Depreciation of right-of-use assets		**1,006,385**	996,835
Amortisation of intangible assets		**296,273**	261,516
Finance costs		**493,537**	490,290
Provision for employees' end of service benefits		**909,454**	746,957
Provision for expected credit losses		**72,131**	348,699
(Reversal of)/ provision for slow moving inventories, net		**(260,280)**	1,256,047
Gain on disposal of property, plant and equipment		**(115,600)**	(271,293)
		32,232,959	24,066,243
Working capital changes:			
Inventories		**6,263,121**	35,443,147
Trade and other receivables		**(14,305,887)**	(5,201,249)
Trade and other payables		**(19,333,732)**	683,054
Amounts due from related parties		**80,677**	114,209
Cash generated from operations		**4,937,138**	55,105,404
Employees' end of service benefits paid		**(395,592)**	(385,470)
Net cash flows generated from operating activities		**4,541,546**	54,719,934
INVESTING ACTIVITIES			
Purchase of property, plant and equipment		**(4,882,406)**	(1,304,133)
Proceeds from disposal of property, plant and equipment		**175,519**	271,293
Purchase of financial assets at fair value through other comprehensive income		**(2,984,460)**	-
Net change in bank deposits		**(50,000,000)**	-
Net cash flows used in investing activities		**(57,691,347)**	(1,032,840)
FINANCING ACTIVITIES			
Payment of lease liabilities		**(1,316,662)**	(1,301,681)
Finance costs paid		**(84,572)**	(87,400)
Dividends paid		**(18,150,000)**	(6,050,000)
Net cash flows used in financing activities		**(19,551,234)**	(7,439,081)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		**(72,701,035)**	46,248,013
Cash and cash equivalents at 1 January		**114,406,966**	17,447,219
CASH AND CASH EQUIVALENTS AT 30 JUNE	9	**41,705,931**	63,695,232

The accompanying notes from 1 to 18 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 food and non-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 subsidiaries	***Principal activities***	***Country of incorporation***	***Ownership% 30 June 2024***	*Ownership% 31 December 2023*
Stratus General Trading LLC	General Trading -Wholesalers	UAE	**100%**	100%
PAL Foodstuff & Beverages Trading LLC	Food and Beverages Trading	UAE	**100%**	100%

2 BASIS OF PREPARATION, MATERIAL ACCOUNTING POLICY INFORMATION AND CHANGES TO THE GROUP'S ACCOUNTING POLICIES

Basis of preparation
The interim condensed consolidated financial statements for the six month period ended 30 June 2024 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 2023. In addition, results for the six month period ended 30 June 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

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 2023, except for the adoption of new standards, amendments and interpretations effective as of 1 January 2024. 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 2024, 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.

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

Material accounting policy information

Taxes

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where the Group operates and generates taxable income.

Current income tax relating to items recognised directly in equity is recognised in equity and not in the interim condensed consolidated statement of profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In assessing the recoverability of deferred tax assets, the Group relies on the same forecast assumptions used elsewhere in the interim condensed consolidated financial statements and in other management reports.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Material accounting policy information (continued)

Taxes (continued)

Deferred tax (continued)
Tax benefits acquired as part of a business combination, but not satisfying the criteria for separate recognition at that date, are recognized subsequently if new information about facts and circumstances change. The adjustment is either treated as a reduction in goodwill (as long as it does not exceed goodwill) if it was incurred during the measurement period or recognized in profit or loss.

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

3 INCOME TAX

UAE Corporate Tax Law
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 has become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute 'substantive enactment' of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the interim consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was 'substantively enacted' as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group's management, temporary differences on fair value changes in the financial assets at fair value through other comprehensive income were identified where deferred tax have been accounted for.

3 INCOME TAX (continued)

Amount recognised in the interim condensed consolidated statement of profit or loss

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	Six months ended	
	30 June 2024 AED (Unaudited)	*30 June 2024 AED (Unaudited)*
Current income tax	**2,189,807**	-

Tax reconciliation:

	Six months ended	
	30 June 2024 AED (Unaudited)	*30 June 2023 AED (Unaudited)*
Accounting profit before tax	**24,475,832**	-
Tax at United Arab Emirates' statutory income tax rate of 9%	**2,202,825**	-
Non-deductible expenses for tax purposes	**4,644**	-
Non-taxable income	**(788)**	-
Exempt income up to AED 375,000	**(16,874)**	-
Income tax expense reported in the interim consolidated statement of profit or loss	**2,189,807**	-
Effective tax rate	**8.95%**	-

Amount recognised in the interim condensed consolidated statement of comprehensive income

	Six months ended	
	30 June 2024 AED (Unaudited)	*30 June 2024 AED (Unaudited)*
Deferred tax on net gain/ (loss) on debt securities measured at FVOCI	**9,532**	-

4 PROFIT FOR THE PERIOD

Profit for the period is stated after charging:

	Six months ended		*Three months ended*	
	30 June 2024 AED (Unaudited)	*30 June 2023 AED (Unaudited)*	***30 June 2024 AED (Unaudited)***	*30 June 2023 AED (Unaudited)*
Inventories charged to cost of sales	**221,966,178**	248,594,306	**104,554,408**	107,088,384
Employee expenses	**23,156,225**	21,594,740	**11,348,546**	10,846,913
Rental - operating lease*	**145,855**	74,405	**68,541**	46,424

*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').

5 PROPERTY, PLANT AND EQUIPMENT

Additions and disposals
During the period ended 30 June 2024, the Group incurred costs in respect of additions amounting to AED 4,882,406 (for the year ended 31 December 2023: AED 3,494,598).

As at 30 June 2024, capital work-in-progress of AED 7,193,727 (31 December 2023: AED 3,040,397) includes the expenditure incurred on storage tanks and plant and machinery for the expansion of the factory and warehouse facilities in Jebel Ali Industrial Area.

6 RIGHT-OF-USE ASSETS

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
As at 1 January	**19,324,146**	19,773,326
Additions during the period/ year	**759,589**	-
Modifications during the period/ year	**-**	2,191,148
Less: retirements during the period/ year	**-**	(748,825)
Less: depreciation for the period/ year	**(1,006,385)**	(1,891,503)
	19,077,350	19,324,146

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

7 INVENTORIES

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Raw materials	**32,215,307**	15,957,188
Finished goods	**15,647,747**	19,323,113
Packing materials	**2,493,572**	2,536,305
Work-in-progress	**5,395,348**	4,131,544
Spares and consumables	**2,325,439**	2,403,523
	58,077,413	44,351,673
Less: provision for slow moving inventories	**(943,187)**	(1,203,467)
	57,134,226	43,148,206
Goods-in-transit	**9,319,733**	29,308,594
	66,453,959	72,456,800

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

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
At 1 January	**1,203,467**	816,782
Charge for the period/ year	**148,783**	637,680
Reversal for the period/ year	**(409,063)**	-
Write-off during the period/ year	**-**	(250,995)
	943,187	1,203,467

8 TRADE AND OTHER RECEIVABLES

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Trade receivables	**110,217,634**	95,747,601
Less: provision for expected credit losses	**(6,100,614)**	(6,028,483)
	104,117,020	89,719,118
Prepaid expenses	**3,077,735**	2,830,519
Advances to suppliers	**2,372,119**	2,236,800
Accrued interest receivable	**1,481,287**	1,277,948
Staff receivables	**243,407**	280,652
Other receivables	**656,852**	2,721,022
	111,948,420	99,066,059

8 TRADE AND OTHER RECEIVABLES (continued)

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

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
At 1 January	**6,028,483**	5,962,302
Provision for the period/ year	**72,131**	572,304
Write-offs during the period/ year	**-**	(506,123)
	6,100,614	6,028,483

9 BANK BALANCES AND CASH

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

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*	*30 June 2023 AED (Unaudited)*
Cash in hand	**154,857**	71,918	136,265
Bank balances	**11,451,074**	24,135,048	28,458,967
Deposits *	**80,100,000**	90,200,000	55,100,000
Bank balances and cash	**91,705,931**	114,406,966	83,695,232
Less: Deposits with original maturities of more than 3 months	**(50,000,000)**	-	(20,000,000)
Cash and cash equivalents	**41,705,931**	114,406,966	63,695,232

*Deposits are placed with local banks and accrue interest at prevailing market rates. During the six-month period ended 30 June 2024, the Group earned interest income on these deposits of AED 2,168,783 (during the six-month period ended 30 June 2023: AED 521,859).

10 SHARE CAPITAL

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Authorised, issued and fully paid up:		
30,250,000 ordinary shares of 1 AED each (31 December 2023: 30,250,000 ordinary shares of 1 AED each)	**30,250,000**	30,250,000

11 EARNINGS PER SHARE

Basic and diluted earnings per share for the six-month period ended 30 June 2024 of AED 0.74 per share (for the six-month period ended 30 June 2023: AED 0.48 per share) are calculated by dividing the profit after tax for the six-month period ended 30 June 2024 amounting to AED 22,286,025 (for the six-month period ended 30 June 2023: AED 14,661,117) by the weighted average number of ordinary shares outstanding during the six-month period ended 30 June 2024 of 30,250,000 shares (during the six-month period ended 30 June 2023: 30,250,000 shares).

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

12 LEASE LIABILITIES

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
At 1 January	**15,297,620**	15,519,662
Additions during the period/ year	**526,256**	-
Modification during the period/ year	**857,500**	2,191,148
Add: finance costs	**408,965**	792,360
Retirements during the period/ year	**-**	(748,825)
Less: payments during the period/ year	**(1,316,662)**	(2,456,725)
	15,773,679	15,297,620

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

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Current	**2,130,150**	2,297,122
Non-current	**13,643,529**	13,000,498
	15,773,679	15,297,620

13 TRADE AND OTHER PAYABLES

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Trade payables	**15,695,966**	16,419,868
Accrued expenses and other payables	**12,575,949**	12,662,656
Accruals for goods in transit	**4,268,200**	21,963,158
Advances from customers	**2,676,902**	2,696,174
Directors' remuneration payable (Note 14)	**-**	2,914,110
VAT payable	**1,063,094**	933,439
	36,280,111	57,589,405

14 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:

	Six months ended		*Three months ended*	
	30 June 2024 AED (Unaudited)	*30 June 2023 AED (Unaudited)*	***30 June 2024 AED (Unaudited)***	*30 June 2023 AED (Unaudited)*
Entities under common control:				
Sales to related parties	**483,790**	1,175,065	**333,865**	481,568

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

	Six months ended		*Three months ended*	
	30 June 2024 AED (Unaudited)	*30 June 2023 AED (Unaudited)*	***30 June 2024 AED (Unaudited)***	*30 June 2023 AED (Unaudited)*
Short-term benefits	**1,694,752**	1,694,752	**847,376**	847,376
Employees' end of service benefits	**78,281**	78,172	**39,140**	39,195
Bonuses	**426,877**	287,616	**212,852**	144,602
Directors' sitting fee	**70,000**	50,000	**30,000**	35,000
	2,269,910	2,110,540	**1,129,368**	1,066,173

b) Amounts due from related parties:

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Entities under common control		
Trade receivables	**310,658**	391,335

c) Amounts due to related parties:

	30 June 2024 AED (Unaudited)	*31 December 2023 AED (Audited)*
Directors' remuneration payable (Note 13)	**-**	2,914,110

15 CONTINGENCIES AND COMMITMENTS

Contingent liabilities
At 30 June 2024, the Group had contingent liabilities in respect of banks amounting to AED 4,569,090 (31 December 2023: AED 3,537,984) from which it is anticipated that no material liabilities will arise. This includes contingent liability of AED 4,327,090 arisen in respect of purchase of property, plant and equipment.

Legal claim contingencies
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. Court ruled not to hear the case on the premise of the lapse of time and dismissed it. Third party has challenged the ruling in higher court pending for hearing. 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 interim condensed consolidated financial statements of the Group. Accordingly, no impact in the interim condensed consolidated financial statements is recognised.

Capital commitments
At 30 June 2024, the Group had capital commitments in respect of purchase of property, plant and equipment amounting to AED 6,446,460 (31 December 2023: AED 8,180,552).

16 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 June 2024, revenue from no customer accounts for 10% or more of the Group’s total revenue (30 June 2023: revenue from no customer accounts for 10% or more of the Group’s total revenue).

17 FIDUCIARY ASSETS

As at 30 June 2024, the Group held 4.83 MT (31 December 2023: 4.83 MT) raw materials, in a fiduciary capacity on behalf of third parties. In this regard, no amounts relating to such material held by the Group is recorded in these interim condensed consolidated financial statements.

18 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.

18 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 30 June 2024, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	30 June 2024 AED (Unaudited)	*Level 1 AED (Unaudited)*	*Level 2 AED (Unaudited)*	*Level 3 AED (Unaudited)*
Quoted equity securities				
Consumer Staples Sector	**853,494**	**853,494**	**-**	**-**
Investments and Financial Services Sector	**320,000**	**320,000**	**-**	**-**
Total	**1,173,494**	**1,173,494**	**-**	**-**
Quoted debt securities				
Sukuk instruments	**34,367,725**	**34,367,725**	**-**	**-**
Total	**35,541,219**	**35,541,219**	**-**	**-**

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

Assets measured at fair value

	31 December 2023 AED (Audited)	*Level 1 AED (Audited)*	*Level 2 AED (Audited)*	*Level 3 AED (Audited)*
Quoted equity securities				
Consumer Staples Sector	992,576	992,576	-	-
Investments and Financial Services Sector	347,500	347,500	-	-
	1,340,076	1,340,076	-	-
Quoted debt securities				
Sukuk instruments	31,322,592	31,322,592	-	-
Total	32,662,668	32,662,668	-	-

During the period ended 30 June 2024 and year ended 31 December 2023, there were no transfers between the various levels of fair value measurements.

As at 30 June 2024, the fair values of equity securities and debt securities were assessed which resulted in a fair value loss of AED 166,582 (30 June 2023: fair value loss of AED 69,969) and a fair value gain of AED 70,205 (30 June 2023: AED 82,807) on these instruments, respectively.