Dubai Refreshment (P.J.S.C.)

Reports and financial statements
for the year ended 31 December 2023

Dubai Refreshment (P.J.S.C.)

Contents **Pages**

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INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Dubai Refreshment (P.J.S.C.)
Dubai
United Arab Emirates

Opinion

We have audited the financial statements of **Dubai Refreshment (P.J.S.C.)** (the "Company"), which comprise the statement of financial position as at 31 December 2023, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2023 and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS Accounting Standards").

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (the "IESBA Code") together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, these matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Cont'd…

Key audit matters

Key audit matter	How was the matter addressed in our audit
General IT Controls	
We identified IT systems and controls over Dubai's Refreshment Company's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Company and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of a change to an application or underlying data.	Our audit approach relies on automated controls and therefore the following procedures were designed to test access and control over IT systems: We obtained an understanding of the applications relevant to significant business processes, financial reporting and the infrastructure supporting these applications. We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations. We examined computer generated information used in financial reports from relevant applications and key controls over their report logics. We performed testing on the key automated controls on significant IT systems relevant to business processes.

Other information

Other information consists of the information included in the Company's 2023 Annual Report other than the financial statements and our auditors' report thereon. We obtained the report of the Chairman's report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Company's 2023 Annual Report after the date of our auditors' report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with 1SAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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INDEPENDENT AUDITOR'S REPORT
To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear or our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2023:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021;
- the financial information included in the Chairman's report is consistent with the books of account and records of the Company;
- investments in shares and stocks are included in note 8 to the financial statements and include purchases and investments made by the Company during the year ended 31 December 2023;
- note 19 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2023 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Article of Association which would materially affect its activities or its financial position as at 31 December 2023; and
- note 24 reflects the social contributions recorded during the year.

Deloitte & Touche (M.E.)

Firas Anabtawi
Registration No. 5482
20 February 2024
Dubai
United Arab Emirates

Statement of financial position as at 31 December 2023

	Notes	2023 AED'000	2022 AED'000
ASSETS			
Non-current assets			
Property, plant and equipment	5(a)	**536,410**	573,138
Investment property	5(b)	**14,946**	14,946
Right-of-use assets	6	**79,149**	91,299
Intangible assets	7	**3,995**	4,780
Investment in financial assets	8	**94,952**	112,255
Total non-current assets		**729,452**	796,418
Current assets			
Inventories	9	**75,175**	69,467
Trade and other receivables	10	**218,041**	190,020
Cash and bank balances	11	**557,714**	254,331
Total current assets		**850,930**	513,818
Total assets		**1,580,382**	1,310,236
EQUITY AND IABILITIES			
Equity			
Share capital	12	**90,000**	90,000
Statutory reserve	13	**45,000**	45,000
General reserve	14	**618,401**	618,401
Fair value reserve	15	**63,869**	81,172
Cash flow hedge reserve		**1,062**	252
Retained earnings		**435,097**	140,522
Total equity		**1,253,429**	975,347
Non-current liabilities			
Provision for employees' end of service indemnity	17	**33,512**	31,381
Lease liabilities - non-current portion	21	**80,287**	87,190
Total non-current liabilities		**113,799**	118,571
Current liabilities			
Trade and other payables	20	**203,925**	202,406
Lease liabilities - current portion	21	**9,229**	13,912
Total current liabilities		**213,154**	216,318
Total liabilities		**326,953**	334,889
Total equity and liabilities		**1,580,382**	1,310,236

To the best of our knowledge, the financial information included in these financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Company as of, and for, the periods presented therein.

....	....
Mr. Ahmad Bin Eisa Al Serkal	Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri
Chairman	Director

The accompanying notes form an integral part of these financial statements.

Statement of profit or loss
for the year ended 31 December 2023

	Notes	2023 AED'000	2022 AED'000
Revenue	22	**803,068**	752,173
Cost of sales		**(518,205)**	(491,943)
Gross profit		**284,863**	260,230
Other operating income		**8,183**	9,177
Selling and distribution expenses		**(117,690)**	(107,791)
General and administrative expenses		**(61,504)**	(57,528)
Amortisation of intangible assets	7	**(1,791)**	(3,741)
Operating income		**112,061**	100,347
Finance income		**13,115**	2,277
Finance costs		**(84)**	(78)
Lease interest costs	21	**(3,476)**	(3,695)
Dividend income	19	**4,047**	4,047
Gain on sale of a property	5a	**220,188**	-
Other income	23	**15,924**	2,751
Profit for the year		**361,775**	105,649
Earnings per share in AED	18	**3.97**	1.13

The accompanying notes form an integral part of these financial statements.

Statement of comprehensive income
for the year ended 31 December 2023

	2023 **AED'000**	2022 AED'000
Profit for the year	**361,775**	105,649
Other comprehensive income/(loss)		
Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:		
Change in fair value of investment securities measured at FVOCI, equity instruments (Note 8)	**(17,303)**	(6,441)
Change in fair value of cash flow hedges	**810**	431
Total other comprehensive loss	**(16,493)**	(6,010)
Total comprehensive income for the year	**345,282**	99,639

The accompanying notes form an integral part of these financial statements.

Statement of changes in equity
for the year ended 31 December 2023

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2022	90,000	45,000	618,401	87,613	(179)	102,073	942,908
Profit for the year	-	-	-	-	-	105,649	105,649
Other comprehensive (loss)/income	-	-	-	(6,441)	431	-	(6,010)
Total comprehensive (loss)/income for the year	-	-	-	(6,441)	431	105,649	99,639
Dividends paid (Note 16)	-	-	-	-	-	(63,000)	(63,000)
Directors' fees (Note 20)	-	-	-	-	-	(4,200)	(4,200)
At 31 December 2022	90,000	45,000	618,401	81,172	252	140,522	975,347
Profit for the year	-	-	-	-	-	361,775	361,775
Other comprehensive (loss)/income	-	-	-	(17,303)	810	-	(16,493)
Total comprehensive (loss)/income for the year	-	-	-	(17,303)	810	361,775	345,282
Dividends paid (Note 16)	-	-	-	-	-	(63,000)	(63,000)
Director fees (Note 20)	-	-	-	-	-	(4,200)	(4,200)
At 31 December 2023	**90,000**	**45,000**	**618,401**	**63,869**	**1,062**	**435,097**	**1,253,429**

The accompanying notes form an integral part of these financial statements.

Statement of cash flows
for the year ended 31 December 2023

	2023 AED'000	2022 AED'000
Cash flows from operating activities		
Profit for the year	**361,775**	105,649
Adjustments for:		
Depreciation on property, plant and equipment (Note 5a)	**39,475**	38,991
Amortisation of intangible assets (Note 7)	**1,791**	3,741
Depreciation on right-of-use assets (Note 6)	**14,821**	14,111
Finance income	**(13,115)**	(2,277)
Finance expense	**84**	78
Interest and other expense on lease (Note 6)	**3,476**	3,695
Gain on sale of assets	**(219,835)**	(301)
Gain on de-recognition of lease	**(4,667)**	-
Dividend income (Note 19)	**(4,047)**	(4,047)
Allowance for expected credit loss (Note 10)	**1,409**	962
Provision for employees' end of service benefits (Note 17)	**3,884**	4,680
Operating cash flows before changes in operating assets and liabilities	**185,051**	165,282
(Increase)/decrease in inventories	**(5,708)**	7,493
(Increase)/decrease in trade and other receivables	**(26,630)**	9,520
Increase in trade and other payables	**2,329**	34,983
Cash generated from operations	**155,042**	217,278
Employees' end of service indemnity paid (Note 17)	**(1,753)**	(1,376)
Net cash generated from operating activities	**153,289**	215,902
Cash flows from investing activities		
Purchase of property, plant and equipment (Note 5a)	**(31,704)**	(40,605)
Purchase of intangible assets (Note 7)	**(139)**	(307)
Proceeds from disposal of right of use assets	**1,100**	-
Proceeds from disposal of property, plant and equipment	**247,925**	411
Dividend income, (Note 19)	**4,047**	4,047
Finance income	**13,115**	2,277
Increase in bank deposits	**(151,427)**	-
Net cash generated from / (used in) investing activities	**82,917**	(34,177)
Cash flows from financing activities		
Director fees paid	**(4,200)**	(4,200)
Dividends paid (Note 16)	**(63,000)**	(63,000)
Finance expense, paid	**(84)**	(78)
Lease payments (Note 21)	**(16,966)**	(15,932)
Net cash used in financing activities	**(84,250)**	(83,210)
Net increase in cash and cash equivalents	**151,956**	98,515
Cash and cash equivalents at the beginning of the year	**254,331**	155,816
Cash and cash equivalents at the end of the year (Note 11)	**406,287**	254,331
Supplemental disclosure of non-cash investing activity		
Transfer of property, plant and equipment to intangible assets (Note 5 & 7)	**867**	-

The accompanying notes form an integral part of these financial statements.

Notes to the financial statements for the year ended 31 December 2023

1. Legal status and activities

Dubai Refreshment (P.J.S.C) (the "Company") was incorporated in Dubai in 1959 by a Decree issued by His Highness The Ruler of Dubai. The Company is listed on the Dubai Financial Market ("DFM"). The registered address of the Company is P.O. Box 420, Dubai, United Arab Emirates.

The Company is engaged in bottling and selling Pepsi Cola International products in Dubai, Sharjah and the other Northern Emirates of UAE. The Company also exports Pepsi Cola International products from time to time to foreign countries after obtaining authorisation from Pepsi Cola International. The Company holds 7Up and Aquafina bottling and selling rights for the whole of the UAE.

Federal Law No. 32 of 2021 on Commercial Companies (the "New Companies Law") was issued on 20 September 2021 and has come into effect on 2 January 2022, to entirely replace Federal Law No. 2 of 2015 on Commercial Companies, as amended (the "2015 Law").

2. Application of new and revised Standards

2.1 New and amended IFRS Accounting Standards that are effective for the current period

In the current period, the Company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2023.

The following new and revised IFRSs, which became effective for annual periods beginning on or after 1 January 2023, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

New and revised IFRS	**Summary**
IFRS 17 *Insurance Contracts*	IFRS 17 requires insurance liabilities to be measured at a current fulfillment value and provides a more uniform measurement and presentation approach for all insurance contracts. These requirements are designed to achieve the goal of a consistent, principle-based accounting for insurance contracts. IFRS 17 supersedes IFRS 4 *Insurance Contracts* as of 1 January 2023.
Amendments to IFRS 17 *Insurance Contracts*	Amends IFRS 17 to address concerns and implementation challenges that were identified after IFRS 17 Insurance Contracts was published in 2017. The main changes are: • Deferral of the date of initial application of IFRS 17 by two years to annual periods beginning on or after 1 January 2023. • Additional scope exclusion for credit card contracts and similar contracts that provide insurance coverage as well as optional scope exclusion for loan contracts that transfer significant insurance risk. • Recognition of insurance acquisition cash flows relating to expected contract renewals, including transition provisions and guidance for insurance acquisition cash flows recognised in a business acquired in a business combination.

Notes to the financial statements
for the year ended 31 December 2023 (continued)

2. Application of new and revised Standards (continued)

2.1 New and amended IFRS Accounting Standards that are effective for the current period (continued)

New and revised IFRS	Summary
Amendments to IFRS 17 *Insurance Contracts (continued)*	• Clarification of the application of IFRS 17 in interim financial statements allowing an accounting policy choice at a reporting entity level. • Clarification of the application of contractual service margin (CSM) attributable to investment-return service and investment-related service and changes to the corresponding disclosure requirements. • Extension of the risk mitigation option to include reinsurance contracts held and non-financial derivatives. • Amendments to require an entity that at initial recognition recognises losses on onerous insurance contracts issued to also recognise a gain on reinsurance contracts held. • Simplified presentation of insurance contracts in the statement of financial position so that entities would present insurance contract assets and liabilities in the statement of financial position determined using portfolios of insurance contracts rather than groups of insurance contracts. • Additional transition relief for business combinations and additional transition relief for the date of application of the risk mitigation option and the use of the fair value transition approach.
Amendment to IFRS 17 *Insurance Contracts* Initial Application of IFRS 17 and IFRS 9 - Comparative Information	The amendment permits entities that first apply IFRS 17 and IFRS 9 at the same time to present comparative information about a financial asset as if the classification and measurement requirements of IFRS 9 had been applied to that financial asset before.
Amendments to IFRS 4 *Insurance Contracts* Extension of the Temporary Exemption from Applying IFRS 9	The amendment changes the fixed expiry date for the temporary exemption in IFRS 4 from applying IFRS 9 Financial Instruments, so that entities would be required to apply IFRS 9 for annual periods beginning on or after 1 January 2023.
Amendments to IAS 1 *Presentation of Financial Statements* and IFRS Practice Statement 2	The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.

2. Application of new and revised Standards (continued)

2.1 New and amended IFRS Accounting Standards that are effective for the current period (continued)

New and revised IFRS	Summary
Amendments to IAS 12 *Income Taxes* relating to Deferred Tax related to Assets and Liabilities arising from a Single Transaction	The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.
Amendments to IAS 12 *Income Taxes* relating to International Tax Reform - Pillar Two Model Rules	The amendments provide a temporary exception to the requirements regarding deferred tax assets and liabilities related to pillar two income taxes.
Amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*	The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

Other than the above, there are no other significant IFRSs and amendments that were effective for the first time for the financial year beginning on or after 1 January 2023.

2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted

At the date of authorisation of these financial statements, the Company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

New and revised IFRSs	Effective for annual periods beginning on or after
IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* IFRS S1 sets out overall requirements for sustainability-related financial disclosures with the objective to require an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024
IFRS S2 *Climate-related Disclosures* IFRS S2 sets out the requirements for identifying, measuring and disclosing information about climate-related risks and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity.	1 January 2024

2. Application of new and revised Standards (continued)

2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IAS 1 *Presentation of Financial Statements* relating to Classification of Liabilities as Current or Non-Current The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current. The amendments also defer the effective date of the January 2020 amendments by one year, so that entities would be required to apply the amendment for annual periods beginning on or after 1 January 2024.	1 January 2024
Amendments to IFRS 16 *Leases* relating to Lease Liability in a Sale and Leaseback The amendment clarifies how a seller-lessee subsequently measures sale and leaseback transactions that satisfy the requirements in IFRS 15 to be accounted for as a sale.	1 January 2024
Amendments to IAS 1 *Presentation of Financial Statements* relating to Non-current Liabilities with Covenants The amendment clarifies how conditions with which an entity must comply within twelve months after the reporting period affect the classification of a liability.	1 January 2024
Amendments to IAS 7 *Statement of Cash Flows* and IFRS 7 *Financial Instruments: Disclosures* relating to Supplier Finance Arrangements The amendments add disclosure requirements, and 'signposts' within existing disclosure requirements, that ask entities to provide qualitative and quantitative information about supplier finance arrangements.	1 January 2024
Amendments to IAS 21 *The Effects of Changes in Foreign Exchange Rates* relating to Lack of Exchangeability The amendments contain guidance to specify when a currency is exchangeable and how to determine the exchange rate when it is not.	1 January 2025
Amendments to the SASB (Sustainability Accounting Standards Board) standards to enhance their international applicability The amendments remove and replace jurisdiction-specific references and definitions in the SASB standards, without substantially altering industries, topics or metrics.	1 January 2025

2. Application of new and revised Standards (continued)

2.2 New and revised IFRS Accounting Standards in issue but not yet effective and not early adopted (continued)

New and revised IFRSs	**Effective for annual periods beginning on or after**
Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures (2011)* The amendments relate to the treatment of the sale or contribution of assets from an investor to its associate or joint venture	Effective date deferred indefinitely. Adoption is still permitted.

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company's financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of Company in the period of initial application.

3. Summary of material accounting policy information

Basis of preparation

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and applicable requirements of UAE Federal Law No, (32) of 2021, and the Articles of Association of the Company.

The financial statements have been presented in U.A.E. Dirhams, which is the functional and reporting currency of the Company, rounded to the nearest thousand (AED`000), except when otherwise indicated.

The Company's financial statements have been prepared under the historical cost basis except for the following:

- derivative financial instruments are measured at fair value and
- financial assets at fair value through other comprehensive income.

Revenue recognition

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company does not have significant financing components.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 120 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

3. Summary of material accounting policy information (continued)

Revenue recognition (continued)

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer, The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

Volume rebates

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

Dividend income

Dividend income is recognised when the Company’s right to receive the dividend payment is established.

Other income
Income from warehousing and other services is based on the agreement with customers and is recognised at a point in time as and when the service is rendered.

Value-added Tax (VAT)

Expenses, and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables, amounts are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Summary of material accounting policy information (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	3 to 30 years
Plant, machinery and equipment	2 to 20 years
Coolers and vending machines	5 to 7 years
Furniture and fixtures	2 years
Freezers	5 years

Land and capital work-in-progress are not depreciated.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss in the period the asset is derecognised.

Investment property

Investment property is carried at cost, net of any recognised impairment losses.

Cost includes direct costs, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company' accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Impairment of non-financial assets

At each reporting date the Company reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

3. Summary of material accounting policy information (continued)

Impairment of non-financial assets (continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs are those incurred in bringing each product to its present location and condition, as follows:

- Raw materials - purchase cost on weighted average basis;
- Spares and consumables - purchase cost on weighted average basis;
- Finished goods - cost of direct materials plus an appropriate share of production overheads based on normal operating capacity and is determined on weighted average basis.

Net realisable value is based on the estimated selling price less any further costs expected to be incurred on disposal.

Damaged and obsolete inventories are written off.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated on a straight-line basis over the assets’ estimated useful lives as follows:

Franchise and bottling rights	20 years
Lease rights	20 years
Software	5 years

3. Summary of material accounting policy information (continued)

Foreign exchange difference

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

Financial instruments

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Amortised cost and effective interest rate method

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the ‘finance income’ line item in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, cash and bank balances, due from a related party and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Impairment of financial assets (continued)

(i) Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

(ii) Definition of default

The Company employs statistical models to analyse the data collected and generate estimates of probability of default ("PD") of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

(iii) Write-off policy

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

(iv) Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

Derecognition of financial assets

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

3. Summary of material accounting policy information (continued)

Financial instruments (continued)

Financial assets (continued)

Derecognition of financial assets (continued)

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

Financial liabilities

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

Financial liabilities measured subsequently at amortised cost

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

Fair value measurement

The Company measures financial instruments, such as derivatives and investment securities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

3. Summary of material accounting policy information (continued)

Fair value measurement (continued)

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature. Characteristics and risks or the assets or liabilities and the level of the fair value hierarchy, as explained above.

Current versus non-current classification

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

3. Summary of material accounting policy information (continued)

Current versus non-current classification (continued)

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

Provision for end of service benefits

The Company provides end of service benefits for its expatriate employees in accordance with U.A.E. Labour Law. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Leases

The Company as lessee

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

3. Summary of material accounting policy information (continued)

Leases (continued)

The Company as lessee (continued)

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

Corporate income tax

On 9 December 2022, the UAE Ministry of Finance released the Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (the Law) to enact a Federal corporate tax (CT) regime in the UAE. The CT regime will become effective for accounting periods beginning on or after 1 June 2023.

Generally, UAE businesses will be subject to a 9% CT rate, however a rate of 0% will be applied to taxable income not exceeding AED 375,000 or to certain types of entities, as prescribed by way of a Cabinet Decision.

As the Company's accounting year ends on 31 December, accordingly the effective implementation date for the Company will start from 1 January 2024 to 31 December 2024, with the first return to be filed on or before 30 September 2025.

The Company is currently assessing the impact of these laws and regulations and will apply the requirements as they come into effect.

4. Critical accounting judgments and key sources of estimation uncertainty

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant impact on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

Determining the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

Discounting of lease payments

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). For calculation of IBR, the Company has taken the borrowing rate as on the transition date and the rate is adjusted for Company's specific risk, term risk and underlying asset risk.

4. Critical accounting judgments and key sources of estimation uncertainty (continued)

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Calculation of loss allowance

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

Calculation of sales discount and volume rebates

For assessing the expected amount of rebates and discounts at year end, the management considers all the information that is reasonably available to them and shall identify a possible amount using the benchmarks mentioned in the sales contract.

Notes to the financial statements
for the year ended 31 December 2023 (continued)

5(a) Property, plant and equipment

	Land AED'000	Buildings AED'000	Plant, machinery and equipment AED'000	Coolers and vending machines AED'000	Furniture and fixture AED'000	Freezer AED'000	Capital work-in progress AED'000	Total AED'000
Cost								
At 1 January 2022	38,041	493,489	364,679	81,777	9,860	1,166	1,680	990,692
Additions	22,101	245	6,293	7,154	105	-	4,707	40,605
Transfers during the year	-	139	1,116	14	-	-	(1,269)	-
Reclassified to investment property	(14,946)	-	-	-	-	-	-	(14,946)
Disposals	-	(184)	(957)	(1,357)	(347)	(896)	-	(3,741)
At 31 December 2022	45,196	493,689	371,131	87,588	9,618	270	5,118	1,012,610
Additions	-	18,438	6,188	6,557	482	-	39	31,704
Transfers during the year	-	3,332	465	-	-	-	(4,664)	(867)
Disposals	(23,096)	(35,697)	(4,946)	(1,065)	(458)	-	(283)	(65,545)
Write-off	-	-	(5,236)	(25,772)	-	-	-	(31,008)
At 31 December 2023	**22,100**	**479,762**	**367,602**	**67,308**	**9,642**	**270**	**210**	**946,894**

Notes to the financial statements
for the year ended 31 December 2023 (continued)

5(a) Property, plant and equipment (continued)

	Land AED'000	Buildings AED'000	Plant, machinery and equipment AED'000	Coolers and vending machines AED'000	Furniture and fixture AED'000	Freezer AED'000	Capital work-in progress AED'000	Total AED'000
Accumulated depreciation								
At 1 January 2022	-	125,428	197,903	70,230	9,584	967	-	404,112
Charge for the year (Note 24)	-	16,258	17,531	4,854	253	95	-	38,991
Eliminated on disposals	-	(184)	(958)	(1,346)	(347)	(796)	-	(3,631)
At 31 December 2022	-	141,502	214,476	73,738	9,490	266	-	439,472
Charge for the year (Note 24)	-	16,035	18,230	5,020	186	4	-	39,475
Eliminated on disposals	-	(32,022)	(4,404)	(1,061)	(458)	-	-	(37,945)
Write-off	-	-	(5,205)	(25,313)	-	-	-	(30,518)
At 31 December 2023	**-**	**125,515**	**223,097**	**52,384**	**9,218**	**270**	**-**	**410,484**
Carrying value								
At 31 December 2023	**22,100**	**354,247**	**144,505**	**14,924**	**424**	**-**	**210**	**536,410**
At 31 December 2022	45,196	352,187	156,655	13,850	128	4	5,118	573,138

The fully depreciated assets still in use amounting to AED 197,992 thousand (2022: AED 235,090 thousand).

During the year ended 31 December 2023, the Company disposed a property situated in Al Quoz First, Dubai. This decision was approved by the shareholders during the Annual General Meeting held on 14th June 2023. The property had a carrying value of AED 26.8 million at the time of the transaction and was sold at a price of AED 252 million.

Notes to the financial statements
for the year ended 31 December 2023 (continued)

5(a) Property, plant and equipment (continued)

Depreciation charge for the year has been allocated as follows:

	2023 AED'000	2022 AED'000
Cost of sales (Note 24)	**23,649**	23,809
Selling and distribution expenses	**10,413**	10,184
General and administrative expenses	**5,413**	4,998
	39,475	38,991

5(b) Investment property

	2023 AED'000	2022 AED'000
Balance at 31 December	**14,946**	14,946

Investment property represents a plot land in Business Bay, Dubai UAE. The fair value of the investment property at 31 December 2023 was estimated to be AED 195 million (2022: AED 88.9 million). During the year, the rental income from this land plot was AED 1,800,000 (2022: AED 1,800,000).

As permitted by IAS 40 *Investment Property*, the Company has chosen to carry Investment Properties under the "cost model". The Company therefore has disclosed the "fair values" of these investment properties. The "fair values' disclosed have been arrived at on the basis of a valuation carried out by an independent valuer. The fair value of the investment properties have been classified under level 3 of valuation hierarchy.

6. Right-of-use assets

The Company leases several assets including land, motor vehicles and accommodation. The average lease term is 5 years.

	Right-of-use assets			
	Land and building AED'000	**Equipment AED'000**	**Motor vehicles AED'000**	**Total AED'000**
1 January 2022	80,781	27	16,781	97,589
Additions	-	-	7,821	7,821
Depreciation expense (Note 24)	(5,201)	(27)	(8,883)	(14,111)
31 December 2022	75,580	-	15,719	91,299
Additions	-	695	7,125	7,820
Disposal	(5,149)	-	-	(5,149)
Depreciation expense (Note 24)	(5,079)	(132)	(9,610)	(14,821)
31 December 2023	**65,352**	**563**	**13,234**	**79,149**

Notes to the financial statements
for the year ended 31 December 2023 (continued)

6. Right-of-use asset (continued)

Amounts recognised in profit or loss:

	2023 AED'000	2022 AED'000
Depreciation expense on right-of-use assets	**14,821**	14,111
Interest expense on lease liabilities (Note 21)	**3,476**	3,695
	18,297	17,806

7. Intangible assets

	Franchise and bottling rights AED'000	**Lease rights AED'000**	**Software AED'000**	**Total AED'000**
Cost				
At 1 January 2022	62,391	7,000	24,264	93,655
Additions	-	-	307	307
At 31 December 2022	62,391	7,000	24,571	93,962
Additions	-	-	139	139
Transfer from property, plant and equipment (Note 5a)	-	-	867	867
At 31 December 2023	**62,391**	**7,000**	**25,577**	**94,968**
Amortisation				
At 1 January 2022	58,492	3,003	23,946	85,441
Charge for the year	3,119	350	272	3,741
At 31 December 2022	61,611	3,353	24,218	89,182
Charge for the year	780	350	661	1,791
At 31 December 2023	**62,391**	**3,703**	**24,879**	**90,973**
Net book value				
At 31 December 2023	**-**	**3,297**	**698**	**3,995**
At 31 December 2022	780	3,647	353	4,780

8. Investment in financial assets

	2023 AED'000	2022 AED'000
Balance at 1 January	**112,255**	118,696
Change in market fair value	**(17,303)**	(6,441)
Balance at 31 December	**94,952**	112,255

Notes to the financial statements
for the year ended 31 December 2023 (continued)

9. Inventories

	2023 **AED'000**	2022 AED'000
Raw material and consumables	**44,087**	40,925
Finished goods	**24,821**	22,888
Spare parts and supplies	**8,012**	7,399
	76,920	71,212
Less: Provision for slow moving spare parts and supplies	**(1,745)**	(1,745)
	75,175	69,467

Movements in the provision for slow moving spare parts and supplies inventories were as follows:

	2023 **AED'000**	2022 AED'000
At 1 January	**1,745**	1,745
At 31 December	**1,745**	1,745

During the year ended 31 December 2023, the carrying amount of raw material recognised as an expense and included as part of cost of goods sold in the statement of profit or loss amounts to AED 442.68 million (2022: AED 420.05 million).

10. Trade and other receivables

	2023 **AED'000**	2022 AED'000
Trade receivables	**136,682**	114,769
Less: allowance for expected credit loss	**(1,820)**	(2,957)
	134,862	111,812
Prepaid expenses	**7,742**	10,326
Advances to suppliers	**6,747**	7,405
Contract assets	**11,143**	8,165
Other receivables	**56,187**	51,080
Positive fair value of derivatives (Note 28)	**1,062**	252
Due from a related party [Note 19 (c)]	**298**	980
	218,041	190,020

10. Trade and other receivables (continued)

As at 31 December 2023, trade accounts receivable with a nominal value of AED 1.8 million (2022: AED 2.9 million) were impaired. Movements in the allowance for expected credit loss were as follows:

	2023 AED'000	2022 AED'000
At 1 January	**2,957**	1,995
Charge for the year	**1,409**	962
Write off during the year against receivable	**(2,546)**	-
At 31 December	**1,820**	2,957

As at 31 December, the ageing of trade receivables is as follows:

				Past due but not impaired			
	Total AED'000	**Past due and impaired AED'000**	**Neither past due nor impaired AED'000**	**<30 days AED'000**	**30-60 days AED'000**	**60-90 days AED'000**	**>90 days AED'000**
2023	**136,682**	**1,820**	**115,881**	**12,946**	**4,113**	**1,318**	**604**
2022	114,769	2,957	95,471	12,244	3,773	324	-

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable given the nature of the business. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 (Note 27):

	Collectively assessed AED'000	**Individually assessed AED'000**	**Total AED'000**
Balance as at 1 January 2022	318	1,677	1,995
Write off	-	-	-
Net re-measurement of loss allowance	29	933	962
Balance as at 1 January 2023	347	2,610	2,957
Write off	-	(2,546)	(2,546)
Net re-measurement of loss allowance	124	1,285	1,409
Balance as at 31 December 2023	**471**	**1,349**	**1,820**

11 Cash and Bank balances

For the purpose of the statement of cash flows, cash and bank balances comprise the following:

	2023 **AED'000**	2022 AED'000
Cash at bank and on hand	**83,852**	67,673
Bank deposits	**473,862**	186,658
Cash and bank balances	**557,714**	254,331
Less: Bank deposits with maturity of more than 3 months	**(151,427)**	-
Cash and cash equivalents	**406,287**	254,331

Cash and bank balances comprise cash and short-term bank deposits with an original maturity ranging from three months to one year. The carrying amount of these assets is approximately equal to their fair value. Bank deposits carries interest at rates ranging from 5% p.a. to 5.6% p.a. (2022: 3.3% p.a. to 4.5% p.a.).

Balances with banks and short term bank deposits are assessed to have low credit risk of default since these banks are regulated by the Central Bank of the United Arab Emirates. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that the credit risk associated with these is very low, if any, as at the end of reporting period, and hence have not recorded any expected credit loss allowances on these balances.

12. Share capital

	2023 **AED'000**	2022 AED'000
Authorized issued and fully paid up:		
90 million shares of AED 1 each	**90,000**	90,000

13. Statutory reserve

In accordance with Article 239 of Commercial Companies Law No. 32 of 2021 and the Company's articles of association, 10% of the annual profit of the Company is required to be transferred to a statutory reserve until the reserve equals 50% of the share capital. No transfer was made to the statutory reserve in 2023 as the reserve has already reached 50% of the share capital. This reserve is not available for distribution except as stipulated by the law.

14. General reserve

In accordance with Article 240 of the UAE Commercial Companies Law No. 32 of 2021 and the Company's articles of association, 10% of the Company's net profit may be transferred to a general reserve to be used only for the purposes stated in the Company's article of association.

In accordance with Clause 70 of the Company's article of association, 10% of the net profit for each year should be transferred to this reserve and such transfers may cease when the reserve equals 5% of the paid-up share capital of the Company.

During the Board of Directors' meeting held on 20 February 2024, the Directors have approved not to transfer any amount from retained earnings to general reserve.

15. Fair value reserve

On adoption of IFRS 9, the Company has classified the equity investment securities as measured at FVOCI and re-designated the related fair value reserve accordingly as not to be reclassified to profit and loss in subsequent periods and classified into the statement of other comprehensive income.

16. Dividends

During the Board of Directors' meeting held on 20 February 2024, the Board of Directors' proposed a cash dividend of AED 0.80 per share totalling to AED 72 million relating to 2023 (2022: AED 0.70 per share totalling to AED 63 million relating to 2022). Further, in addition to above, the Board of Directors proposed a one-time special cash dividend of AED 2.4 per share totalling to AED 216 million as a result of the sale of Al Quoz property during 2023 out of which AED 108 million will be paid to shareholders in April 2024 in accordance with SCA regulations and the remaining balance of AED 108 million will be paid in October 2024 through a Board of Directors' resolution to the eligible shareholders in accordance with SCA regulations. Both dividends are subject to the approval of the shareholders in the Annual General Meeting.

During the year, the Company paid dividend of AED 63 million relating to 2022 (2022: paid dividend of AED 63 million relating to 2021).

17. Provision for employees' end of service indemnity

	2023 **AED'000**	2022 AED'000
Balance at the beginning of the year	**31,381**	28,077
Charged during the year	**3,884**	4,680
Payments during the year	**(1,753)**	(1,376)
Balance at the end of the year	**33,512**	31,381

18. Basic earnings per share

Basic earnings per share is calculated by dividing the profit for the year attributable to the shareholders of the Company, net of directors' fees, amounting to AED 357.56 million (2022: AED 101.45 million) by the weighted average number of shares outstanding during the year of 90 million shares (2022: 90 million shares).

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

19. Related party transactions and balances

Related parties represent shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Company's management, which are substantially the same terms as those prevailing at the same time for comparable transactions with un-related parties.

The Company enters into transactions with companies and entities that fall within the definition of a related party as contained in IAS 24 *Related Party Disclosures*. Related parties comprise companies and entities under common ownership and/or common management and control and key management personnel.

The management decides on the terms and conditions of the transactions and of the services received/rendered from/to related parties, as well as on any other charges, which are substantially the same terms as those prevailing at the same time for comparable transactions with un-related parties.

a. Significant transactions with related parties included in the statement of profit or loss are as follows:

	2023	2022
	AED'000	AED'000
Sales to a related party	**5,023**	2,562
Purchase from a related party	**6,369**	5,701
Dividend income	**4,047**	4,047

b. Compensation of key management personnel

The remuneration of directors and other key members of management during the year was as follows:

	2023	2022
	AED'000	AED'000
Short-term benefits	**12,337**	11,764
Employees' end of service benefits	**1,526**	928
Director's sitting fee	**290**	140
	14,153	12,832

19. Related party transactions and balances (continued)

c. Significant balances with related parties included in the statement of financial position:

	2023 AED'000	2022 AED'000
Due from a related party		
Other related party (included in trade and other receivables)		
Oman Refreshments Company Limited	**298**	980
Due to a related party		
Other related party (included in trade and other payables)		
Oman Refreshments Company Limited	**1,240**	1,066

Amounts due from and due to a related party is not offset as management has assessed that these financial assets and liabilities do not meet the offset criteria described in *IAS 32 - Financial Instruments: Presentation.* Amount due from related parties are interest free and payable on demand.

20. Trade and other payables

	2023 AED'000	2022 AED'000
Trade payable	**65,644**	61,352
Accrued expenses	**35,838**	40,752
Accrual for staff costs	**14,244**	12,236
Contract liabilities	**32,924**	29,175
Advances from customers	**4,206**	8,335
Deferred income	**11,381**	10,074
Due to a related party [Note 19 (c)]	**1,240**	1,066
Other payables	**38,448**	39,416
	203,925	202,406

Other payables include Board of Directors' fees of AED 4.2 million (2022: AED 4.2 million) payable to the directors of the Company after obtaining the shareholders' approval in the Annual General Meeting. It also includes an excise duty payable amounting to AED 30.27 million (2022: AED 30.14 million).

21. Lease liabilities

	2023 AED'000	2022 AED'000
Balance as at 1 January	**101,102**	105,518
Accretion of interest	**3,476**	3,695
Additions	**7,820**	7,821
Derecognition	**(5,916)**	-
Payments	**(16,966)**	(15,932)
Balance as at 31 December	**89,516**	101,102

Notes to the financial statements
for the year ended 31 December 2023 (continued)

21. Lease liabilities (continued)

	2023 AED'000	2022 AED'000
Current	**9,229**	13,912
Non-current	**80,287**	87,190
	89,516	101,102

The maturity analysis of lease liabilities is as follows:

	2023 AED'000	2022 AED'000
Maturity analysis		
Not later than 1 year	**9,229**	13,912
Later than 1 year and not later than 5 years	**23,225**	27,881
Later than 5 years	**57,062**	59,309
	89,516	101,102

22. Revenue

	2023 AED'000	2022 AED'000
Local		
Long term contracts	**520,153**	531,081
Transaction based contracts	**198,097**	136,624
	718,250	667,705
Export		
Long term contracts	**24,063**	48,443
Transaction based contracts	**60,755**	36,025
	84,818	84,468
Total	**803,068**	752,173

Notes to the financial statements
for the year ended 31 December 2023 (continued)

23. Other income

	2023 **AED'000**	2022 AED'000
(Loss)/gain on write-off / sale of assets	**(353)**	301
Rental income	**2,309**	1,800
Gain on de recognition of lease	**4,667**	-
Income from warehousing and related services (i)	**7,331**	-
Others	**1,970**	650
	15,924	2,751

(i) During the year 2023, company has entered into an agreement with a third party to provide warehousing and related services.

24. Profit for the year

The profit for the year is stated after charging:

	2023 **AED'000**	2022 AED'000
Staff costs	**108,460**	99,162
Rental expenses - operating lease	**6,242**	6,215
Depreciation of property, plant and equipment (Note 5a)	**39,475**	38,991
Depreciation of right of use asset (Note 6)	**14,821**	14,111
Gain on disposal of property, plant and equipment	**(219,835)**	(301)

Amount included in cost of sales:

	2023 **AED'000**	2022 AED'000
Staff costs	**24,488**	22,698
Rental - operating lease	**681**	516
Depreciation expense (Note 5a)	**23,649**	23,809

During the year ended 31 December 2023, social contributions made by the Company amounted to AED 22 thousand (2022: AED 33 thousand).

25. Contingencies and capital commitments

	2023 **AED'000**	2022 AED'000
Bank guarantees	**1,823**	10,431

26. Segment reporting

The Company operates in a single reporting segment of canning, bottling, distribution and trading of soft drinks and related beverages products. All the relevant information relating to this reporting/operating segment is disclosed in the statement of financial position, statement of profit or loss and notes to the financial statements.

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

Information about geographical segments

During the year ended 31 December 2023, revenue from customers located in the Company's country of domicile (UAE) is AED 718 million (2022: AED 668 million) and revenue from customers outside UAE (foreign customers) is AED 85 million (2022: AED 84 million).

Major customer

During the year ended 31 December 2023, there were no customer of the Company with revenue greater than 10% of the total revenue of the Company (2022: Nil).

27. Financial risk management

The Company's principal financial liabilities comprise accounts payables and other liabilities. The main purpose of these financial liabilities is to manage Company's cash flows. The Company has various financial assets such as accounts and other receivables, cash and bank balances, which arise directly from operations.

The main risk arising from Company's financial instruments are liquidity risk, market risk, credit risk, interest rate risk.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include term loans, bank deposits, investment securities and derivative financial instruments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits and term loans).

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's result for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

Notes to the financial statements
for the year ended 31 December 2023 (continued)

27. Financial risk management (continued)

Interest rate risk (continued)

There is no impact on the Company's equity.

	Increase/ decrease in basis points	Effect on profit for the year AED'000
2023		
AED	**+50**	**-**
AED	**-50**	**-**
2022		
AED	+50	-
AED	-50	-

Foreign currency risk management

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates, The Company had the following significant net exposures denominated in foreign currencies in the form of bank balances and term loans.

	2023 AED'000 Equivalent	2022 AED'000 Equivalent
Net assets:		
Euro	**40**	39

The below analysis calculates the effect of a reasonably possible movement of the AED currency rate against the above mentioned currency, with all other variables held constant, on the income (due to the fair value of currency sensitive monetary assets and liabilities).

	Increase/ decrease in exchange rate to the AED	Effect on profit for the year increase (decrease) AED'000	Effect on other comprehensive income for the year increase/ (decrease) AED'000
2023	**+5%**	**2**	**-**
	-5%	**(2)**	**-**
2022	+5%	2	-
	-5%	(2)	-

27. Financial risk management (continued)

Equity price risk

Equity price risk is the risk that the fair value of equities decreases as a result of changes in the levels of equity index and the value of individual stocks. The Company's listed equity security is susceptible to market price risk arising from uncertainties about future values of the investment security. The effect on equity (fair value reserve) as a result of a change in the fair value of equity instrument quoted on Muscat Securities Market Oman and held as fair value through other comprehensive income at 31 December 2023 and 31 December 2022, due to reasonably possible changes in the prices of these quoted shares held by the Company, with all other variables held constant, is as follows:

	2023		2022	
	Increase/ decrease in market prices %	**Effect on equity (fair value reserve) AED'000**	Increase/ decrease in market prices %	Effect on equity (fair value reserve) AED'000
Market index - Muscat Securities Market (Oman)	**+10%**	**9,495**	+10%	11,226
Impact of change in market prices	**-10%**	**(9,495)**	-10%	(11,226)

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Company limits its credit risk with regard to bank deposits by only dealing with reputable banks. The Company also manages the risk through dealings with large diversified base of customers as well as local and foreign banks.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

With respect to credit risk arising from other financial assets of the Company, including bank balances, trade and other receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	2023 AED'000	2022 AED'000
Bank balances and deposits (Note 11)	**557,714**	254,331
Trade receivables (Note 10)	**136,682**	114,769
Due from a related party (Note 19)	**298**	980
Other receivables (Note 10)	**56,187**	51,080
Positive fair value of derivatives (Note 10)	**1,062**	252
	751,943	421,412

Bank balances

The Company limits its credit risk with regard to bank balances by dealing only with reputable banks. The credit risk is limited to the carrying values of the financial assets.

27. Financial risk management (continued)

Credit risk (continued)

Trade receivables

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal criteria. Outstanding trade receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries.

Liquidity risk

The Company limits its liquidity risk by ensuring that adequate internally generated funds and bank facilities are available. The Company's terms of sales require amounts to be paid within 30 to 60 days from the date of sale, Trade payables are normally settled within 30 to 90 days from the date of purchase.

The table below summarises the maturities of the Company's discounted and undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	Less than 6 months AED'000	**6 to 12 months AED'000**	**1 to 5 years AED'000**	**Total AED'000**
2023				
Trade and other payables	**121,409**	**-**	**-**	**121,409**
Lease liability	**4,615**	**4,614**	**80,287**	**89,516**
Total	**126,024**	**4,614**	**80,287**	**210,925**
2022				
Trade and other payables	121,122	-	-	121,122
Lease liability	6,956	6,956	87,190	101,102
Total	128,078	6,956	87,190	222,224

Contractual maturities related to lease liabilities disclosed in Note 21.

27. Financial risk management (continued)

Capital management

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2023 and 2022. Capital comprises share capital, reserves and retained earnings and is measured at AED 1.25 billion as at 31 December 2023 (2022: AED 975 million).

28. Fair value of derivatives

Cash flow hedges

The Company also uses forward commodity contracts to manage some of its financing transaction exposures, highly probable transactions and commitment. The hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transaction is accounted for as a cash flow hedge.

The cash flow hedges were assessed to be effective and as at 31 December 2023, a net unrealised gain of AED 0.810 million (2022: net unrealised gain of AED 0.432 million) was included in other comprehensive income in respect of these contracts.

The table below shows the positive and negative fair values of derivative financial instruments including cash flow hedges, which are equivalent to the market values, together with the notional amounts analysed by the term to maturity The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes In the value of derivatives are measured, the notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

	Positive fair value AED'000	**Notional amount AED'000**	**Within 1 year AED'000**
Derivatives			
31 December 2023			
Designated as cash flow hedge	**1,062**	**15,666**	**15,666**
31 December 2022			
Designated as cash flow hedge	252	13,119	13,119

The fair value of derivatives is presented in the statement of financial position as.

	2023 AED'000	2022 AED'000
Positive fair value of derivatives - current assets (Note 10)	**1,062**	252

29. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables, derivatives and investment securities. Financial liabilities consist of bank borrowings, payables, contract liabilities and derivatives.

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

Fair value hierarchy

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

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

As at reporting date, the Company held the following financial instruments measured at fair value:

Assets measured at fair value

	Total AED'000	**Level 1 AED'000**	**Level 2 AED'000**	**Level 3 AED'000**
2023				
Investment securities				
Quoted equity shares consumer products sector (Note 8)	**94,952**	**94,952**	**-**	**-**
Positive fair value of derivatives - held as cash flow hedge (Note 10)	**1,062**	**-**	**1,062**	**-**
2022				
Investment securities				
Quoted equity shares consumer products sector (Note 8)	112,255	112,255	-	-
Positive fair value of derivatives - held as cash flow hedge (Note 10)	252	-	252	-

30. Approval of financial statements

The financial statements were approved by the Board of Directors and authorized for issue on 20 February 2024.