Emirates Refreshments (P.S.C.)

(formerly Jeema Mineral Water (P.S.C.))

Condensed interim financial information

30 June 2011

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Independent auditors' report on review of condensed interim financial information

The Shareholders
Emirates Refreshments (P.S.C.)

Introduction

We have reviewed the accompanying condensed statement of financial position of Emirates Refreshments (P.S.C.) (formerly Jeema Mineral Water (P.S.C)) ("the Company") as at 30 June 2011, and the condensed statements of comprehensive income, changes in equity and cash flows for the six month period then ended ("the condensed interim financial information"). Management is responsible for the preparation and presentation of this condensed interim financial information in accordance with IAS 34, *'Interim Financial Reporting'*. Our responsibility is to express a conclusion on this condensed interim financial information based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim financial information as at and for the six month period ended 30 June 2011 is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

Vijendranath Malhotra
Registration No. 48B
Dubai, United Arab Emirates
Date: 14 AUG 2011

Emirates Refreshments (P.S.C.)
(formerly Jeema Mineral Water (P.S.C.))

Condensed income statement
for the six month period ended 30 June 2011

	Note	Unaudited Three month period ended 30 June 2011 AED	Unaudited Three month period ended 30 June 2010 AED	Unaudited Six month period ended 30 June 2011 AED	Unaudited Six month period ended 30 June 2010 AED
Revenue		**12,670,199**	15,750,731	**22,219,074**	28,383,855
Cost of sales	*7*	**(9,547,767)**	(8,857,093)	**(16,659,387)**	(16,867,749)
Gross profit		**3,122,432**	6,893,638	**5,559,687**	11,516,106
Distribution expenses	*8*	**(3,050,230)**	(5,104,055)	**(6,152,525)**	(11,298,251)
Administrative and general expenses	*9*	**(2,092,618)**	(1,183,230)	**(4,224,958)**	(3,838,702)
Profit on disposal of available for sale investments	*12*	**-**	-	**15,516,460**	2,975,191
Finance expense		**(361,539)**	(234,169)	**(721,320)**	(529,279)
Finance income		**32,341**	-	**32,341**	-
Dividend income		**73,994**	979,604	**443,537**	979,604
Other income		**71,851**	39,604	**551,841**	49,174
Profit/(loss) for the period		**(2,203,769)**	1,391,392	**11,005,063**	(146,157)
Earnings per share - basic	*20*	**(0.073)**	0.046	**0.367**	(0.005)

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)
(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of comprehensive income
for the six month period ended 30 June 2011

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2011	2010	**2011**	2010
	AED	AED	**AED**	AED
Profit/(loss) for the period	**(2,203,769)**	1,391,392	**11,005,063**	(146,157)
Other comprehensive income:				
Net change in fair value of available for sale investments	**247,366**	(5,821,247)	**1,084,581**	(2,572,340)
Transfer of fair value reserve on investments sold during the period to profit or loss	**-**	-	**(15,300,000)**	(2,975,191)
Total other comprehensive income for the period	**247,366**	(5,821,247)	**(14,215,419)**	(5,547,531)
Total comprehensive income for the period	**(1,956,403)**	(4,429,855)	**(3,210,356)**	(5,693,688)

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

Emirates Refreshments (P.S.C.)
(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of financial position
at 30 June 2011

	Note	**30 June 2011 AED (Unaudited)**	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited) Restated*
ASSETS				
Non-current assets				
Property, plant and equipment	*10*	**36,840,932**	36,813,292	47,036,649
Investment property	*11*	**4,293,800**	4,293,800	-
Available for sale investments	*12*	**9,737,414**	27,182,833	25,659,462
Long-term prepayment		**1,250,500**	1,281,000	1,311,500
Total non-current assets		**52,122,646**	69,570,925	74,007,611
Current assets				
Inventories	*13*	**9,368,971**	8,126,899	5,037,317
Trade and other receivables	*14*	**8,646,819**	10,145,030	13,017,782
Due from a related party	*15*	**192,148**	963,069	-
Cash at bank and in hand	*16*	**19,566,789**	179,276	189,790
Assets classified as held for sale	*17*	**-**	1,306,003	-
Total current assets		**37,774,727**	20,720,277	18,244,889
Total assets		**89,897,373**	90,291,202	92,252,500
EQUITY				
Share capital		**30,000,000**	30,000,000	30,000,000
Legal reserve		**8,615,519**	8,615,519	8,615,519
Obligatory reserve		**1,500,000**	1,500,000	1,500,000
Fair value reserve		**2,508,575**	16,723,994	15,029,893
Retained earnings		**6,646,616**	(4,358,447)	6,751,782
Total equity		**49,270,710**	52,481,066	61,897,194
LIABILITIES				
Non-current liabilities				
Staff terminal benefits		**1,202,241**	1,179,209	1,523,899
Bank loans – non current portion	*19*	**11,800,000**	13,000,000	3,750,000
Total non-current liabilities		**13,002,241**	14,179,209	5,273,899
Current liabilities				
Trade and other payables	*18*	**17,911,629**	20,334,386	10,954,569
Due to a related party	*15*	**-**	-	1,399,401
Bank overdraft		**6,512,793**	46,541	1,042,189
Payable to a related party – current portion	*15*	**-**	-	6,685,248
Short-term portion of long-term bank loans	*19*	**3,200,000**	3,250,000	5,000,000
Total current liabilities		**27,624,422**	23,630,927	25,081,407
Total liabilities		**40,626,663**	37,810,136	30,355,306
Total equity and liabilities		**89,897,373**	90,291,202	92,252,500

The condensed interim financial information was authorised for issue on behalf of the Board of Directors on 14 AUG 2011

Ali Humaid Ali Al Owais
Chairman

Khalifa Hassan Abdulla Al Daboos
Vice-Chairman

The notes set out on pages 7 to 14 are an integral part of the condensed interim financial information.

*Refer note 24

Emirates Refreshments (P.S.C.)
(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of cash flows
for the six month period ended 30 June 2011

	Unaudited Six month period ended 30 June 2011 AED	2010 AED
Operating activities		
Profit/(loss) for the period	**11,005,063**	(146,157)
Adjustments for:		
Depreciation	**2,459,441**	3,197,217
(Gain)/loss on disposal of property, plant and equipment	**(30,340)**	211,098
Amortisation of long-term prepayment	**30,500**	30,500
Gain on disposal of assets classified as held for sale	**(263,997)**	-
Provision for staff terminal benefits	**325,097**	160,800
Income from disposal of available for sale investments	**(15,516,460)**	(2,975,191)
	(1,990,696)	478,267
Change in inventories	**(1,242,072)**	2,749,286
Change in trade and other receivables	**1,498,211**	6,417,446
Change in due from a related party	**770,921**	-
Change in trade and other payables	**(2,422,757)**	(318,678)
Change in due to a related party	**-**	6,566
Staff terminal benefits paid	**(302,065)**	(50,692)
Net cash (used in)/from operating activities	**(3,688,458)**	9,282,195
Investing activities		
Purchase of property, plant and equipment	**(2,487,081)**	(3,222,866)
Proceeds from disposal of property, plant and equipment	**30,340**	231,000
Proceeds from sale of assets classified as held for sale	**1,570,000**	-
Proceeds from disposal of available for sale investments	**18,746,460**	3,545,191
Funds invested in fixed deposit with a bank	**(18,750,000)**	-
Net cash (used in)/from investing activities	**(890,281)**	553,325
Financing activities		
Repayment of bank loan	**(7,250,000)**	(1,250,000)
Bank loan obtained	**6,000,000**	-
Repayment of long term payable to a related party	**-**	(3,831,570)
Dividend paid	**-**	(1,500,000)
Net cash used in financing activities	**(1,250,000)**	(6,581,570)
Net increase in cash and cash equivalents	**(5,828,739)**	3,253,950
Cash and cash equivalents at the beginning of the period	**132,735**	(4,106,349)
Cash and cash equivalents at the end of the period	**(5,696,004)**	(852,399)
Cash and cash equivalents comprise:		
Cash at bank and in hand	**816,789**	189,790
Bank overdraft	**(6,512,793)**	(1,042,189)
	(5,696,004)	(852,399)

The notes set out on pages 7 to 14 are an integral part of the condensed consolidated interim financial information.

Emirates Refreshments (P.S.C.)
(formerly Jeema Mineral Water (P.S.C.))

Condensed statement of changes in equity
for the six month period ended 30 June 2011

	Share capital AED	Statutory reserve AED	Obligatory reserve AED	Fair value reserve AED	Retained earnings AED	Total AED
At 1 January 2010 (audited) - as previously stated	30,000,000	8,615,519	1,500,000	16,643,866	15,578,685	72,338,070
Effect of prior period adjustment (refer note 24 (i))	-	-	-	3,933,558	(7,180,746)	(3,247,188)
At 1 January 2010 (audited) – restated	30,000,000	8,615,519	1,500,000	20,577,424	8,397,939	69,090,882
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(146,157)	(146,157)
Other comprehensive income						
Net change in fair value of available for sale investments	-	-	-	(2,572,340)	-	(2,572,340)
Transfer to profit or loss of reserve on available for sale investments sold during the period	-	-	-	(2,975,191)	-	(2,975,191)
Total other comprehensive income	-	-	-	(5,547,531)	-	(5,547,531)
Total comprehensive income for the period	-	-	-	(5,547,531)	(146,157)	(5,693,688)
Transactions with owners, recorded directly in equity						
Contributions by and distributions to owners						
Dividend paid	-	-	-	-	(1,500,000)	(1,500,000)
Total contributions by and distributions to owners	-	-	-	-	(1,500,000)	(1,500,000)
Total transactions with owners	-	-	-	-	(1,500,000)	(1,500,000)
At 30 June 2010 (audited) – restated	**30,000,000**	**8,615,519**	**1,500,000**	**15,029,893**	**6,751,782**	**61,897,194**
At 1 January 2011 (audited) – as previously stated	30,000,000	8,615,519	1,500,000	16,723,994	(4,358,447)	52,481,066
Total comprehensive income for the period						
Profit for the period	-	-	-	-	11,005,063	11,005,063
Other comprehensive income						
Net change in fair value of available for sale investments	-	-	-	1,084,581	-	1,084,581
Transfer of fair value reserve on investments sold during the period to profit or loss	-	-	-	(15,300,000)	-	(15,300,000)
Total other comprehensive income	-	-	-	(14,215,419)	-	(14,215,419)
Total comprehensive income for the period	-	-	-	(14,215,419)	11,005,063	(3,210,356)
At 30 June 2011 (unaudited)	**30,000,000**	**8,615,519**	**1,500,000**	**2,508,575**	**6,646,616**	**49,270,710**

No allocation of profit has been made to statutory reserve for the six month period ended 30 June 2011 as it would be effected at year end.

The notes set out on pages 7 to 14 form part of the condensed interim financial information.

1. Reporting entity

Emirates Refreshments (P.S.C.) (formerly Jeema Mineral Water (P.S.C.)) ("the Company") is a Public Shareholding Company, incorporated in Dubai, United Arab Emirates under a decree issued by His Highness, The Ruler of Dubai. The Company is listed on the Dubai Financial Market.

The principal activity of the Company is bottling and selling mineral water as well as manufacturing plastic bottles and containers. The Company has two plants, each located in Dibba and Hatta, UAE. The Company mainly markets, distributes and sells its products across the UAE.

The registered address of the Company is P O Box 5567, Dubai, UAE.

2. Statement of compliance

The condensed interim financial information has been prepared in accordance with the International Accounting Standard ("IAS") 34, *Interim Financial Reporting*. The financial information does not include all of the information required for full annual financial statements, and should be read in conjunction with the audited financial statements of the Company for the year ended 31 December 2010.

3. Accounting standards and interpretations effective in the current period

Effective 1 January 2011, the Company has adopted revised IAS 24 *Related Party Disclosures* in preparing the condensed interim financial information. The revisions in IAS 24 provide an exemption from disclosure requirements for transactions between entities controlled, jointly controlled or significantly influenced by the same state ('state controlled entities') and amends the definition of a related party transaction to clarify the intended meaning and remove some inconsistencies. The application of the amended standard has not caused a significant change in the condensed interim financial information relating to the identification and disclosure of related party relationships and transactions.

4. Significant accounting policies

The accounting policies applied in the preparation of the condensed interim financial information are consistent with those applied by the Company in its financial statements as at and for the year ended 31 December 2010. Certain comparative amounts have been reclassified to conform to the current period's presentation.

5. Accounting estimates and judgements

The preparation of condensed interim financial information in conformity with IAS 34 requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by the management in applying the Company's accounting policies and the key sources of estimation uncertainty were the same as those that were applied in preparation of the financial statements of the Company as at and for the year ended 31 December 2010.

6. Financial risk management

The Company's financial risk management objectives and policies are consistent with those disclosed in the financial statements as at and for the year ended 31 December 2010.

7. Cost of sales

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2011	2010	**2011**	2010
	AED	AED	**AED**	AED
These include:				
Raw materials consumed	**5,863,607**	5,003,640	**9,411,168**	9,084,036
Staff costs	**961,770**	910,854	**2,161,197**	1,835,534
Depreciation	**1,109,013**	1,193,480	**2,141,719**	2,507,388

8. Distribution expenses

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2011	2010	**2011**	2010
	AED	AED	**AED**	AED
These include:				
Staff costs	**1,251,240**	1,881,270	**2,429,268**	3,763,384
Advertisement and marketing expenses	**346,808**	595,032	**363,852**	1,673,058
Depreciation	**85,293**	277,763	**211,248**	600,599
Provision for slow moving and obsolete inventories	**112,054**	-	**117,990**	596,520

9. Administrative and general expenses

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2011	2010	**2011**	2010
	AED	AED	**AED**	AED
These include:				
Staff costs	**1,343,422**	588,315	**2,678,978**	1,064,825
Depreciation	**53,508**	21,357	**106,474**	89,230
Loss on disposal of property, plant and equipment	**-**	-	**-**	211,098
Impairment loss on trade receivables	**90,170**	-	**155,170**	1,650,428

10. Property, plant and equipment

Additions and disposals (unaudited)

During the six month period ended 30 June 2011, the Company acquired assets amounting to AED 0.88 million *(six month period ended 30 June 2010: AED 1.93 million)* and incurred AED 1.6 million on capital work in progress *(six month period ended 30 June 2010: AED 1.29 million)*. Furthermore, the Company made a disposal of assets with cost of AED 0.60 million *(six month period ended 30 June 2010: AED 1 million)*.

11. Investment property

Investment property comprises a plot of land in the Emirate of Sharjah, UAE which is held for undetermined use. The Company measures investment property using the cost model. During the year ended 31 December 2010, an impairment loss of AED 2.75 million was recorded in respect of this land. Management is of the view that no adjustment is required to the carrying value of the land in the current period.

12. Available for sale investments

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited) Restated*
At 1 January	**27,182,833**	31,776,993	31,776,993
Change in fair value	**1,084,581**	(878,239)	(2,572,340)
Impairment loss recognised	**-**	(170,730)	-
Sale of investments	**(18,530,000)**	(3,545,191)	(3,545,191)
At 30 June	**9,737,414**	27,182,833	25,659,462

All the investments in available for sale financial assets are held in equity securities listed on recognised stock exchanges.

During the current period, the Company sold certain investments in securities with original cost of AED 3,230,000 *(2010: AED 570,000)* for a consideration of AED 18,746,460 *(2010: AED 3,545,191)* resulting in a gain of AED 15,516,460 *(2010: AED 2,975,191)* which is recorded in profit or loss.

*Refer note 24

13. Inventories

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited) Restated*
Raw materials	**4,732,425**	4,079,632	2,153,133
Finished goods	**979,496**	951,398	397,298
Spare parts	**3,925,531**	3,470,909	3,164,671
Others	**194,675**	562,322	515,535
	9,832,127	9,064,261	6,230,637
Less: Provision for slow moving inventories	**(463,156)**	(937,362)	(1,193,320)
	9,368,971	8,126,899	5,037,317

*Refer note 24

14. Trade and other receivables

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited) Restated*
Trade receivables	**6,322,645**	9,224,133	13,581,401
Less: Provision for doubtful debts	**(1,033,062)**	(3,215,000)	(2,942,474)
	5,289,583	6,009,133	10,638,927
Prepayments	**2,287,498**	2,826,328	1,233,061
Advances to suppliers	**-**	43,088	751,600
Other receivables	**1,069,738**	1,266,481	394,194
	8,646,819	10,145,030	13,017,782

*Refer note 24

15. Related party transactions and balances

Significant related party transactions were as follows:

	Unaudited Three month period ended 30 June		**Unaudited Six month period ended 30 June**	
	2011 AED	2010 AED	**2011 AED**	2010 AED
Sales	**1,270,411**	1,532,720	**2,344,759**	2,746,701
Payment of expenses on behalf of the Company	**81,925**	-	**192,140**	467,984
Compensation to key management personnel is as follows:				
- Short term benefits	**588,048**	142,500	**1,098,096**	285,000
- Provision towards staff terminal benefits	**6,232**	7,500	**13,354**	15,000

In 2009, the Company has entered into a co-packing agreement ("the Agreement") with Dubai Refreshments PSC, a related party, to act as a bottler and co-packer of water. As per the terms of the Agreement, the parties have undertaken to sell/purchase a minimum quantity of the beverage at a mutually agreed price.

15. Related party transactions and balances *(continued)*

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited)
Due from a related party			
Dubai Refreshments (PSC)	**192,148**	963,069	-
Due to a related party			
Dubai Refreshments (PSC)	-	-	1,399,401
Long term payable to a related party			
Purchase of property, plant and equipment from Dubai Refreshments (PSC)	-	-	26,500,000
Less: Cumulative repayments/adjustments to date	-	-	(19,814,752)
	-	-	6,685,248
Less: Current portion	-	-	(6,685,248)
Long-term portion	-	-	-

The details of the long term payable to the related party including the original terms of repayment are mentioned in the financial statements of the Company as at and for the year ended 31 December 2010.

16. Cash at bank and in hand

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited)
Cash in hand	**260,693**	58,258	50,800
Cash at bank – current accounts	**556,096**	121,018	138,990
Cash at bank – fixed deposits*	**18,750,000**	-	-
	19,566,789	179,276	189,790

* Fixed deposits are hypothecated against facilities obtained from a bank (refer note 19). Fixed deposits include AED 6 million with a maturity of less than three months from the reporting date.

17. Assets classified as held for sale

As per the agreement for sale of vehicles, the assets were sold in the current period for a consideration of AED 1.57 million. The legal formalities for the transfer of vehicles in the name of the buyer have been completed and a gain of AED 263,997 has been recorded during the current period under 'other income'.

18. Trade and other payables

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited) Restated*
Trade payables	**12,239,679**	11,054,922	8,671,483
Accrued expenses and other payables	**5,671,950**	9,279,464	2,283,086
	17,911,629	20,334,386	10,954,569

*Refer note 24

19. Bank loans

	30 June 2011 AED (Unaudited)	31 December 2010 AED (Audited)	30 June 2010 AED (Unaudited)
Term loans from bank	**15,000,000**	16,250,000	8,750,000
Less: Current portion of bank loans	**(3,200,000)**	(3,250,000)	(5,000,000)
Long term portion of bank loans	**11,800,000**	13,000,000	3,750,000

The details of the bank loans, including the terms of repayment, interest rates and security provided, are mentioned in the financial statements of the Company as at and for the year ended 31 December 2010. During the current period, the Company has pre-settled the outstanding loan balance of AED 6.25 million owed to a creditor bank and has obtained a new loan of AED 6 million from another creditor bank at normal commercial interest rates. Furthermore, during the current period, the Company has hypothecated its fixed deposits against loans and overdraft obtained from the creditor bank.

20. Earnings per share - basic

	Unaudited Three month period ended 30 June		**Unaudited Six month period ended 30 June**	
	2011	2010	**2011**	2010
Loss/(profit) for the period (AED)	**(2,203,769)**	1,391,392	**11,005,063**	(146,157)
Weighted average number of shares outstanding	**30,000,000**	30,000,000	**30,000,000**	30,000,000
Earnings per share in AED	**(0.073)**	0.046	**0.367**	(0.005)

21. Operating lease commitments

The future aggregate minimum lease payments under a non-cancellable operating lease are as follows:

	30 June 2010 AED (Unaudited)	31 December 2010 AED (Audited)
Less than 1 year	**2,093,471**	2,088,665
Later than 1 year and no later than 5 years	**3,380,941**	3,628,734
Later than 5 years	**3,753,574**	4,554,919
	9,227,986	10,272,318

22. Contingent liabilities and commitments

	30 June 2011 AED Unaudited	31 December 2010 AED Audited
Letters of guarantees	**1,016,590**	1,016,590
Capital commitments	**214,881**	541,672

At 31 December 2010, the Company was a defendant in respect of various legal cases filed against it in the UAE and Oman by its former agent in Oman, the details of which are contained in note 29 of the financial statements for the year ended 31 December 2010. Hearings in the following cases have been adjourned to subsequent dates:

(i) Claim of AED 9 million for compensation from the Company for filling water of a brand which was owned by the former agent, without their permission.

(ii) Claim of AED 1.8 million for compensation from the Company for termination of trucks agreement allegedly causing arbitrary damage to the former agent's Company leading to loss of customers.

(iii) Claim of AED 0.46 million for payment of the former agent's sums due for providing transport services between UAE and Oman.

The following cases are under appeal subsequent to them being dismissed by the Court of First Instance:

(i) Claim of AED 1.3 million compensation from the Company for termination of distribution agreement

22. Contingent liabilities and commitments *(continued)*

(ii) Claim of AED 0.5 million compensation from the Company for alleged defamation of the former agent.

Management is of the view that there will be no significant financial implications of this litigation.

23. Segment reporting

The Company operates in a single reporting segment of bottling, distribution and trading of mineral water. All the relevant information relating to this reporting/operating segment is disclosed in the condensed statement of financial position, condensed income statement and notes to the condensed interim financial information.

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

a) Information about geographical segments

During the six month period ended 30 June 2011, revenue from customers located in the Company's country of domicile (UAE) is AED 17.54 million *(six month ended 30 June 2010: AED 22.95 million)* and revenue from customers outside the UAE (foreign customers) is AED 4.68 million *(six month ended 30 June 2010: AED 5.43 million).*

b) Major customers

During the six month period ended 30 June 2011, there were no customers of the Company which contributed revenues greater than 10% of the total revenue of the Company *(six month ended 30 June 2010: None).*

24. Restatement of comparative information

(i) The corresponding figures included in the financial statements of the Company for the year ended 31 December 2010 were restated based on certain prior period errors identified in 2010. Accordingly, corresponding figures included in the statement of financial position at 30 June 2011 have also been restated to the extent of these adjustments. The details of the prior period errors and the associated adjustments are disclosed under note 5 in the financial statements of the Company for the year ended 31 December 2010.

(ii) The effect of the restatements on the condensed interim financial information of the corresponding period is as follows:

Statement of financial position

	30 June 2010 AED
Decrease in inventories	**1,507,366**
Decrease in prepayments	**1,002,034**
Increase in trade payables	**737,788**
Decrease in retained earnings	**3,247,188**

The statement of financial position as at the beginning of the earliest restated comparative period, i.e. as at 1 January 2010, has not been disclosed in the financial statements as, in the view of management, the restatement does not have a material impact on the statement of financial position as at that date.