

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

Condensed interim financial  
information

*31 March 2013*

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

Condensed interim financial information  
31 March 2013

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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 31 March 2013 condensed interim financial information of Emirates Refreshments (P.S.C.) (formerly Jeema Mineral Water (P.S.C.)) ("the Company") which comprises:

- the condensed statement of financial position as at 31 March 2013;
- the condensed income statement for the three month period ended 31 March 2013;
- the condensed statement of comprehensive income for the three month period ended 31 March 2013;
- the condensed statement of changes in equity for the three month period ended 31 March 2013;
- the condensed statement of cash flows for the three month period ended 31 March 2013, and
- notes to the 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 three month period ended 31 March 2013 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: 13 MAY 2013

# Emirates Refreshments (P.S.C.)

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

## Condensed income statement

for the three month period ended 31 March 2013

	Note	Unaudited Three month period ended 31 March	
		2013 AED	2012 AED
Revenue		13,941,700	11,876,133
Cost of sales	6	(9,533,657)	(8,765,929)
Gross profit		4,408,043	3,110,204
Distribution expenses	7	(3,528,307)	(2,827,958)
Administrative and general expenses	8	(1,619,598)	(1,462,603)
Operating loss		(739,862)	(1,180,357)
Profit on sale of available for sale investments	10	193,436	782,888
Finance expense		(211,733)	(293,030)
Finance income		128,157	110,578
Other income		23,400	62,808
Loss for the period		(606,602)	(517,113)
Earnings per share – basic	17	(0.020)	(0.017)

The notes set out on pages 7 to 15 are an integral part of the condensed interim financial information.

The independent auditors' report on review of condensed interim financial information is set out on page 1.



# Emirates Refreshments (P.S.C.)

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

## Condensed statement of comprehensive income for the three month period ended 31 March 2013

		Unaudited	
		Three month period ended	
		31 March	
	Note	2013 AED	2012 AED
<b>Loss for the period</b>		<b>(606,602)</b>	<b>(517,113)</b>
<b>Other comprehensive income:</b>			
<i>Items that will be or may be reclassified subsequently to profit or loss</i>			
Net change in fair value of available for sale investments	10	215,732	1,200,610
Transfer of reserve on available for sale investments sold during the period to profit or loss	10	(193,436)	(782,888)
<b>Total other comprehensive income for the period</b>		<b>22,296</b>	<b>417,722</b>
<b>Total comprehensive income for the period</b>		<b>(584,306)</b>	<b>(99,391)</b>

The notes set out on pages 7 to 15 are an integral part of the condensed interim financial information.

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**Emirates Refreshments (P.S.C.)**  
(formerly Jeema Mineral Water (P.S.C.))  
**Condensed statement of financial position**  
*at 31 March 2013*

		31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
<b>ASSETS</b>	<i>Note</i>			
<b>Non-current assets</b>				
Property, plant and equipment	9	30,101,729	31,121,142	34,057,522
Investment property		-	-	3,757,075
Available for sale investments	10	2,146,228	3,235,449	4,284,441
Long-term prepayment		1,143,750	1,159,000	1,204,750
Non-current portion of fixed deposits with bank	14	2,700,000	3,000,000	3,900,000
<b>Total non-current assets</b>		<b>36,091,707</b>	<b>38,515,591</b>	<b>47,203,788</b>
<b>Current assets</b>				
Inventories	11	8,538,268	9,440,514	7,469,439
Trade and other receivables	12	9,684,696	8,596,188	9,644,414
Due from a related party	13	1,115,345	697,163	1,003,833
Cash in hand and at bank	14	18,350,525	18,000,279	16,943,031
<b>Total current assets</b>		<b>37,688,834</b>	<b>36,734,144</b>	<b>35,060,717</b>
<b>Total assets</b>		<b>73,780,541</b>	<b>75,249,735</b>	<b>82,264,505</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
Share capital		30,000,000	30,000,000	30,000,000
Statutory reserve		9,075,242	9,075,242	8,998,499
Obligatory reserve		1,500,000	1,500,000	1,500,000
Fair value reserve		1,519,394	1,497,098	1,378,308
Accumulated losses		(827,546)	(220,944)	(1,428,741)
<b>Total equity</b>		<b>41,267,090</b>	<b>41,851,396</b>	<b>40,448,066</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provision for employee terminal benefits		1,588,858	1,319,221	1,325,655
Bank loans – non-current portion	16	6,200,000	7,000,000	9,400,000
<b>Total non-current liabilities</b>		<b>7,788,858</b>	<b>8,319,221</b>	<b>10,725,655</b>
<b>Current liabilities</b>				
Trade and other payables	15	8,127,501	12,005,149	15,038,597
Short term portion of long-term bank loans	16	3,200,000	3,200,000	3,200,000
Bank overdraft	16	13,397,092	9,873,969	12,852,187
<b>Total current liabilities</b>		<b>24,724,593</b>	<b>25,079,118</b>	<b>31,090,784</b>
<b>Total liabilities</b>		<b>32,513,451</b>	<b>33,398,339</b>	<b>41,816,439</b>
<b>Total equity and liabilities</b>		<b>73,780,541</b>	<b>75,249,735</b>	<b>82,264,505</b>

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

  
Chairman

  
Director

13 MAY 2013

The notes set out on pages 7 to 15 are an integral part of the condensed interim financial information.

The independent auditors' report on review of condensed interim financial information is set out on page 1.

# Emirates Refreshments (P.S.C.)

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

## Condensed statement of cash flows for the three month period ended 31 March 2013

	Unaudited Three month period ended 31 March	
	2013 AED	2012 AED
<b>Operating activities</b>		
Loss for the period	(606,602)	(517,113)
<i>Adjustments for:</i>		
Depreciation	1,428,162	1,423,300
Amortisation of long-term prepayment	15,250	15,250
Provision for staff terminal benefits	278,740	372,627
Interest expense	211,733	293,030
Interest income	(56,607)	(60,493)
Dividend income from available for sale investments	(71,550)	(50,085)
Profit on sale of available for sale investments	(193,436)	(782,888)
	<u>1,005,690</u>	<u>693,628</u>
Change in inventories	902,246	211,809
Change in trade and other receivables	(1,098,359)	(1,287,874)
Change in due from a related party	(418,182)	332,841
Change in trade and other payables	(3,877,648)	(3,873,590)
Staff terminal benefits paid	(9,103)	(276,577)
	<u>(3,495,356)</u>	<u>(4,199,763)</u>
<i>Net cash used in operating activities</i>		
<b>Investing activities</b>		
Purchase of property, plant and equipment	(408,747)	(235,307)
Proceeds from sale of available for sale investments	1,304,953	5,105,594
Interest income received	56,607	60,493
Dividend received	71,550	-
	<u>1,024,363</u>	<u>4,930,780</u>
<i>Net cash from investing activities</i>		
<b>Financing activities</b>		
Interest expense paid	(211,733)	(293,030)
Repayment of bank loans	(800,000)	(800,000)
	<u>(1,011,733)</u>	<u>(1,093,030)</u>
<i>Net cash used in financing activities</i>		
<b>Net decrease in cash and cash equivalents</b>	<b>(3,482,726)</b>	<b>(362,013)</b>
Cash and cash equivalents at the beginning of the period	(3,714,752)	(6,222,142)
Cash and cash equivalents at the end of the period	<u>(7,197,478)</u>	<u>(6,584,155)</u>
<i>Cash and cash equivalents comprise:</i>		
Cash in hand and at bank	199,614	236,634
Fixed deposit (less than three months)	6,000,000	6,031,398
Bank overdraft	(13,397,092)	(12,852,187)
	<u>(7,197,478)</u>	<u>(6,584,155)</u>

The notes set out on pages 7 to 15 are an integral part of the condensed consolidated interim financial information.

The independent auditors' report on review of condensed interim financial information is set out on page 1.



# Emirates Refreshments (P.S.C.)

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

## Condensed statement of changes in equity for the three month period ended 31 March 2013

	Share capital	Statutory reserve	Obligatory Reserve	Fair value reserve	Accumulated Losses	Total
	AED	AED	AED	AED	AED	AED
At 1 January 2012 (audited)	30,000,000	8,998,499	1,500,000	960,586	(911,628)	40,547,457
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(517,113)	(517,113)
<i>Other comprehensive income</i>						
Net change in fair value of available for sale investments	-	-	-	1,200,610	-	1,200,610
Transfer to profit or loss of reserve on available for sale investments sold during the period	-	-	-	(782,888)	-	(782,888)
Total other comprehensive income	-	-	-	417,722	-	417,722
Total comprehensive income for the period	-	-	-	417,722	(517,113)	(99,391)
At 31 March 2012 (unaudited)	30,000,000	8,998,499	1,500,000	1,378,308	(1,428,741)	40,448,066
At 1 January 2013 (audited)	30,000,000	9,075,242	1,500,000	1,497,098	(220,944)	41,851,396
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(606,602)	(606,602)
<i>Other comprehensive income</i>						
Net change in fair value of available for sale investments	-	-	-	215,732	-	215,732
Transfer to profit or loss of reserve on available for sale investments sold during the period	-	-	-	(193,436)	-	(193,436)
Total other comprehensive income	-	-	-	22,296	-	22,296
Total comprehensive income for the period	-	-	-	22,296	(606,602)	(584,306)
At 31 March 2013 (unaudited)	30,000,000	9,075,242	1,500,000	1,519,394	(827,546)	41,267,090

The notes set out on pages 7 to 15 are an integral part of the condensed interim financial information.



# Emirates Refreshments (P.S.C.)

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

## Notes to the condensed interim financial information for the three month period ended 31 March 2013

### 1. Reporting entity

Emirates Refreshments (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 shareholders of the Company at an extraordinary general meeting held on 20 June 2010, resolved that the name of the Company be changed from Jeema Mineral Water (P.S.C.) to Emirates Refreshments (P.S.C.)

The principal activities of the Company are bottling and selling mineral water as well as manufacturing plastic bottles and containers. The Company has two plants 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 financial statements of the Company for the year ended 31 December 2012.

### 3. 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 2012, except for the adoption of new standards and interpretations effective as of 1 January 2013.

The Company applies, for the first time, certain standards and amendments which are effective from 1 January 2013. These include IFRS 13 Fair Value Measurement and amendments to IAS 1 Presentation of Financial Statements. The adoption of these new standards and amendments does not impact the annual financial statements of the Company or the interim condensed financial information of the Company, except for the presentation and disclosures. As required by IAS 34, the nature and the effect of these changes are disclosed below.

#### IAS 1 Presentation of Items of Other Comprehensive Income – Amendments to IAS 1

The amendments to IAS 1 introduce a grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time now have to be presented separately from items that will never be reclassified. The amendment affected presentation only and had no impact on the Company's financial position.

#### IFRS 13 Fair Value Measurement

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under IFRS when fair value is required or permitted. The application of IFRS 13 has not materially impacted the fair value measurements carried out by the Company. IFRS 13 also requires specific disclosures on fair values, some of which replace existing disclosure requirements in other standards, including IFRS 7 Financial Instruments: Disclosures. Some of these disclosures are specifically required for financial instruments by IAS 34, thereby affecting the interim condensed financial information period. The Company provides these disclosures in Note 18.

# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (continued)  
for the three month period ended 31 March 2013

## 4. 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 the preparation of the financial statements of the Company as at and for the year ended 31 December 2012.

## 5. 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 2012.

## 6. Cost of sales

	Unaudited Three month period ended 31 March	
	2013	2012
	AED	AED
<i>These include:</i>		
Materials consumed	5,074,416	5,079,025
Staff costs	1,640,375	1,151,558
Depreciation	1,196,690	1,207,360
Water and electricity charges	1,120,538	984,099

## 7. Distribution expenses

	Unaudited Three month period ended 31 March	
	2013	2012
	AED	AED
<i>These include:</i>		
Staff costs	1,546,250	1,031,375
Transportation expenses	1,294,991	1,218,837
Rent expense	336,651	332,407
Advertisement and marketing expenses	118,191	37,573
Depreciation	132,708	102,764

## 8. Administrative and general expenses

	Unaudited Three month period ended 31 March	
	2013	2012
	AED	AED
<i>These include:</i>		
Staff costs	1,052,029	895,369
Depreciation	108,446	113,176
(Reversal of impairment loss)/Impairment loss on trade receivables	(13,426)	75,000



# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*  
for the three month period ended 31 March 2013

## 9. Property, plant and equipment

### *Additions and disposals (unaudited)*

During the three month period ended 31 March 2013, the Company acquired assets amounting to AED 0.41 million *(three month period ended 31 March 2012: AED 0.11 million)* and incurred AED Nil on capital work in progress *(three month period ended 31 March 2012: AED 0.13 million)*.

## 10. Available for sale investments

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Opening balance	3,235,449	8,189,425	8,189,425
Change in fair value	215,732	1,705,094	1,200,610
Sale of investments	(1,304,953)	(6,659,070)	(5,105,594)
	<u>2,146,228</u>	<u>3,235,449</u>	<u>4,284,441</u>

Significant 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 1,111,517 *(2012: AED 4,322,706)* for a consideration of AED 1,304,953 *(2012: AED 5,105,594)* resulting in a gain of AED 193,436 *(2012: AED 782,888)* which is recorded in profit or loss.

## 11. Inventories

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Raw materials	4,217,025	4,616,497	2,655,991
Finished goods	1,394,043	1,746,504	1,428,580
Spare parts	3,360,135	3,463,457	3,864,560
Others	170,783	164,079	202,559
	<u>9,141,986</u>	<u>9,990,537</u>	<u>8,151,690</u>
Less: Provision for slow moving inventories	<u>(603,718)</u>	<u>(550,023)</u>	<u>(682,251)</u>
	<u>8,538,268</u>	<u>9,440,514</u>	<u>7,469,439</u>

# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*  
for the three month period ended 31 March 2013

## 12. Trade and other receivables

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Trade receivables	7,658,486	6,908,362	7,224,048
Less: Allowance for impairment	(684,914)	(698,340)	(865,183)
	<u>6,973,572</u>	<u>6,210,022</u>	<u>6,358,865</u>
Prepayments	1,174,448	1,096,695	1,864,686
Advances to suppliers	232,547	65,511	198,076
Other receivables	1,304,129	1,223,960	1,222,787
	<u>9,684,696</u>	<u>8,596,188</u>	<u>9,644,414</u>

## 13. Related party transactions and balances

Significant related party transactions were as follows:

	Unaudited Three month period ended 31 March	
	2013 AED	2012 AED
Sales	1,473,429	1,320,182
Payment of expenses on behalf of the Company	-	82,687
Compensation to key management personnel is as follows:		
- Short term benefits	529,677	483,347
- Provision towards employee terminal benefits	148,674	46,871

In 2009, the Company had entered into a co-packing agreement ("the Co-Packing Agreement") with Dubai Refreshments (P.S.C.), a related party, to act as a bottler and co-packer of a beverage. As per the terms of the Co-Packing Agreement, the parties have undertaken to sell/purchase a minimum quantity of the beverage at a mutually agreed price. The agreement was valid until February 2012. The Company has entered into a new agreement with Dubai Refreshments (P.S.C.) on 22 February 2012 with a validity of 2 years. The amount receivable from Dubai Refreshments (P.S.C.) under the Co-Packing Agreement is assigned to banks against facilities obtained by the Company.

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Due from a related party Dubai Refreshments (P.S.C.)	<u>1,115,345</u>	<u>697,163</u>	<u>1,003,833</u>



# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*  
for the three month period ended 31 March 2013

## 14. Cash at bank and in hand

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Cash in hand	146,885	103,544	140,110
Other cash equivalents	49,429	53,268	51,663
Cash at bank – current account	3,300	2,406	44,861
Cash at bank – fixed deposits	20,850,911	20,841,061	20,606,397
	<u>21,050,525</u>	<u>21,000,279</u>	<u>20,843,031</u>
Less: Non-current portion of fixed deposits	(2,700,000)	(3,000,000)	(3,900,000)
	<u>18,350,525</u>	<u>18,000,279</u>	<u>16,943,031</u>

(i) Fixed deposits include AED 19 million (2012: AED 6 million) with a maturity of less than three months from the reporting date. Fixed deposits carry interest at normal commercial rates. Also refer note 22.

(ii) Fixed deposits with banks amounting to AED 18.75 million (2012: AED 18.75 million) are hypothecated against bank borrowings obtained comprising loans and overdraft. Fixed deposits of AED 2.7 million corresponding to the non-current portion of bank loans against which they are hypothecated are classified as non-current assets. Also refer note 22.

## 15. Trade and other payables

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Trade payables	5,461,156	8,488,671	9,145,421
Accrued expenses and other payables	2,666,345	3,516,478	5,893,176
	<u>8,127,501</u>	<u>12,005,149</u>	<u>15,038,597</u>

## 16. Bank borrowings

	31 March 2013 AED (Unaudited)	31 December 2012 AED (Audited)	31 March 2012 AED (Unaudited)
Term loans from bank	9,400,000	10,200,000	12,600,000
Less: Short term portion of bank loans	(3,200,000)	(3,200,000)	(3,200,000)
	<u>6,200,000</u>	<u>7,000,000</u>	<u>9,400,000</u>
Long term portion of bank loans			
Bank overdraft	13,397,092	9,873,969	12,852,187

The details of the bank loans including the terms of repayment, interest rate and security provided are mentioned in the financial statements of the Company as at and for the year ended 31 December 2012.

# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*  
for the three month period ended 31 March 2013

## 17. Earnings per share

	Unaudited Three month period ended 31 March	
	2013	2012
Loss for the period (AED)	(606,602)	(517,113)
Weighted average number of shares outstanding	30,000,000	30,000,000
Earnings per share in AED	(0.020)	(0.017)

## 18. Financial Instruments

Financial assets of the Company include investments, trade and other receivables, amount due from a related party and cash in hand and at bank. Financial liabilities of the Company include trade and other payables and bank borrowings. The table below sets out the Company's classification of each class of financial assets and financial liabilities and their fair values for the current and the comparative period:

	Available for sale financial assets AED	Loans and receivables AED	Others at amortized cost AED	Carrying amount AED	Fair value AED
<b>31 March 2013</b>					
<b>Financial assets</b>					
Investments	2,146,228	-	-	2,146,228	2,146,228
Trade and other receivables	-	8,510,248	-	8,510,248	8,510,248
Due from a related party	-	1,115,296	-	1,115,296	1,115,296
Cash in hand and at bank	-	21,050,525	-	21,050,525	21,050,525
<b>Total</b>	<b>2,146,228</b>	<b>30,676,069</b>	<b>-</b>	<b>32,822,297</b>	<b>32,822,297</b>
<b>Financial liabilities</b>					
Trade and other payables	-	-	8,127,501	8,127,501	8,127,501
Bank borrowings	-	-	22,797,092	22,797,092	22,797,092
	-	-	30,924,593	30,924,593	30,924,593

# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (continued)  
for the three month period ended 31 March 2013

## 18. Financial Instruments (continued)

	Available for sale financial assets AED	Loans and receivables AED	Others at amortized cost AED	Carrying amount AED	Fair value AED
<b>31 December 2012</b>					
<b>Financial assets</b>					
Investments	3,235,449	-	-	3,235,449	3,235,449
Trade and other receivables	-	7,499,493	-	7,499,493	7,499,493
Due from a related party	-	697,163	-	697,163	697,163
Cash in hand and at bank	-	21,000,279	-	21,000,279	21,000,279
<b>Total</b>	<u>3,235,449</u>	<u>29,196,935</u>	<u>-</u>	<u>32,432,384</u>	<u>32,432,384</u>
<b>Financial liabilities</b>					
Trade and other payables	-	-	12,005,149	12,005,149	12,005,149
Bank borrowings	-	-	20,073,969	20,073,969	20,073,969
	<u>-</u>	<u>-</u>	<u>32,079,118</u>	<u>32,079,118</u>	<u>32,079,118</u>
	Available for sale financial assets AED	Loans and receivables AED	Others at amortized cost AED	Carrying amount AED	Fair value AED
<b>31 March 2012</b>					
<b>Financial assets</b>					
Investments	4,284,441	-	-	4,284,441	4,284,441
Trade and other receivables	-	7,779,728	-	7,779,728	7,779,728
Due from a related party	-	1,003,833	-	1,003,833	1,003,833
Cash in hand and at bank	-	20,843,031	-	20,843,031	20,843,031
<b>Total</b>	<u>4,284,441</u>	<u>29,626,592</u>	<u>-</u>	<u>33,911,033</u>	<u>33,911,033</u>
<b>Financial liabilities</b>					
Trade and other payables	-	-	15,038,597	15,038,597	15,038,597
Bank borrowings	-	-	25,452,187	25,452,187	25,452,187
	<u>-</u>	<u>-</u>	<u>40,490,784</u>	<u>40,490,784</u>	<u>40,490,784</u>



# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*  
for the three month period ended 31 March 2013

## 18. Financial instruments *(continued)*

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** Quoted prices (unadjusted) in active markets for identical assets or liabilities
- **Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
- **Level 3:** Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

The Company has investments which are stated at fair value. The fair value of quoted securities is determined by reference to their quoted bid prices as at the reporting date. Accordingly, the fair value hierarchy is set out as below:

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
<b>31 March 2013</b>				
Available for sale investments	2,146,228	-	-	2,146,228
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>31 December 2012</b>				
Available for sale investments	3,235,449	-	-	3,235,449
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>31 March 2012</b>				
Available for sale investments	4,284,441	-	-	4,284,441
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

There have been no reclassifications made during the current year or the previous year.

## 19. Operating lease commitment

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

	31 March 2013 AED Unaudited	31 December 2012 AED Audited
Less than 1 year	1,888,181	2,108,084
Later than 1 year and no later than 5 years	2,081,760	2,102,372
Later than 5 years	3,143,974	3,482,920
	<u>7,113,915</u>	<u>7,693,376</u>



# Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*  
for the three month period ended 31 March 2013

## 20. Contingent liabilities and commitments

	31 March 2013 AED Unaudited	31 December 2012 AED Audited
Letters of guarantee	1,045,000	1,065,000
Letters of credits	1,288,276	3,952,501
Capital commitments	1,842,059	206,855

- The Company has undertaken to sell a minimum quantity of beverage to a related party as per a co-packing agreement at a mutually agreed price.
- The Company has filed a case against former distributor in Oman for recovering assets carrying net book value of AED 125,112 as at 31 December 2012 and bank balance of AED 724,215. The Company has fully provided for these assets and the hearing of the case is in progress in Oman courts.

## 21. 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 interim statement of financial position, condensed interim 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 quarter ended 31 March 2013, revenue from customers located in the Company's country of domicile (UAE) is AED 12.6 million (*quarter ended 31 March 2012: AED 10.4 million*) and revenue from customers outside the UAE (foreign customers) is AED 1.3 million (*quarter ended 31 March 2012: AED 1.5 million*).

### b) Major customers

Revenue from Dubai Refreshments (P.S.C), a related party, amounts to AED 1.4 million (*quarter ended 31 March 2012: AED 1.3 million*) of the Company's total revenues. Apart from this related party, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.

## 22. Subsequent events

Subsequent to the period end, the Company has liquidated fixed deposits of AED 12.9 million having maturity on 2 June 2013 and utilized the proceeds to settle the outstanding term loans aggregating AED 9.4 million. The remaining balance from the liquidated fixed deposit has been used to create a new fixed deposit which will be secured against overdraft limits with the bank.