

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

**Condensed interim financial
information**

30 June 2014

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

Condensed interim financial information
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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 30 June 2014 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 30 June 2014;
- the condensed statement of profit or loss for the three month and six month period ended 30 June 2014;
- the condensed statement of comprehensive income for the three month and six month period ended 30 June 2014;
- the condensed statement of changes in equity for the six month period ended 30 June 2014;
- the condensed statement of cash flows for the six month period ended 30 June 2014, and
- notes to 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 2014 is not prepared, in all material respects, in accordance with IAS 34, *'Interim Financial Reporting'*.

KPMG Lower Gulf Limited
Muhammad Tariq
Registration No. 793
Dubai

11 AUG 2014

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

Condensed statement of profit or loss
for the six month period ended 30 June 2014

		Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	Note	2014 AED	2013 AED	2014 AED	2013 AED
Revenue		20,121,974	17,381,580	36,684,656	31,323,280
Cost of sales	6	(13,042,977)	(11,736,726)	(24,129,232)	(21,270,383)
Gross profit		7,078,997	5,644,854	12,555,424	10,052,897
Distribution expenses	7	(4,315,662)	(3,529,761)	(8,268,104)	(7,058,068)
Administrative and general expenses	8	(1,917,234)	(1,660,868)	(3,917,915)	(3,267,038)
Operating profit/(loss)		846,101	454,225	369,405	(272,209)
Profit on sale of available for sale investments	10	-	-	-	193,436
Finance expense		(79,411)	(256,434)	(176,711)	(481,593)
Finance income		42,250	45,190	128,422	173,347
Other income		93,148	61,767	140,612	85,167
Profit /(loss) for the period		902,088	304,748	461,728	(301,852)
Earnings per share – basic	17	0.030	0.010	0.015	(0.010)

The notes set out on pages 7 to 16 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 six month period ended 30 June 2014

	<i>Note</i>	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
		2014 AED	2013 AED	2014 AED	2013 AED
Profit/(loss) for the period		<u>902,088</u>	<u>304,748</u>	<u>461,728</u>	<u>(301,852)</u>
Other comprehensive income:					
<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	(415,457)	89,312	28,993	305,044
Transfer of reserve on available for sale investments sold during the period to profit or loss	10	<u>-</u>	<u>-</u>	<u>-</u>	<u>(193,436)</u>
Total other comprehensive income for the period		<u>(415,457)</u>	<u>89,312</u>	<u>28,993</u>	<u>111,608</u>
Total comprehensive income for the period		<u><u>486,631</u></u>	<u><u>394,060</u></u>	<u><u>490,721</u></u>	<u><u>(190,244)</u></u>


The notes set out on pages 7 to 16 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 financial position
at 30 June 2014

		30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
ASSETS	<i>Note</i>			
Non-current assets				
Property, plant and equipment	9	25,172,292	29,429,701	30,120,449
Investment property	9	2,124,538	-	-
Available for sale investments	10	3,013,432	2,984,438	2,235,540
Long-term prepayment		1,067,500	1,098,000	1,128,500
Total non-current assets		31,377,762	33,512,139	33,484,489
Current assets				
Inventories	11	8,770,507	9,978,370	9,876,044
Trade and other receivables	12	16,439,860	10,797,946	10,031,021
Due from a related party	13	-	-	389,111
Cash in hand and at bank	14	10,302,937	10,636,959	10,254,848
Total current assets		35,513,304	31,413,275	30,551,024
Total assets		66,891,066	64,925,414	64,035,513
EQUITY AND LIABILITIES				
EQUITY				
Share capital		30,000,000	30,000,000	30,000,000
Statutory reserve		9,129,782	9,129,782	9,075,242
Obligatory reserve		1,500,000	1,500,000	1,500,000
Fair value reserve		2,386,597	2,357,604	1,608,706
Retained earnings /(accumulated losses)		731,645	269,917	(522,796)
Total equity		43,748,024	43,257,303	41,661,152
LIABILITIES				
Non-current liabilities				
Provision for employee terminal benefits		1,916,176	1,679,392	1,583,263
Total non-current liabilities		1,916,176	1,679,392	1,583,263
Current liabilities				
Trade and other payables	15	11,916,494	14,378,399	12,155,861
Bank borrowings – bank overdraft	16	9,310,372	5,610,320	8,635,237
Total current liabilities		21,226,866	19,988,719	20,791,098
Total liabilities		23,143,042	21,668,111	22,374,361
Total equity and liabilities		66,891,066	64,925,414	64,035,513

The condensed interim financial information was authorised for issue on behalf of the Board of Directors on 11 July 2014



Director



Director

The notes set out on pages 7 to 16 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 cash flows
for the six month period ended 30 June 2014

	Unaudited Six month period ended 30 June	
	2014 AED	2013 AED
Operating activities		
Profit/(loss) for the period	461,728	(301,852)
<i>Adjustments for:</i>		
Depreciation	2,833,451	2,904,062
Amortisation of long-term prepayment	30,500	30,500
Provision for staff terminal benefits	307,899	380,099
Gain on disposal of property, plant and equipment	(5,840)	(29,461)
Dividend income	(99,550)	(99,550)
Profit on sale of available for sale investments	-	(193,436)
Interest expense	176,711	481,593
Interest income	(28,872)	(73,797)
	<u>3,676,027</u>	<u>3,098,158</u>
Change in inventories	1,207,863	(435,530)
Change in trade and other receivables	(5,641,914)	(1,434,833)
Change in due from a related party	-	308,052
Change in trade and other payables	(2,461,905)	150,712
Staff terminal benefits paid	(71,115)	(116,057)
	<u>(3,291,044)</u>	<u>1,570,502</u>
<i>Net cash (used in)/from operating activities</i>		
Investing activities		
Purchase of property, plant and equipment	(859,815)	(1,905,390)
Proceeds from sale of available for sale investments	-	1,304,953
Proceeds from disposal of property, plant and equipment	165,074	31,483
Refund of fixed deposits	-	10,830,539
Dividend received	99,550	99,550
Interest received	28,872	73,797
	<u>(566,319)</u>	<u>10,434,932</u>
<i>Net cash (used in)/ from investing activities</i>		
Financing activities		
Repayment of bank loans	-	(10,200,000)
Interest expense paid	(176,711)	(481,593)
	<u>(176,711)</u>	<u>(10,681,593)</u>
<i>Net cash used in financing activities</i>		
Net (decrease)/increase in cash and cash equivalents	(4,034,074)	1,323,841
Cash and cash equivalents at the beginning of the period	1,074,023	(3,714,752)
Cash and cash equivalents at the end of the period	<u>(2,960,051)</u>	<u>(2,390,911)</u>
<i>Cash and cash equivalents comprise:</i>		
Cash in hand and at bank	221,634	244,326
Fixed deposit (original maturity of less than three months)	6,128,687	6,000,000
Bank overdraft	(9,310,372)	(8,635,237)
	<u>(2,960,051)</u>	<u>(2,390,911)</u>

The notes set out on pages 7 to 16 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 six month period ended 30 June 2014

	Share capital AED	Statutory reserve AED	Obligatory reserve AED	Fair value reserve AED	Retained earnings / (accumulated losses) AED	Total AED
At 1 January 2013 (audited)	30,000,000	9,075,242	1,500,000	1,497,098	(220,944)	41,851,396
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(301,852)	(301,852)
<i>Other comprehensive income</i>						
Net change in fair value of available for sale investments	-	-	-	305,044	-	305,044
Transfer to profit or loss of reserve on available for sale investments sold during the period	-	-	-	(193,436)	-	(193,436)
Total other comprehensive income	-	-	-	111,608	-	111,608
Total comprehensive income for the period	-	-	-	111,608	(301,852)	(190,244)
At 30 June 2013 (unaudited)	30,000,000	9,075,242	1,500,000	1,608,706	(522,796)	41,661,152
At 1 January 2014 (audited)	30,000,000	9,129,782	1,500,000	2,357,604	269,917	43,257,303
Total comprehensive income for the period						
Profit for the period	-	-	-	-	461,728	461,728
<i>Other comprehensive income</i>						
Net change in fair value of available for sale investments	-	-	-	28,993	-	28,993
Total other comprehensive income	-	-	-	28,993	461,728	28,993
Total comprehensive income for the period	-	-	-	28,993	461,728	490,721
At 30 June 2014 (unaudited)	30,000,000	9,129,782	1,500,000	2,386,597	731,645	43,748,024

The notes set out on pages 7 to 16 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 six month period ended 30 June 2014

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 and carbonated soft drinks as well as manufacturing plastic bottles and containers. Bottling of carbonated soft drinks has been commenced in the previous period under a co-packing agreement. The Company has two plants located in Dibba and Hatta, UAE. The Company markets, distributes and sells its products across the Middle East countries mainly in 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 2013.

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 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 2013.

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 2013.

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*
for the six month period ended 30 June 2014

6. Cost of sales

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2014	2013	2014	2013
	AED	AED	AED	AED
Materials consumed	7,567,262	7,052,537	13,232,445	12,126,953
Staff costs	1,585,808	1,358,460	3,168,818	2,998,835
Depreciation	1,430,650	1,237,772	2,799,018	2,434,462
Water and electricity charges	1,431,180	1,395,194	2,706,253	2,515,732
Others	1,028,077	692,763	2,222,698	1,194,401
	<u>13,042,977</u>	<u>11,736,726</u>	<u>24,129,232</u>	<u>21,270,383</u>

7. Distribution expenses

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2014	2013	2014	2013
	AED	AED	AED	AED
Staff costs	1,808,732	1,405,224	3,572,697	2,951,474
Transportation expenses	1,678,904	1,470,574	3,147,389	2,765,565
Rent expense	435,823	273,849	828,119	610,500
Advertisement and marketing expenses	146,832	41,523	248,765	159,714
Depreciation	78,242	129,179	171,711	261,887
Others	167,129	209,412	299,423	308,928
	<u>4,315,662</u>	<u>3,529,761</u>	<u>8,268,104</u>	<u>7,058,068</u>

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*
for the six month period ended 30 June 2014

8. Administrative and general expenses

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2013 AED	2013 AED	2014 AED	2013 AED
Staff costs	1,240,821	951,416	2,557,039	2,003,445
Depreciation	90,694	108,983	194,114	217,429
Impairment loss on trade receivables (net)	-	45,000	18,071	31,574
Others	585,719	555,469	1,148,691	1,014,590
	<u>1,917,234</u>	<u>1,660,868</u>	<u>3,917,915</u>	<u>3,267,038</u>

9. Property, plant and equipment

During the six month period ended 30 June 2014, the Company acquired assets amounting to AED 0.86 million *(six month period ended 30 June 2013: AED 1.9 million)* and disposed off assets with carrying value of AED 0.16 million *(six month period ended 30 June 2013: AED 0.01 million)*. Furthermore, the Company incurred depreciation expenses of AED 2.8 million *(six month period ended 30 June 2013: AED 2.9 million)*.

Transfer to investment property

During the current period, the Company has entered into a lease agreement dated 30 March 2014 with a third party to lease a portion of a warehouse building constructed in Fujairah. Accordingly, the Company has transferred the portion of warehouse building (75% i.e. 6 sheds out of 8 sheds) from property, plant and equipment to investment property amounting to AED 2.12 million.

The warehouse building was valued on an open market basis by a professional firm of independent property valuers. In their assessment report dated 24 December, 2013, they placed a total value of AED 3.9 million to the warehouse building (8 sheds). As at 30 June 2014, the Company has not carried out revaluation of property as management believes that the value is not significantly different from 24 December 2013 value.

Investment property is measured at cost on initial recognition and subsequently using the 'cost model' in accordance with International Accounting Standard 40 - Investment property and is stated at cost less impairment losses, if any.

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (continued)

for the six month period ended 30 June 2014

10. Available for sale investments

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Opening balance	2,984,438	3,235,449	3,235,449
Change in fair value	28,993	1,053,942	305,044
Sale of investments	-	(1,304,953)	(1,304,953)
	<u>3,013,432</u>	<u>2,984,438</u>	<u>2,235,540</u>

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

In the previous period, the Company sold certain investments in securities with original cost of AED 1,111,517 for a consideration of AED 1,304,953 resulting in a gain of AED 193,436 which was recorded in profit or loss.

11. Inventories

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Raw materials	4,696,398	5,461,721	5,600,196
Finished goods	2,284,874	2,373,444	862,459
Spare parts	3,096,422	3,053,998	4,025,405
Others	220,468	208,954	177,702
	<u>10,298,162</u>	<u>11,098,117</u>	<u>10,665,762</u>
Less: provision for slow moving inventories	<u>(1,527,655)</u>	<u>(1,119,747)</u>	<u>(789,718)</u>
	<u>8,770,507</u>	<u>9,978,370</u>	<u>9,876,044</u>

12. Trade and other receivables

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Trade receivables	10,743,195	8,871,623	8,086,314
Less: Allowance for impairment	<u>(778,066)</u>	<u>(759,995)</u>	<u>(729,914)</u>
	<u>9,965,129</u>	<u>8,111,628</u>	<u>7,356,400</u>
Prepayments	1,402,766	1,297,765	1,264,902
Advances to suppliers (refer note below)	3,773,822	212,427	296,365
Other receivables	1,298,143	1,176,946	1,113,354
	<u>16,439,860</u>	<u>10,797,946</u>	<u>10,031,021</u>

Advances to suppliers include amount given towards purchase of raw material and plant and machineries.

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*
for the six month period ended 30 June 2014

13. 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	
	2014 AED	2013 AED	2014 AED	2013 AED
Sales	-	1,526,708	-	3,000,137
Compensation to key management personnel is as follows:				
- Short term benefits	716,610	465,261	1,413,675	994,938
- Provision towards employee terminal benefits	6,109	12,736	186,278	161,410

In 2009, the Company had entered into a co-packing agreement ("the Co-Packing Agreement") with Dubai Refreshments (P.S.C.), to act as a bottler and co-packer of water. 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. During the current period, the Company has entered into an addendum to the agreement to increase the period of agreement till February 2015.

During the previous year, Dubai Refreshment (P.S.C) had sold its entire shareholding in the Company and therefore has not been disclosed as a related party.

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Due from a related party Dubai Refreshments (P.S.C.)	-	-	389,111

14. Cash in hand and at bank

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Cash in hand	145,042	136,790	99,474
Other cash equivalents	-	-	38,489
Cash at bank – current account	76,592	452,298	106,364
Cash at bank – fixed deposit	10,081,303	10,047,871	10,010,521
	<u>10,302,937</u>	<u>10,363,959</u>	<u>10,254,848</u>

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (continued)
for the six month period ended 30 June 2014

14. Cash at bank and in hand (continued)

- (i) Fixed deposits include AED 6.1 million (31 December 2013: AED 6.1 million) with a maturity of less than three months from the reporting date. Fixed deposits carry interest at normal commercial rates.
- (ii) Non-current portion of fixed deposits in the previous period represented the amount corresponding to the non-current portion of term loans against which deposits were hypothecated and were classified as non-current assets. During the previous year, the Company had liquidated fixed deposits of AED 10.9 million and utilized the proceeds to settle the entire amount of outstanding term loans of AED 10.2 million and the remaining amount for working capital requirements.

15. Trade and other payables

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Trade payables	7,945,651	11,466,334	9,171,196
Accrued expenses and other payables	3,970,843	2,912,065	2,984,665
	<u>11,916,494</u>	<u>14,378,399</u>	<u>12,155,861</u>

16. Bank borrowings

	30 June 2014 AED (Unaudited)	31 December 2013 AED (Audited)	30 June 2013 AED (Unaudited)
Bank overdraft	<u>9,310,372</u>	<u>5,610,320</u>	<u>8,635,237</u>

17. Earnings per share - basic

	Unaudited Three month period ended 30 June		Unaudited Six month period ended 30 June	
	2014	2013	2014	2013
Profit/(loss) for the period (AED)	<u>902,088</u>	<u>304,748</u>	<u>461,728</u>	<u>(301,852)</u>
Weighted average number of shares outstanding	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>	<u>30,000,000</u>
Earnings per share in AED – basic and diluted	<u>0.030</u>	<u>0.010</u>	<u>0.015</u>	<u>(0.010)</u>

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (continued)
for the six month period ended 30 June 2014

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
30 June 2014					
Financial assets					
Investments	3,013,432	-	-	3,013,432	3,013,432
Trade and other receivables	-	11,263,272	-	11,263,272	11,263,272
Cash in hand and at bank	-	10,302,937	-	10,302,937	10,302,937
Total	3,013,432	21,566,209	-	24,579,641	24,579,641

Financial liabilities					
Trade and other payables	-	-	11,916,494	11,916,494	11,916,494
Bank borrowings	-	-	9,310,372	9,310,372	9,310,372
	-	-	21,226,866	21,226,866	21,226,866

	Available for sale financial assets AED	Loans and receivables AED	Others at amortized cost AED	Carrying amount AED	Fair value AED
31 December 2013					
Financial assets					
Investments	2,984,438	-	-	2,984,438	2,984,438
Trade and other receivables	-	9,287,753	-	9,287,753	9,287,753
Cash in hand and at bank	-	10,636,959	-	10,636,959	10,636,959
Total	2,984,438	19,924,712	-	22,909,150	22,909,150

Financial liabilities					
Trade and other payables	-	-	14,378,399	14,378,399	14,378,399
Bank borrowings	-	-	5,610,320	5,610,320	5,610,320
	-	-	19,988,719	19,988,719	19,988,719

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (continued)

for the six month period ended 30 June 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
30 June 2013					
Financial assets					
Investments	2,235,540	-	-	2,235,540	2,235,540
Trade and other receivables	-	8,469,754	-	8,469,754	8,469,754
Due from a related party	-	389,111	-	389,111	389,111
Cash in hand and at bank	-	10,254,848	-	10,254,848	10,254,848
Total	2,235,540	19,113,713	-	21,349,253	21,349,253
Financial liabilities					
Trade and other payables	-	-	12,068,362	12,068,362	12,068,362
Bank borrowings	-	-	8,635,237	8,635,237	8,635,237
	-	-	20,703,599	20,703,599	20,703,599

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
30 June 2014				
Available for sale investments	3,013,432	-	-	3,013,432
31 December 2013				
Available for sale investments	2,984,438	-	-	2,984,438
30 June 2013				
Available for sale investments	2,235,540	-	-	2,235,540

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

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information *(continued)*
for the six month period ended 30 June 2014

19. Operating lease commitments

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

	30 June 2014 AED Unaudited	31 December 2013 AED Audited
Less than 1 year	2,040,026	2,576,715
Later than 1 year and no later than 5 years	6,476,408	6,321,982
Later than 5 years	2,332,793	2,508,406
	<u>10,849,227</u>	<u>11,407,103</u>

20. Contingent liabilities and commitments

	30 June 2014 AED Unaudited	31 December 2013 AED Audited
Letters of guarantee	770,000	770,000
Letters of credits	1,784,587	1,569,612
Capital commitments	<u>469,855</u>	<u>1,462,650</u>

- The Company has undertaken to sell a minimum quantity of water to a customer as per a co-packing agreement at a mutually agreed price.
- The Company had 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.

Emirates Refreshments (P.S.C.)

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

Notes to the condensed interim financial information (*continued*)
for the six month period ended 30 June 2014

21. Segment reporting

The Company mainly operates in a single reporting segment of bottling, distribution and trading of mineral water and carbonated soft drinks. All the relevant information relating to this reporting/operating segment is disclosed in the condensed interim statement of financial position, condensed statement of profit or loss 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 months period ended 30 June 2014, revenue from customers located in the Company's country of domicile (UAE) is AED 33.2 million (*six months period ended 30 June 2013: AED 28.2 million*) and revenue from customers outside the UAE (foreign customers) is AED 3.4 million (*six months period ended 30 June 2013: AED 3.1 million*).

b) Major customers

Revenue from Dubai Refreshments (P.S.C.), amounts to AED 3.3 million (*six months period ended 30 June 2013: AED 3 million*) and Royal House Food Catering LLC (Abu Dhabi distributor) amounts to AED 3.9 million (*six months period ended 30 June 2013: AED 2.8 million*) of the Company's total revenues. Apart from the above mentioned parties, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.