

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

Condensed interim financial  
information

*31 March 2014*

# Emirates Refreshments (P.S.C.)

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

## Condensed interim financial information

31 March 2014

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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 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 31 March 2014;
- the condensed income statement for the three month period ended 31 March 2014;
- the condensed statement of comprehensive income for the three month period ended 31 March 2014;
- the condensed statement of changes in equity for the three month period ended 31 March 2014;
- the condensed statement of cash flows for the three month period ended 31 March 2014, 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 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, United Arab Emirates  
Date: 11 MAY 2014

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

**Condensed income statement**  
*for the three month period ended 31 March 2014*

		<b>Unaudited</b>	
		<b>Three month period ended</b>	
		<b>31 March</b>	
	<i>Note</i>	<b>2014</b>	<b>2013</b>
		<b>AED</b>	<b>AED</b>
<b>Revenue</b>		<b>16,562,682</b>	<b>13,941,700</b>
Cost of sales	6	(11,086,255)	(9,533,657)
<b>Gross profit</b>		<b>5,476,427</b>	<b>4,408,043</b>
Selling and distribution expenses	7	(3,952,442)	(3,528,307)
Administrative and general expenses	8	(2,000,681)	(1,619,598)
<b>Operating loss</b>		<b>(476,696)</b>	<b>(739,862)</b>
Profit on sale of available for sale investments	10	-	193,436
Finance expense		(97,300)	(211,733)
Finance income		86,172	128,157
Other income		47,464	23,400
<b>Loss for the period</b>		<b>(440,360)</b>	<b>(606,602)</b>
Earnings per share – basic	17	(0.015)	(0.020)

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 three month period ended 31 March 2014

		Unaudited Three month period ended 31 March	
	Note	2014 AED	2013 AED
<b>Loss for the period</b>		<b>(440,360)</b>	<b>(606,602)</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	444,450	215,732
Transfer of fair value reserve on available for sale investments sold during the period to profit or loss	10	-	(193,436)
<b>Total other comprehensive income for the period</b>		<b>4,090</b>	<b>22,296</b>
<b>Total comprehensive income for the period</b>		<b>4,090</b>	<b>(584,306)</b>

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 31 March 2014*

		31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
<b>ASSETS</b>	<i>Note</i>			
<b>Non-current assets</b>				
Property, plant and equipment	9	26,064,117	29,429,701	30,101,729
Investment property	9	2,159,128	-	-
Available for sale investments	10	3,428,888	2,984,438	2,146,228
Long-term prepayment		1,082,750	1,098,000	1,143,750
Non-current portion of fixed deposits with bank	14	-	-	2,700,000
<b>Total non-current assets</b>		<b>32,734,883</b>	<b>33,512,139</b>	<b>36,091,707</b>
<b>Current assets</b>				
Inventories	11	12,648,696	9,978,370	8,538,268
Trade and other receivables	12	12,054,683	10,797,946	9,684,696
Due from a related party	13	-	-	1,115,345
Cash at bank and in hand	14	10,928,781	10,636,959	18,350,525
<b>Total current assets</b>		<b>35,632,160</b>	<b>31,413,275</b>	<b>37,688,834</b>
<b>Total assets</b>		<b>68,367,043</b>	<b>64,925,414</b>	<b>73,780,541</b>
<b>EQUITY AND LIABILITIES</b>				
<b>EQUITY</b>				
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		2,802,054	2,357,604	1,519,394
(Accumulated losses)/Retained earnings		(170,443)	269,917	(827,546)
<b>Total equity</b>		<b>43,261,393</b>	<b>43,257,303</b>	<b>41,267,090</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
Provision for staff terminal benefits		1,883,454	1,679,392	1,588,858
Bank loans – non-current portion	16	-	-	6,200,000
<b>Total non-current liabilities</b>		<b>1,883,454</b>	<b>1,679,392</b>	<b>7,788,858</b>
<b>Current liabilities</b>				
Trade and other payables	15	15,138,870	14,378,399	8,127,501
Short term portion of long-term bank loans	16	-	-	3,200,000
Bank overdraft	16	8,083,326	5,610,320	13,397,092
<b>Total current liabilities</b>		<b>23,222,196</b>	<b>19,988,719</b>	<b>24,724,593</b>
<b>Total liabilities</b>		<b>25,105,650</b>	<b>21,668,111</b>	<b>32,513,451</b>
<b>Total equity and liabilities</b>		<b>68,367,043</b>	<b>64,925,414</b>	<b>73,780,541</b>

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

  
Chairman

  
Director

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 cash flows for the three month period ended 31 March 2014

	Unaudited Three month period ended 31 March	
	2014 AED	2013 AED
<b>Operating activities</b>		
Loss for the period	(440,360)	(606,602)
<i>Adjustments for:</i>		
Depreciation	1,565,257	1,428,162
Amortisation of long-term prepayment	15,250	15,250
Provision for staff terminal benefits	205,993	278,740
Interest expense	97,300	211,733
Interest income	(14,622)	(56,607)
Dividend income from available for sale investments	(71,550)	(71,550)
Profit on sale of available for sale investments	-	(193,436)
	<u>1,357,268</u>	<u>1,005,690</u>
Change in inventories	(2,670,326)	902,246
Change in trade and other receivables	(1,256,737)	(1,098,359)
Change in due from a related party	-	(418,182)
Change in trade and other payables	760,471	(3,877,648)
Staff terminal benefits paid	(1,931)	(9,103)
	<u>(1,811,255)</u>	<u>(3,495,356)</u>
<i>Net cash used in operating activities</i>		
<b>Investing activities</b>		
Purchase of property, plant and equipment	(358,801)	(408,747)
Proceeds from sale of available for sale investments	-	1,304,953
Interest income received	14,622	56,607
Dividend received	71,550	71,550
	<u>(272,629)</u>	<u>1,024,363</u>
<i>Net cash (used in)/from investing activities</i>		
<b>Financing activities</b>		
Interest expense paid	(97,300)	(211,733)
Repayment of bank loans	-	(800,000)
	<u>(97,300)</u>	<u>(1,011,733)</u>
<i>Net cash used in financing activities</i>		
<b>Net decrease in cash and cash equivalents</b>	<b>(2,181,184)</b>	<b>(3,482,726)</b>
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>(1,107,161)</u>	<u>(7,197,478)</u>
<i>Cash and cash equivalents comprise:</i>		
Cash at bank and in hand	874,814	199,614
Fixed deposit (less than three months maturity)	6,101,351	6,000,000
Bank overdraft	(8,083,326)	(13,397,092)
	<u>(1,107,161)</u>	<u>(7,197,478)</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 three month period ended 31 March 2014

	Share capital AED	Statutory reserve AED	Obligatory reserve AED	Fair value reserve AED	(Accumulated losses)/ Retained earning 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
<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
<b>Total comprehensive income for the period</b>						
At 31 March 2013 (unaudited)	30,000,000	9,075,242	1,500,000	1,519,394	(827,546)	41,267,090
At 1 January 2014 (audited)	30,000,000	9,129,782	1,500,000	2,357,604	269,917	43,257,303
<b>Total comprehensive income for the period</b>						
Loss for the period	-	-	-	-	(440,360)	(440,360)
<i>Other comprehensive income</i>						
Net change in fair value of available for sale investments	-	-	-	444,450	-	444,450
Total other comprehensive income	-	-	-	444,450	-	444,450
<b>Total comprehensive income for the period</b>						
At 31 March 2014 (unaudited)	30,000,000	9,129,782	1,500,000	2,802,054	(170,443)	43,261,393

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 three month period ended 31 March 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 and Africa 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 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 three month period ended 31 March 2014

## 6. Cost of sales

	Unaudited Three month period ended 31 March	
	2014 AED	2013 AED
Materials consumed	5,665,183	5,074,416
Staff costs	1,583,010	1,640,375
Depreciation	1,368,368	1,196,690
Water and electricity charges	1,275,073	1,120,538
Others	1,194,621	501,638
	<u>11,086,255</u>	<u>9,533,657</u>

## 7. Distribution expenses

	Unaudited Three month period ended 31 March	
	2014 AED	2013 AED
Staff costs	1,763,965	1,546,250
Transportation expenses	1,329,409	1,294,991
Rent expenses	392,296	336,651
Advertisement and marketing expenses	101,933	118,191
Depreciation	93,469	132,708
Others	271,370	99,516
	<u>3,952,442</u>	<u>3,528,307</u>

## 8. Administrative and general expenses

	Unaudited Three month period ended 31 March	
	2014 AED	2013 AED
Staff costs	1,316,218	1,052,029
Professional fee	225,104	146,940
Depreciation	103,420	108,446
Repairs & maintenance expenses	110,519	96,846
Impairment loss on trade receivables/(Reversal of impairment loss)	18,071	(13,426)
Others	227,349	228,763
	<u>2,000,681</u>	<u>1,619,598</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 2014

## 9. Property, plant and equipment

### *Additions and disposals (unaudited)*

During the three month period ended 31 March 2014, the Company acquired assets amounting to AED 0.36 million *(three month period ended 31 March 2013: AED 0.41 million)* and recorded depreciation expense of AED 1.57 million *(three month period ended 31 March 2013: AED 1.43 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 2.16 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 31 March 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.

The Company is using the cost model in accordance with International Accounting Standard 40 - Investment property and measuring the investment property at cost less accumulated depreciation less impairment losses, if any.

## 10. Available for sale investments

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
Opening balance	2,984,438	3,235,449	3,235,449
Change in fair value	444,450	1,053,942	215,732
Sale of investments	-	(1,304,953)	(1,304,953)
	<u>3,428,888</u>	<u>2,984,438</u>	<u>2,146,228</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.

# 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 2014

## 11. Inventories

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
Raw materials	7,076,868	5,461,721	4,217,025
Finished goods	3,649,597	2,373,444	1,394,043
Spare parts	3,058,739	3,053,998	3,360,135
Others	242,402	208,954	170,783
	<u>14,027,606</u>	<u>11,098,117</u>	<u>9,141,986</u>
Less: Provision for slow moving inventories	<u>(1,378,910)</u>	<u>(1,119,747)</u>	<u>(603,718)</u>
	<u>12,648,696</u>	<u>9,978,370</u>	<u>8,538,268</u>

## 12. Trade and other receivables

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
Trade receivables	9,827,507	8,871,623	7,658,486
Less: Allowance for impairment	<u>(778,066)</u>	<u>(759,995)</u>	<u>(684,914)</u>
	<u>9,049,441</u>	<u>8,111,628</u>	<u>6,973,572</u>
Prepayments	1,305,150	1,297,765	1,174,448
Advances to suppliers	475,788	212,427	232,547
Other receivables	1,224,304	1,176,126	1,304,129
	<u>12,054,683</u>	<u>10,797,946</u>	<u>9,684,696</u>

## 13. Related party transactions and balances

Significant related party transactions were as follows:

	Unaudited Three month period ended 31 March	
	2014 AED	2013 AED
Sales	<u>-</u>	<u>1,473,429</u>
Compensation to key management personnel is as follows:		
- Short term benefits	697,065	529,677
- Provision towards employee terminal benefits	<u>180,169</u>	<u>148,674</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 2014

## 13. Related party transactions and balances *(continued)*

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 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. 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.

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
<b>Due from a related party</b>			
Dubai Refreshments (P.S.C.)	-	-	1,115,345

## 14. Cash at bank and in hand

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
Cash in hand	103,974	99,474	146,885
Other cash equivalents	42,541	37,316	49,429
Cash at bank – current account	728,299	452,298	3,300
Cash at bank – fixed deposits	10,053,967	10,047,871	20,850,911
	<u>10,928,781</u>	<u>10,636,959</u>	<u>21,050,525</u>
Less: Non-current portion of fixed deposits	-	-	(2,700,000)
	<u>10,928,781</u>	<u>10,636,959</u>	<u>18,350,525</u>

- (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.



# 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 2014

## 15. Trade and other payables

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
Trade payables	11,757,287	11,466,334	5,461,156
Accrued expenses and other payables	3,381,583	2,912,065	2,666,345
	<u>15,138,870</u>	<u>14,378,399</u>	<u>8,127,501</u>

## 16. Bank borrowings

	31 March 2014 AED (Unaudited)	31 December 2013 AED (Audited)	31 March 2013 AED (Unaudited)
Term loans from bank	-	-	9,400,000
Less: Short term portion of bank loans	-	-	(3,200,000)
	<u>-</u>	<u>-</u>	<u>6,200,000</u>
Long term portion of bank loans	-	-	6,200,000
	<u>-</u>	<u>-</u>	<u>-</u>
Bank overdraft	8,083,326	5,610,320	13,397,092
	<u>8,083,326</u>	<u>5,610,320</u>	<u>13,397,092</u>

The above borrowings are obtained at prevailing market interest rate and are secured by fixed deposit of AED 10 million.

## 17. Earnings per share

	Unaudited Three month period ended 31 March	
	2014	2013
Loss for the period (AED)	(440,360)	(606,602)
Weighted average number of shares outstanding	30,000,000	30,000,000
Earnings per share in AED- basic and diluted	(0.015)	(0.020)

# 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 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 amortized cost AED	Carrying amount AED	Fair value AED
<b>31-Mar-14</b>					
<b>Financial assets</b>					
Investments	3,428,888	-	-	3,428,888	3,428,888
Trade and other receivables	-	10,273,745	-	10,273,745	10,273,745
Cash at bank	-	10,782,266	-	10,782,266	10,782,266
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total	3,428,888	21,056,011	-	24,484,899	24,484,899
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Financial liabilities</b>					
Trade and other payables	-	-	15,138,870	15,138,870	15,138,870
Bank borrowings	-	-	8,083,326	8,083,326	8,083,326
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	-	-	23,222,196	23,222,196	23,222,196
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </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 2014

## 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
31 December 2013					
<i>Financial assets</i>					
Investments	2,984,438	-	-	2,984,438	2,984,438
Trade and other receivables	-	9,287,753	-	9,287,753	9,287,753
Cash at bank	-	10,500,169	-	10,500,169	10,500,169
Total	<u>2,984,438</u>	<u>19,787,922</u>	<u>-</u>	<u>22,772,360</u>	<u>22,772,360</u>
<i>Financial liabilities</i>					
Trade and other payables	-	-	14,378,399	14,378,399	14,378,399
Bank borrowings	-	-	5,610,320	5,610,320	5,610,320
	<u>-</u>	<u>-</u>	<u>19,988,719</u>	<u>19,988,719</u>	<u>19,988,719</u>
31 March 2013					
<i>Financial assets</i>					
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 at bank	-	20,854,211	-	20,854,211	20,854,211
Total	<u>2,146,228</u>	<u>30,479,755</u>	<u>-</u>	<u>32,625,983</u>	<u>32,625,983</u>
<i>Financial liabilities</i>					
Trade and other payables	-	-	8,127,501	8,127,501	8,127,501
Bank borrowings	-	-	22,797,092	22,797,092	22,797,092
	<u>-</u>	<u>-</u>	<u>30,924,593</u>	<u>30,924,593</u>	<u>30,924,593</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 2014

## 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 2014</b>				
Available for sale investments	3,428,888	-	-	3,428,888
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>31 December 2013</b>				
Available for sale investments	2,984,438	-	-	2,984,438
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>31 March 2013</b>				
Available for sale investments	2,146,228	-	-	2,146,228
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

There have been no reclassifications made during the current period 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 2014 AED Unaudited	31 December 2013 AED Audited
Less than 1 year	3,058,789	2,576,715
Later than 1 year and no later than 5 years	6,476,410	6,321,982
Later than 5 years	2,332,794	2,508,406
	<u>11,867,993</u>	<u>11,407,103</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 2014

## 20. Contingent liabilities and commitments

	31 March 2014 AED Unaudited	31 December 2013 AED Audited
Letters of guarantee	770,000	770,000
Letters of credits	5,253,660	1,569,612
Capital commitments	<u>1,462,650</u>	<u>1,462,650</u>

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

## 21. Segment reporting

The Company operates in a single reporting segment of bottling, distribution and trading of mineral water and carbonated soft drink. 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 period ended 31 March 2014, revenue from customers located in the Company's country of domicile (UAE) is AED 15 million (*period ended 31 March 2013: AED 12.6 million*) and revenue from customers outside the UAE (foreign customers) is AED 1.5 million (*period ended 31 March 2013: AED 1.3 million*).

### b) Major customers

Revenue from a customer amounts to AED 1.6 million (*period ended 31 March 2013: AED 1.4 million*) of the Company's total revenues. Apart from this customer, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.