

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

**Review report and interim financial
information
for the nine months period ended
30 September 2021**

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

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REPORT ON REVIEW OF INTERIM FINANCIAL INFORMATION

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

Introduction

We have reviewed the accompanying condensed statement of financial position of **Dubai Refreshment (P.J.S.C.)** (the “Company”), as at 30 September 2021, and the related condensed statements of profit or loss, comprehensive income, changes in equity and cash flows for the nine months period then ended and explanatory notes. Management of the Company is responsible for the preparation and fair presentation of these interim financial information in accordance with International Accounting Standard 34: *Interim Financial Reporting* (“IAS 34”). Our responsibility is to express a conclusion on this 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 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 interim financial information is not prepared, in all material respects in accordance with IAS 34.

Deloitte & Touche (M.E.)



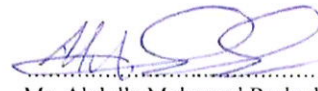
Musa Ramahi
Registration No.: 872
8 November 2021
Dubai
United Arab Emirates

Condensed statement of financial position
as at 30 September 2021

	Notes	30 September 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	4	593,397	618,910
Right-of-use assets		100,937	107,511
Intangible assets		9,112	11,779
Investment securities	5	118,850	71,897
Total non-current assets		822,296	810,097
Current assets			
Inventories		89,791	50,859
Trade and other receivables		207,034	167,485
Contract assets		7,921	8,011
Cash and cash equivalents	6	139,507	132,646
Total current assets		444,253	359,001
Total Assets		1,266,549	1,169,098
EQUITY AND LIABILITIES			
Equity			
Share capital		90,000	90,000
Statutory reserve		45,000	45,000
General reserve		618,401	618,401
Fair value reserve		87,767	40,814
Cash flow hedge reserve		-	1,377
Retained earnings		84,830	72,477
Total equity		925,998	868,069
Non-current liabilities			
Employees' end of service benefits		27,472	26,141
Lease liabilities- non-current portion		94,540	100,391
Total non-current liabilities		122,012	126,532
Current liabilities			
Trade and other payables		178,732	126,803
Lease liabilities- current portion		14,001	13,443
Contract liabilities		25,806	24,135
Term loans	10	-	10,116
Total current liabilities		218,539	174,497
Total Liabilities		340,551	301,029
Total Equity and Liabilities		1,266,549	1,169,098

To the best of our knowledge, and in accordance with the applicable reporting principles for interim financial reporting, the condensed interim financial statements present fairly in all material respects the financial position, financial performance and cash flows of the Company.


Mr. Ahmad Bin Eisa Alserkal
Chairman


Mr. Abdulla Mohamed Rashed Al Huraiz
Director

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of profit or loss (unaudited)
for the nine months period ended 30 September 2021**

	Notes	Nine months period ended 30 September		Three months period ended 30 September	
		2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
Revenues	11	482,989	423,289	186,453	161,349
Cost of sales		(300,138)	(276,441)	(117,806)	(100,398)
Gross profit		182,851	146,848	68,647	60,951
Other operating income		5,849	6,807	1,904	2,401
Selling and distribution expenses		(71,012)	(69,715)	(24,565)	(23,490)
General and administrative expenses		(39,841)	(37,715)	(13,981)	(12,637)
Amortisation of intangible assets		(2,757)	(3,058)	(926)	(950)
Operating income		75,090	43,167	31,079	26,275
Finance income		464	412	146	7
Finance cost		(93)	(331)	(28)	(60)
Lease interest cost		(3,024)	(3,192)	(993)	(1,043)
Dividend income		3,372	3,389	-	-
Other (expense)/income, net		(456)	436	42	48
Profit for the period		75,353	43,881	30,246	25,227
Earnings per share in AED	8	0.84	0.49	0.34	0.28

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of comprehensive income (unaudited)
for the nine months period ended 30 September 2021**

	Nine months period ended 30 September		Three months period ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
Profit for the period	75,353	43,881	30,246	25,227
<i>Other comprehensive income/(loss)</i>				
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</i>				
Change in fair value of investment securities measured at FVOCI, equity instruments	46,953	(16,007)	28,643	(2,446)
Change in fair value of cash flow hedges	(1,377)	994	-	1,128
Total other comprehensive income/(loss)	45,576	(15,013)	28,643	(1,318)
Total comprehensive income for the period	120,929	28,868	58,889	23,909

The accompanying notes form an integral part of this interim financial information.

Condensed statement of changes in equity
for the nine months period ended 30 September 2021

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Fair value reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2020 (audited)	90,000	45,000	618,401	50,308	(414)	82,808	886,103
Profit for the period	-	-	-	-	-	43,881	43,881
Other comprehensive loss (Note 5)	-	-	-	(16,007)	994	-	(15,013)
Total comprehensive (loss)/income for the period	-	-	-	(16,007)	994	43,881	28,868
Dividend declared and paid (Note 7)	-	-	-	-	-	(63,000)	(63,000)
At 30 September 2020 (unaudited)	90,000	45,000	618,401	34,301	580	63,689	851,971
At 1 January 2021 (audited)	90,000	45,000	618,401	40,814	1,377	72,477	868,069
Profit for the period	-	-	-	-	-	75,353	75,353
Other comprehensive income/(loss)	-	-	-	46,953	(1,377)	-	45,576
Total comprehensive income/(loss) for the period	-	-	-	46,953	(1,377)	75,353	120,929
Dividend declared and paid (Note 7)	-	-	-	-	-	(63,000)	(63,000)
At 30 September 2021 (unaudited)	90,000	45,000	618,401	87,767	-	84,830	925,998

The accompanying notes form an integral part of this interim financial information.

**Condensed statement of cash flows (unaudited)
for the nine months period ended 30 September 2021**

	Notes	Nine months period ended 30 September	
		2021 AED'000	2020 AED'000
Cash flows from operating activities			
Profit for the period		75,353	43,881
Adjustments for:			
Depreciation on property, plant and equipment	4	32,956	33,684
Amortisation of intangible assets		2,757	3,058
Depreciation on right-of-use assets		10,113	9,460
Finance costs, net		(371)	(110)
Loss/(gain) on sale of assets	4	1,430	(51)
Lease interest costs		3,024	3,192
Dividend income		(3,372)	(3,389)
Provision for employees' end of service benefits		2,210	2,319
Operating cash flows before changes in operating assets and liabilities		124,100	92,044
Increase in inventories		(38,932)	(5,886)
(Increase)/decrease in trade and other receivables		(39,549)	26
Decrease in contract assets		90	865
Increase/(decrease) in trade and other payables		54,752	(14,902)
Increase in contract liabilities		1,671	715
Cash generated from operations		102,132	72,862
Employees' end of service benefits paid		(879)	(1,144)
Net cash generated from operating activities		101,253	71,718
Cash flows from investing activities			
Purchase of intangible assets		(90)	(35)
Purchase of property, plant and equipment	4	(9,464)	(12,107)
Proceeds from disposal of property, plant and equipment	4	591	254
Dividend income, net		3,372	3,389
Finance income, net		464	412
Net cash used in investing activities		(5,127)	(8,087)
Cash flows from financing activities			
Repayment of term loans		(10,116)	(10,324)
Director fees paid		(4,200)	(4,200)
Dividends paid	7	(63,000)	(63,000)
Finance expense, paid		(93)	(302)
Lease payments		(11,856)	(10,682)
Net cash used in financing activities		(89,265)	(88,508)
Net increase/(decrease) in cash and cash equivalents		6,861	(24,877)
Cash and cash equivalents at beginning of the period		132,646	120,299
Cash and cash equivalents at 30 September		139,507	95,422

The accompanying notes form an integral part of this interim financial information.

Notes to the interim financial information for the nine months period ended 30 September 2021

1. Legal status and activities

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

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

2. Basis of preparation and accounting policies

2.1 Basis of preparation

The interim financial information for the nine months period ended 30 September 2021 has been prepared in accordance with IAS 34 “Interim Financial Reporting”.

The interim financial information does not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Company’s annual financial statements as at 31 December 2020.

In addition, results for the nine months period ended 30 September 2021 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2021.

The financial information has been prepared under the historical cost convention except for a financial asset at fair value through other comprehensive income (FVOCI) that has been measured at fair value.

2.2 New standards, amendments and interpretations

- (a) Amendment to standards and interpretations issued and effective during the financial year beginning 1 January 2021.

- *Interest Rate Benchmark Reform - Phase 2*

The amendments in Interest Rate Benchmark Reform- Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16) introduce a practical expedient for modifications required by the reform, clarify that hedge accounting is not discontinued solely because of the IBOR reform, and introduce disclosures that allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity’s progress in transitioning from IBORs to alternative benchmark rates, and how the entity is managing this transition.

- (b) New standards and amendments issued but not yet effective

- *Classification of Liabilities as Current or Non-Current - amendments to IAS 1 (effective from 1 January 2023)*. The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current;

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

2. Basis of preparation and accounting policies (continued)

2.2 New standards, amendments and interpretations (continued)

(b) New standards and amendments issued but not yet effective (continued)

- *Property, Plant and Equipment - Proceeds before Intended Use - amendments to IAS 16 (effective from 1 January 2022)*. The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the cost of producing those items, in profit or loss;
- *Annual Improvements to IFRS Standards 2018–2020 (effective from 1 January 2022)*. The Annual Improvements include amendments to IFRS 1 First-time Adoption of International Financial Reporting Standards (effective from 1 January 2022), IFRS 9 Financial Instruments (effective from 1 January 2022), IFRS 16 Leases (effective date not yet decided) and IAS 41 Agriculture (effective from 1 January 2022).
- *Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2 (effective from 1 January 2023)*. The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies. Further amendments explain how an entity can identify a material accounting policy. Examples of when an accounting policy is likely to be material are added. To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the ‘four-step materiality process’ described in IFRS Practice Statement 2.
- *Definition of Accounting Estimates - Amendments to IAS 8 (effective from 1 January 2023)*. The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates. Under the new definition, accounting estimates are “monetary amounts in financial statements that are subject to measurement uncertainty”. Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The above stated new standards and amendments assessment are under process by the Company. However, they are not expected to have any significant impact on condensed financial information of the Company.

There are no other applicable new standards and amendments to published standards or IFRIC interpretations that have been issued that would be expected to have a material impact on the condensed financial information of the Company.

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

2. Basis of preparation and accounting policies (continued)

2.3 Use of judgements and estimates

The preparation of condensed interim financial statements requires management to make judgement, estimates and assumptions that effect the application of the Company's accounting policies and the reported amounts of assets, liabilities, income and expense. Actual results may differ from these estimates.

The Company has consistently applied the estimates and judgements as applied by the Company in the annual financial statements for the year ended 31 December 2020.

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across globe, causing disruptions to businesses and economic activity. The unprecedented nature of the crisis, the lack of enough historical data, the low visibility and the high uncertainty related to its evolution, its duration and its impact on the economy in general and the business in particular, make the quantification of its adverse negative impact on the business difficult to assess accurately at this stage. The management considered several foreseeable areas of operational risk and implemented various measures to ensure the continuity of the operations, the availability of the network and the ability of the organisation to cope with the lock-down situation. Company did not shut down any of its production plants during the lock down period.

The Company will continue to monitor the situation and make the necessary judgements and estimates as may be required. The assumptions and estimates used by the Company will be revisited according to the evolution of the situation and the availability of data allowing better estimation.

3. Operating segment information

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

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

a) Information about geographical segments

During the period ended 30 September 2021, revenue from customers located in the Company's country of domicile (UAE) is AED 412,808 thousand (period ended 30 September 2020: AED 360,882 thousand) and revenue from customers outside UAE (foreign customers) is AED 70,181 thousand (period ended 30 September 2020: AED 62,407 thousand).

b) Major customers

During the period ended 30 September 2021 and 30 September 2020, there were no customers of the Company with revenues greater than 10% of the total revenue of the Company.

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

4. Property, plant and equipment

Additions and transfers

During the period ended 30 September 2021, the additions to property, plant and equipment amounted to AED 9,464 thousand (period ended 30 September 2020: AED 12,107 thousand).

Depreciation for the period ended 30 September 2021 amounting to AED 32,956 thousand (period ended 30 September 2020: AED 33,684 thousand).

During the period ended 30 September 2020, the Company transferred assets amounting to AED 2,888 thousand (2020: AED 4,075 thousand), from capital work in progress to buildings, plant and machinery, coolers and vending machine and freezers category in property, plant and equipment.

During the period ended 30 September 2020, assets with a net carrying value of AED 2,021 thousand (period ended 30 September 2020: AED 203 thousand) were disposed of by the Company resulting in a net loss of AED 1,430 thousand (gain - period ended 30 September 2020: AED 51 thousand).

5. Investment securities

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Balance at the beginning of the period/year	71,897	81,391
Change in market fair value for the period/year	46,953	(9,494)
	<hr/>	<hr/>
Balance at the end of the period/year	118,850	71,897
	<hr/>	<hr/>

6. Cash and cash equivalents

For the purpose of the condensed statement of cash flows, cash and cash equivalents comprise the following:

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Cash at bank and on hand	89,201	72,514
Short-term deposits with original maturity of less than three months	50,306	60,132
	<hr/>	<hr/>
	139,507	132,646
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7. Dividends

During the Annual General Meeting held on 24 March 2021 the shareholders approved a cash dividend of AED 0.70 per share totaling to AED 63 million relating to 2020 (period ended 30 September 2020: AED 0.70 per share totaling to AED 63 million relating to 2019).

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

8. Basic earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of ordinary shares in issue during the period. There were no instruments or any other items which could cause a dilutive effect on the earnings per share calculation:

	Nine months period ended 30 September		Three months period ended 30 September	
	2021 (Unaudited)	2020 (Unaudited)	2021 (Unaudited)	2020 (Unaudited)
Profit for the period (AED'000)	<u>75,353</u>	<u>43,881</u>	<u>30,246</u>	<u>25,227</u>
Weighted average number of ordinary shares ('000)	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>	<u>90,000</u>
Earnings per ordinary share - Basic and diluted (AED)	<u>0.84</u>	<u>0.49</u>	<u>0.34</u>	<u>0.28</u>

9. Related party transactions and balances

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

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

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

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

	Nine months period ended 30 September		Three months period ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
Sales to a related party	<u>1,312</u>	<u>1,713</u>	<u>598</u>	<u>806</u>
Purchases from a related party	<u>2,708</u>	<u>1,447</u>	<u>1,606</u>	<u>1,058</u>

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

9. Related party transactions and balances (continued)

Compensation of key management personnel

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

	Nine months period ended 30 September		Three months period ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
Short-term benefits	8,487	8,349	2,785	2,777
Employees' end of service benefits	379	630	128	123
Director's sitting fee	180	140	60	30
	<u>9,046</u>	<u>9,119</u>	<u>2,973</u>	<u>2,930</u>

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

	30 September 2021 AED'000 (Unaudited)	31 December 2020 AED'000 (Audited)
<i>Due from a related party</i>		
<i>Other related party (included in trade and other receivables)</i>		
Oman Refreshments Company Limited	<u>595</u>	<u>190</u>
<i>Due to a related party</i>		
<i>Other related party (included in trade and other payables)</i>		
Oman Refreshments Company Limited	<u>1,043</u>	<u>1,094</u>

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

10. Term loans

	Current portion AED'000	Non-current portion AED'000	Total AED'000
Balance at 30 September 2021	-	-	-
Balance at 31 December 2020	<u>10,116</u>	-	<u>10,116</u>

- (a) The Company obtained two term loans denominated in US Dollar to finance the acquisition of new plant and machinery. The loans are repayable in 14 semi-annual instalments commenced from 15 January 2015 and carry interests at 6 months LIBOR plus margin as per market. Both the loans have been repaid during the current period.

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

11. Revenue

	Nine months period ended 30 September		Three months period ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
<i>Local sales</i>				
Long term contracts	293,270	257,886	117,282	106,887
Transaction based contracts	119,538	102,996	45,377	37,104
	<u>412,808</u>	<u>360,882</u>	<u>162,659</u>	<u>143,991</u>
<i>Export sales</i>				
Long term contracts	35,479	27,195	9,863	9,308
Transaction based contracts	34,702	35,212	13,931	8,050
	<u>70,181</u>	<u>62,407</u>	<u>23,794</u>	<u>17,358</u>
Total revenues	<u>482,989</u>	<u>423,289</u>	<u>186,453</u>	<u>161,349</u>

12. Profit for the period

The profit for the period is stated after charging:

	Nine months period ended 30 September		Three months period ended 30 September	
	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)	2021 AED'000 (Unaudited)	2020 AED'000 (Unaudited)
Staff cost	67,565	65,292	22,762	21,881
Depreciation expense	<u>43,069</u>	<u>43,144</u>	<u>14,116</u>	<u>14,188</u>

13. Contingencies and capital commitments

	30 September 2021 AED'000 (unaudited)	31 December 2020 AED'000 (audited)
Bank guarantees	<u>10,480</u>	<u>8,978</u>

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

13. Contingencies and capital commitments (continued)

During the year ended 31 December 2018, the Company filed objections with regards to the excise duty levied by the Federal Tax Authority's ("Authority" or "FTA") on the inventory in hand of carbonated drinks as on 1 October 2017 being the effective date of the excise duty. The objections were filed with Tax Disputes Settlement Committee ("Committee") relating to excise duty for penalty amount of about AED 20.8 million recorded under "Trade and other receivables". In April 2019, the Committee awarded the decision to reduce the penalty to AED 8.8 million. The Company and the authority both have filed appeals against the decision before the Federal courts of UAE in accordance with the applicable laws and regulations. On 26 July 2020, the Court of First Instance has ruled to cancel all administrative penalties and ordered FTA to return such penalties to the Company. FTA appealed against the decision of Court of First Instance and it was rejected in November 2020 by the Abu Dhabi Court of Appeal who retained the verdict of the First Court of Instance.

The authority appealed in UAE's Federal Supreme Court against the judgement. The court has dismissed the appeal against taxes and administrative fines and penalties imposed by FTA against the Company, in connection with excise taxes on 3rd March 2021. The decision is final and executable as no further appeals can be made against the judgement of the UAE's Federal Supreme Court. Currently, the Company has filed an execution file before Abu Dhabi Courts on 20 May 2021 and the case is under review.

14. Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

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

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

Fair value hierarchy

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

Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

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

Assets measured at fair value

	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
30 September 2021 (unaudited)				
Investment securities				
Quoted equity shares consumer products sector (Note 5)	118,850	118,850	-	-
Positive fair value of derivatives				
- held as cash flow hedge	-	-	-	-

**Notes to the interim financial information
for the nine months period ended 30 September 2021 (continued)**

14. Fair values of financial instruments (continued)

Assets measured at fair value

	Total AED'000	Level 1 AED'000	Level 2 AED'000	Level 3 AED'000
31 December 2020 (audited)				
<i>Investment securities</i>				
Quoted equity shares				
Consumer products sector (Note 5)	71,897	71,897	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Positive fair value of derivatives				
- held as cash flow hedge	1,377	-	1,377	-
	<hr/>	<hr/>	<hr/>	<hr/>

15. Seasonality of results

No income of seasonal nature was recorded in the condensed financial statements for the nine-months period ended 30 September 2021 and 2020.

16. Approval of interim financial information

The interim financial information was approved by the Board of Directors and authorised for issue on 8 November 2021.