

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

**Reports and financial statements  
for the year ended 31 December 2024**

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

<b>Contents</b>	<b><u>Pages</u></b>
<b>Independent auditor's report</b>	<b>1 - 4</b>
<b>Statement of financial position</b>	<b>5</b>
<b>Statement of profit or loss</b>	<b>6</b>
<b>Statement of comprehensive income</b>	<b>7</b>
<b>Statement of changes in equity</b>	<b>8</b>
<b>Statement of cash flows</b>	<b>9</b>
<b>Notes to the financial statements</b>	<b>10 - 44</b>

## INDEPENDENT AUDITOR'S REPORT

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

### Opinion

We have audited the financial statements of **Dubai Refreshment (P.J.S.C.)** (the “Company”), which comprise the statement of financial position as at 31 December 2024, and the statement of profit or loss, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at 31 December 2024 and its financial performance and its cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB).

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (“ISAs”). Our responsibilities under those standards are further described in the Auditor’s responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the international Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (the “IESBA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key audit matter

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period, these matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

**Key audit matter (continued)**

Key audit matter	How our audit addressed the key audit matter
<b>General IT Controls</b>  We identified IT systems and controls over Dubai's Refreshment Company's financial reporting as an area of focus due to the extensive volume and variety of transactions which are processed daily by the Company and rely on the effective operation of automated and IT dependent manual controls. There is a risk that automated accounting procedures and related internal controls are not accurately designed and operating effectively. In particular, the incorporated relevant controls are essential to limit the potential for fraud and error as a result of a change to an application or underlying data.	<p>Our audit approach relies on automated controls and therefore the following procedures were designed to test access and control over IT systems:</p> <p>We obtained an understanding of the applications relevant to significant business processes, financial reporting and the infrastructure supporting these applications.</p> <p>We tested IT general controls relevant to automated controls and computer-generated information covering access security, program changes, data center and network operations.</p> <p>We examined computer generated information used in financial reports from relevant applications and key controls over their report logics.</p> <p>We performed testing on the key automated controls on significant IT systems relevant to business processes.</p>

**Other information**

Other information consists of the information included in the Company's 2024 Annual Report other than the financial statements and our auditors' report thereon. We obtained the report of the Chairman's report prior to the date of our auditors' report, and we expect to obtain the remaining sections of the Company's 2024 Annual Report after the date of our auditors' report. Management is responsible for the other information.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

### **Responsibilities of management and those charged with governance for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRS Accounting Standards as issued by the IASB and in compliance with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Company's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Dubai Refreshment (P.J.S.C.) (continued)

### **Auditor's responsibilities for the audit of the financial statements (continued)**

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on Other Legal and Regulatory Requirements**

As required by the UAE Federal Decree Law No. (32) of 2021, we report that for the year ended 31 December 2024:

- we have obtained all the information we considered necessary for the purposes of our audit;
- the financial statements have been prepared and comply, in all material respects, with the applicable provisions of the Company's Articles of Association and the UAE Federal Decree Law No. (32) of 2021;
- the financial information included in the Chairman's report is consistent with the books of account and records of the Company;
- investments in shares and stocks are included in note 8 to the financial statements and include purchases and investments made by the Company during the year ended 31 December 2024;
- note 19 reflects the disclosures relating to related party transactions and the terms under which they were conducted;
- based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened during the financial year ended 31 December 2024 any of the applicable provisions of the UAE Federal Decree Law No. (32) of 2021 or of its Article of Association which would materially affect its activities or its financial position as at 31 December 2024; and
- note 24 reflects the social contributions recorded during the year.

**Deloitte & Touche (M.E.)**



Firas Anabtawi  
Registration No. 5482  
11 February 2025  
Dubai  
United Arab Emirates

**Statement of financial position  
as at 31 December 2024**

	Notes	2024 AED'000	2023 AED'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	5(a)	<b>515,724</b>	536,410
Investment property	5(b)	<b>14,946</b>	14,946
Right-of-use assets	6	<b>74,000</b>	79,149
Intangible assets	7	<b>3,088</b>	3,995
Financial assets measured at fair value	8	<b>72,566</b>	94,952
<b>Total non-current assets</b>		<b>680,324</b>	729,452
<b>Current assets</b>			
Inventories	9	<b>85,114</b>	75,175
Trade and other receivables	10	<b>195,887</b>	218,041
Cash and bank balances	11	<b>444,300</b>	557,714
<b>Total current assets</b>		<b>725,301</b>	850,930
<b>Total assets</b>		<b>1,405,625</b>	1,580,382
<b>EQUITY AND IABILITIES</b>			
<b>Equity</b>			
Share capital	12	<b>90,000</b>	90,000
Statutory reserve	13	<b>45,000</b>	45,000
General reserve	14	<b>618,401</b>	618,401
Investments revaluation reserve	15	<b>36,523</b>	63,869
Cash flow hedge reserve		<b>(23)</b>	1,062
Retained earnings		<b>276,725</b>	435,097
<b>Total equity</b>		<b>1,066,626</b>	1,253,429
<b>Non-current liabilities</b>			
Provision for employees' end of service indemnity	17	<b>35,242</b>	33,512
Lease liabilities - non-current portion	21	<b>75,406</b>	80,287
<b>Total non-current liabilities</b>		<b>110,648</b>	113,799
<b>Current liabilities</b>			
Trade and other payables	20	<b>205,562</b>	203,925
Current tax liability	26	<b>13,681</b>	-
Lease liabilities - current portion	21	<b>9,108</b>	9,229
<b>Total current liabilities</b>		<b>228,351</b>	213,154
<b>Total liabilities</b>		<b>338,999</b>	326,953
<b>Total equity and liabilities</b>		<b>1,405,625</b>	1,580,382

To the best of our knowledge, the financial information included in these financial statements fairly presents in all material respects the financial condition, results of operation and cash flows of the Company as of, and for, the periods presented therein.

Mr. Ahmad Bin Eisa Al Serkal  
Chairman

Mr. Nawwaf Ghubash Ahmed Ghubash Al Marri  
Director

The accompanying notes form an integral part of these financial statements.

**Statement of profit or loss**  
**for the year ended 31 December 2024**

	Notes	2024 AED'000	2023 AED'000
Revenue	22	<b>817,985</b>	803,068
Cost of sales		<b>(523,607)</b>	(518,205)
<b>Gross profit</b>		<b>294,378</b>	284,863
Other operating income	23	<b>10,077</b>	8,183
Selling and distribution expenses		<b>(119,672)</b>	(117,690)
General and administrative expenses		<b>(61,188)</b>	(61,504)
Amortisation of intangible assets	7	<b>(1,021)</b>	(1,791)
<b>Operating income</b>		<b>122,574</b>	112,061
Interest income, net	25	<b>15,595</b>	9,555
Dividend income	16	<b>2,696</b>	4,047
Gain on sale of a property	5a	-	220,188
Other income		<b>8,644</b>	15,924
<b>Profit for the year before tax</b>		<b>149,509</b>	361,775
Corporate Tax	26	<b>(13,681)</b>	-
<b>Profit for the year after tax</b>		<b>135,828</b>	361,775
<b>Earnings per share in AED</b>	18	<b>1.44</b>	3.97

**Statement of comprehensive income  
for the year ended 31 December 2024**

	2024 AED'000	2023 AED'000
<b>Profit for the year after tax</b>	<b>135,828</b>	361,775
<b>Other comprehensive income/(loss)</b>		
<i>Other comprehensive income/(loss) not to be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at fair value through other comprehensive income, net (Note 8.a)	(27,265)	(17,303)
<i>Other comprehensive (loss) / income to be reclassified to profit or loss in subsequent periods:</i>		
Change in fair value of financial assets at fair value through other comprehensive income, net (Note 8.b)	(81)	-
Change in fair value of cash flow hedges	(1,085)	810
<b>Total other comprehensive loss</b>	<b>(28,431)</b>	(16,493)
<b>Total comprehensive income for the year</b>	<b>107,397</b>	345,282

**Statement of changes in equity**  
**for the year ended 31 December 2024**

	Share capital AED'000	Statutory reserve AED'000	General reserve AED'000	Investments revaluation reserve AED'000	Cash flow hedge reserve AED'000	Retained earnings AED'000	Total AED'000
At 1 January 2023	90,000	45,000	618,401	81,172	252	140,522	975,347
Profit for the year after tax	-	-	-	-	-	361,775	361,775
Other comprehensive (loss)/income	-	-	-	(17,303)	810	-	(16,493)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(17,303)</b>	<b>810</b>	<b>361,775</b>	<b>345,282</b>
Dividends paid (Note 16)	-	-	-	-	-	(63,000)	(63,000)
Directors' fees (Note 20)	-	-	-	-	-	(4,200)	(4,200)
At 31 December 2023	90,000	45,000	618,401	63,869	1,062	435,097	1,253,429
Profit for the year after tax	-	-	-	-	-	135,828	135,828
Other comprehensive loss	-	-	-	(27,346)	(1,085)	-	(28,431)
<b>Total comprehensive (loss)/income for the year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(27,346)</b>	<b>(1,085)</b>	<b>135,828</b>	<b>107,397</b>
Dividends paid (Note 16)	-	-	-	-	-	(288,000)	(288,000)
Director fees (Note 20)	-	-	-	-	-	(6,200)	(6,200)
<b>At 31 December 2024</b>	<b>90,000</b>	<b>45,000</b>	<b>618,401</b>	<b>36,523</b>	<b>(23)</b>	<b>276,725</b>	<b>1,066,626</b>

The accompanying notes form an integral part of these financial statements.

**Statement of cash flows**  
**for the year ended 31 December 2024**

	2024 AED'000	2023 AED'000
<b>Cash flows from operating activities</b>		
Profit for the year before tax	149,509	361,775
Adjustments for:		
Depreciation on property, plant and equipment (Note 5a)	41,322	39,475
Amortisation of intangible assets (Note 7)	1,021	1,791
Depreciation on right-of-use assets (Note 6)	13,329	14,821
Interest income, net	(18,783)	(13,031)
Interest and other expense on lease (Note 6)	3,188	3,476
Gain on sale of assets	(238)	(219,835)
Gain on de-recognition of lease	(1,313)	(4,667)
Dividend income (Note 19)	(2,696)	(4,047)
Allowance for expected credit loss (Note 10)	600	1,409
Provision for employees' end of service benefits (Note 17)	3,912	3,884
<b>Operating cash flows before changes in operating assets and liabilities</b>	<b>189,851</b>	185,051
Increase in inventories	(9,939)	(5,708)
Decrease/(increase) in trade and other receivables	23,822	(26,630)
Increase in trade and other payables	637	2,329
<b>Cash generated from operations</b>	<b>204,371</b>	155,042
Employees' end of service indemnity paid (Note 17)	(2,182)	(1,753)
<b>Net cash generated from operating activities</b>	<b>202,189</b>	153,289
<b>Cash flows from investing activities</b>		
Purchase of debt instruments fair value through other comprehensive income	(4,960)	-
Purchase of property, plant and equipment (Note 5a)	(20,636)	(31,704)
Purchase of intangible assets (Note 7)	(114)	(139)
Proceeds from disposal of right of use assets	-	1,100
Proceeds from disposal of property, plant and equipment	238	247,925
Dividend income, (Note 19)	2,696	4,047
Finance income	15,430	13,031
Increase in bank deposits	(113,466)	(151,427)
<b>Net cash (used in)/generated from investing activities</b>	<b>(120,812)</b>	82,833
<b>Cash flows from financing activities</b>		
Director fees paid	(5,200)	(4,200)
Dividends paid (Note 16)	(288,000)	(63,000)
Lease payments (Note 21)	(15,057)	(16,966)
<b>Net cash used in financing activities</b>	<b>(308,257)</b>	(84,166)
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(226,880)</b>	151,956
Cash and cash equivalents at the beginning of the year	406,287	254,331
<b>Cash and cash equivalents at the end of the year (Note 11)</b>	<b>179,407</b>	406,287
<b>Supplemental disclosure of non-cash investing activity</b>		
Transfer of property, plant and equipment to intangible assets (Note 5 & 7)	-	867

**Notes to the financial statements  
for the year ended 31 December 2024**

**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. Application of new and revised standards**

**2.1 New and amended IFRS Accounting Standards that are effective for the current period**

In the current period, the company has applied a number of amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board (IASB) that are effective for an annual period that begins on or after 1 January 2024.

The following new and revised IFRS Accounting Standards, which became effective for annual periods beginning on or after 1 January 2024, have been adopted in these financial statements. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

- Amendments to IAS 1 Presentation of Financial Statements relating to classification of Liabilities as Current or Non-Current,
- Amendments to IFRS 16 Lease liability in a sale and leaseback; and
- Amendments to IAS 7 and IFRS 7 Supplier finance arrangements.

Other than the above, there are no other significant IFRS Accounting standards and amendments that were effective for the first time for the financial year beginning on or after 1 January 2024.

**2.2 New and revised IFRS in issue but not yet effective and not early adopted**

At the date of authorisation of these financial statements, the company has not applied the following new and revised IFRS Accounting Standards that have been issued but are not yet effective:

<u>New and revised IFRS Accounting Standards</u>	<u>Effective for annual periods beginning on or after</u>
Amendment to IFRS 10 <i>Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures</i> relating to treatment of sale or contribution of assets from investors	Effective date deferred indefinitely
Amendments to IAS 21 <i>Lack of Exchangeability</i>	Effective 1 January 2025
Amendments to IFRS 9 <i>Financial Instruments and IFRS 7 Financial Instruments: Disclosures regarding the classification and measurement of financial instruments</i>	Effective 1 January 2026
IFRS 18 <i>Presentation and Disclosure Financial Statements Issued</i>	Effective 1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability: Disclosures</i>	Effective 1 January 2027

The Company anticipates that these new standards, interpretations and amendments will be adopted in the Company’s financial statements as and when they are applicable and adoption of these new standards, interpretations and amendments may have no material impact on the financial statements of Company in the period of initial application.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information**

**Basis of preparation**

The financial statements have been prepared in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB) and applicable requirements of UAE Federal Law No. (32) of 2021, and the Articles of Association of the Company.

The financial statements have been presented in U.A.E. Dirhams, which is the functional and reporting currency of the Company, rounded to the nearest thousand (AED 000), except when otherwise indicated.

The Company's financial statements have been prepared under the historical cost basis except for the following:

- derivative financial instruments are measured at fair value and
- Financial assets measured at fair value through other comprehensive income (FVTOCI).

**Revenue recognition**

Revenue from contract with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company does not have significant financing components.

***Sale of goods***

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 30 to 90 days upon delivery.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the sale of goods, the Company considers the effects of variable consideration, the existence of significant financing components, noncash consideration, and consideration payable to the customer (if any).

***Variable consideration***

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods provide customers with a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

***Rights of return***

Certain contracts provide a customer with a right to return the goods within a specified period. The Company uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Company will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Company recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Revenue recognition (continued)**

*Volume rebates*

The Company provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contract. Rebates are offset against amounts payable by the customer. To estimate the variable consideration for the expected future rebates, the Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Company then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

*Dividend income*

Dividend income is recognised when the Company's right to receive the dividend payment is established.

*Profit from investment in Bonds*

Profit from investment in Bonds is accrued on a time basis, by reference to the notional amount and at the effective coupon rate applicable.

**Value-added Tax (VAT)**

Expenses, and assets are recognised excluding the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables, amounts are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Property, plant and equipment are depreciated on a straight-line basis over the assets' estimated useful lives as follows:

Buildings	3 to 30 years
Plant, machinery and equipment	2 to 20 years
Coolers and vending machines	5 to 7 years
Furniture and fixtures	2 years
Freezers	5 years

Land and capital work-in-progress are not depreciated.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Property, plant and equipment (continued)**

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognised in the statement of profit or loss as the expense is incurred.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amount, the assets are written down to their recoverable amount, being the higher of their fair value less cost to sell and their value in use.

An item of property, plant and equipment is derecognised upon disposal or when no further economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of profit or loss in the period the asset is derecognised.

**Investment property**

Investment property is carried at cost, net of any recognised impairment losses.

Cost includes direct costs, professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

**Impairment of non-financial assets**

At each reporting date the Company reviews the carrying amounts of its assets to assess whether there is an indication that those assets may be impaired. If any such indication exists, the Company makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows attributable to the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but only to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit or loss.

**Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Inventories**

Inventories are stated at the lower of cost and net realisable value. Costs are those incurred in bringing each product to its present location and condition, as follows:

- Raw materials - purchase cost on weighted average basis;
- Spares and consumables - purchase cost on weighted average basis;
- Finished goods - cost of direct materials plus an appropriate share of production overheads based on normal operating capacity and is determined on weighted average basis.

Net realisable value is based on the estimated selling price less any further costs expected to be incurred on disposal.

Damaged and obsolete inventories are written off.

**Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation expense on intangible assets with finite lives is recognised in the statement of profit or loss in the expense category consistent with the function of the intangible asset.

Amortisation is calculated on a straight-line basis over the assets' estimated useful lives as follows:

Franchise and bottling rights	20 years
Lease rights	20 years
Software	5 years

**Foreign exchange difference**

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated. Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except as otherwise stated in the Standards.

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss. For example, translation differences on non-monetary assets and liabilities such as equities held at fair value through profit or loss are recognised in profit or loss as part of the fair value gain or loss and translation differences on non-monetary assets such as equities classified as at fair value through other comprehensive income are recognised in other comprehensive income.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Financial instruments**

Financial assets and financial liabilities are recognised in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in the statement of profit or loss.

**Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

*Amortised cost and effective interest rate method*

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.

*Equity instruments designated as at FVTOCI*

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognised in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

*Investments in Bonds held at fair value through other comprehensive income (FVTOCI)*

*Classification and Measurement*

Bonds are classified as Financial assets measured at fair value through other comprehensive income (FVTOCI) if they are held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets, and the contractual terms of the bonds give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

*Initial Recognition*

Bonds are initially recognised at fair value plus any directly attributable transaction costs.

*Subsequent Measurement*

After initial recognition, Bonds are measured at fair value. Changes in the fair value of these bonds are recognised in other comprehensive income (OCI), except for impairment gains or losses, interest income, and foreign exchange gains and losses, which are recognised in profit or loss.

*Interest Income*

Interest income from Bonds classified as FVTOCI is calculated using the effective interest method and is recognised in profit or loss.

*Derecognition*

Bonds are derecognised when the rights to receive cash flows from the bonds have expired or have been transferred, and the Company has transferred substantially all the risks and rewards of ownership. Upon derecognition, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss.

*Fair Value Measurement*

The fair value of Bonds is determined using quoted market prices in active markets. If quoted market prices are not available, fair value is determined using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

*Business model assessment*

The Company makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed, and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether Company management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Company's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

*Assessment whether contractual cash flows are solely payments of principal and interest*

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non-recourse features).

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

*Assessment whether contractual cash flows are solely payments of principal and interest (continued)*

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

*Impairment of financial assets*

The Company recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost or at FVTOCI, lease receivables, trade receivables, contract assets, as well as on financial guarantee contracts. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognises lifetime ECL for trade receivables, cash and bank balances, due from a related party and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Company recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increases in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

*(i) Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

The Company regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Financial instruments (continued)**

**Financial assets (continued)**

*Impairment of financial assets (continued)*

*(ii) Definition of default*

The Company employs statistical models to analyse the data collected and generate estimates of probability of default (“PD”) of exposures with the passage of time. This analysis includes the identification for any changes in default rates and changes in key macro-economic factors across various geographies of the Company.

*(iii) Write-off policy*

The Company writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery.

*(iv) Measurement and recognition of expected credit losses*

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information.

*Derecognition of financial assets*

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss. In addition, on derecognition of an investment in a debt instrument classified as at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is reclassified to profit or loss. In contrast, on derecognition of an investment in equity instrument which the Company has elected on initial recognition to measure at FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit or loss, but is transferred to retained earnings.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)****3. Summary of material accounting policy information (continued)****Financial instruments (continued)****Financial liabilities**

All financial liabilities are measured subsequently at amortised cost using the effective interest method or at FVTPL.

*Financial liabilities measured subsequently at amortised cost*

Financial liabilities that are not designated as FVTPL, are measured subsequently at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

*Derecognition of financial liabilities*

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

**Fair value measurement**

The Company measures financial instruments, such as derivatives and investment securities at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Fair value measurement (continued)**

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosure, the Company has determined classes of assets and liabilities on the basis of the nature. Characteristics and risks of the assets or liabilities and the level of the fair value hierarchy, as explained above.

**Current versus non-current classification**

The Company presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is classified as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Company classifies all other liabilities as non-current.

**Provision for end of service benefits**

The Company provides end of service benefits for its expatriate employees in accordance with U.A.E. Labour Law. The entitlement to these benefits is based upon the employees' length of service and completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

**Leases**

*The Company as lessee*

The Company assesses whether contract is or contains a lease, at inception of the contract. The Company recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets. For these leases, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use of asset reflects that the Company expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Company applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for an identified impairment loss as described in the 'Property, plant and equipment' policy.

**Taxation**

The income tax expense represents the sum of current and deferred income tax expense.

*Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**3. Summary of material accounting policy information (continued)**

**Taxation (continued)**

***Current tax (continued)***

A provision is recognised for those matters for which the tax determination is uncertain, but it is considered probable that there will be a future outflow of funds to a tax authority. The provisions are measured at the best estimate of the amount expected to become payable. The assessment is based on the judgement of tax professionals within the Company supported by previous experience in respect of such activities and in certain cases based on specialist independent tax advice.

***Deferred tax***

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilized. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realized based on tax laws and rates that have been enacted or substantively enacted at the reporting date.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

***Current tax and deferred tax for the year***

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**4. Critical accounting judgments and key sources of estimation uncertainty**

In the process of applying the Company's accounting policies, management has made the following judgements, apart from those involving estimations, which has the most significant impact on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt with below).

*Determining the lease term*

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

*Discounting of lease payments*

The lease payments are discounted using the Company's incremental borrowing rate ("IBR"). For calculation of IBR, the Company has taken the borrowing rate as on the transition date and the rate is adjusted for Company's specific risk, term risk and underlying asset risk.

*Key sources of estimation uncertainty*

The key assumptions concerning the future, and other key sources of estimation uncertainty at the reporting date, that have a risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

*Calculation of loss allowance*

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

*Calculation of sales discount and volume rebates*

For assessing the expected amount of rebates and discounts at year end, the management considers all the information that is reasonably available to them and shall identify a possible amount using the benchmarks mentioned in the sales contract.

*Allowance for slow-moving inventories*

Inventories are stated at the lower of cost or net realizable value. Adjustments to reduce the cost of inventory to its realizable value, if required, are made at the product group level for estimated excess, obsolescence or impaired balances. Factors influencing these adjustments include changes in demand, rapid technological changes, product life cycle, product pricing, physical deterioration and quality issues. Revisions to these adjustments would be required if these factors differ from the estimates.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**5(a) Property, plant and equipment**

	Land AED'000	Buildings AED'000	Plant, machinery and equipment AED'000	Coolers and vending machines AED'000	Furniture and fixture AED'000	Freezer AED'000	Capital work-in progress AED'000	Total AED'000
<b>Cost</b>								
At 1 January 2023	45,196	493,689	371,131	87,588	9,618	270	5,118	1,012,610
Additions	-	18,438	6,188	6,557	482	-	39	31,704
Transfers during the year	-	3,332	465	-	-	-	(4,664)	(867)
Disposals	(23,096)	(35,697)	(4,946)	(1,065)	(458)	-	(283)	(65,545)
Write-off	-	-	(5,236)	(25,772)	-	-	-	(31,008)
	_____	_____	_____	_____	_____	_____	_____	_____
At 31 December 2023	22,100	479,762	367,602	67,308	9,642	270	210	946,894
Additions	-	4,654	6,857	8,181	100	-	844	20,636
Transfers during the year	-	-	162	-	-	-	(162)	-
Disposals	-	-	(243)	(1,254)	(555)	(270)	-	(2,322)
	_____	_____	_____	_____	_____	_____	_____	_____
<b>At 31 December 2024</b>	<b>22,100</b>	<b>484,416</b>	<b>374,378</b>	<b>74,235</b>	<b>9,187</b>	<b>-</b>	<b>892</b>	<b>965,208</b>

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**5(a) Property, plant and equipment (continued)**

	Land AED'000	Buildings AED'000	Plant, machinery and equipment AED'000	Coolers and vending machines AED'000	Furniture and fixture AED'000	Freezer AED'000	Capital work-in progress AED'000	Total AED'000
<b>Accumulated depreciation</b>								
At 1 January 2023	-	141,502	214,476	73,738	9,490	266	-	439,472
Charge for the year (Note 24)	-	16,035	18,230	5,020	186	4	-	39,475
Eliminated on disposals	-	(32,022)	(4,404)	(1,061)	(458)	-	-	(37,945)
Write-off	-	-	(5,205)	(25,313)	-	-	-	(30,518)
At 31 December 2023	-	125,515	223,097	52,384	9,218	270	-	410,484
Charge for the year (Note 24)	-	16,760	18,053	6,220	289	-	-	41,322
Eliminated on disposals			(243)	(1,254)	(555)	(270)	-	(2,322)
<b>At 31 December 2024</b>	<b>-</b>	<b>142,275</b>	<b>240,907</b>	<b>57,350</b>	<b>8,952</b>	<b>-</b>	<b>-</b>	<b>449,484</b>
<b>Carrying value</b>								
<b>At 31 December 2024</b>	<b>22,100</b>	<b>342,141</b>	<b>133,471</b>	<b>16,885</b>	<b>235</b>	<b>-</b>	<b>892</b>	<b>515,724</b>
At 31 December 2023	22,100	354,247	144,505	14,924	424	-	210	536,410

The fully depreciated assets still in use amounting to AED 175,176 thousand (2023: AED 197,992 thousand).

During the year ended 31 December 2023, the Company disposed a property situated in Al Quoz First, Dubai. This decision was approved by the shareholders during the Extraordinary General Meeting held on 14th June 2023. The property had a carrying value of AED 26.8 million at the time of the transaction and was sold at a price of AED 252 million.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**5(a) Property, plant and equipment (continued)**

Depreciation charge for the year has been allocated as follows:

	2024 AED'000	2023 AED'000
Cost of sales (Note 24)	23,586	23,649
Selling and distribution expenses	12,628	10,413
General and administrative expenses	5,108	5,413
	<hr/> <b>41,322</b>	<hr/> 39,475

**5(b) Investment property**

	2024 AED'000	2023 AED'000
Balance at 31 December	<b>14,946</b>	14,946
	<hr/>	<hr/>

Investment property represents a plot land in Business Bay, Dubai UAE. The fair value of the investment property at 31 December 2024 was estimated to be AED 195.7 million (2023: AED 195.0 million). During the year, the rental income from this land plot was AED 1.8 million (2023: AED 1.8 million).

As permitted by IAS 40 *Investment Property*, the Company has chosen to carry Investment Properties under the “cost model”. The Company therefore has disclosed the “fair values” of these investment properties. The “fair values” disclosed have been arrived at on the basis of a valuation carried out by an independent valuer. The fair value of the investment properties have been classified under level 3 of valuation hierarchy.

**6. Right-of-use assets**

The Company leases several assets including land, motor vehicles and accommodation. The lease term is ranging from 2 to 30 years.

	<b>Right-of-use assets</b>			
	<b>Land and building AED'000</b>	<b>Equipment AED'000</b>	<b>Motor vehicles AED'000</b>	<b>Total AED'000</b>
1 January 2023	75,580	-	15,719	91,299
Additions	-	695	7,125	7,820
Disposal	(5,149)	-	-	(5,149)
Depreciation expense (Note 24)	(5,079)	(132)	(9,610)	(14,821)
	<hr/>	<hr/>	<hr/>	<hr/>
31 December 2023	65,352	563	13,234	79,149
Additions	599	-	13,894	14,493
Disposal	(6,088)	-	(225)	(6,313)
Depreciation expense (Note 24)	(3,894)	(132)	(9,303)	(13,329)
	<hr/>	<hr/>	<hr/>	<hr/>
<b>31 December 2024</b>	<b>55,969</b>	<b>431</b>	<b>17,600</b>	<b>74,000</b>
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**6. Right-of-use asset (continued)**

*Amounts recognised in profit or loss:*

	2024 AED'000	2023 AED'000
Depreciation expense on right-of-use assets	13,329	14,821
Interest expense on lease liabilities (Note 21)	3,188	3,476
	<hr/> <b>16,517</b> <hr/>	<hr/> <b>18,297</b> <hr/>

**7. Intangible assets**

	Franchise and bottling rights AED'000	Lease rights AED'000	Software AED'000	Total AED'000
<b>Cost</b>				
At 1 January 2023	62,391	7,000	24,571	93,962
Additions	-	-	139	139
Transfer from property, plant and equipment	-	-	867	867
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	62,391	7,000	25,577	94,968
Additions	-	-	114	114
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2024</b>	<b>62,391</b>	<b>7,000</b>	<b>25,691</b>	<b>95,082</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Amortisation</b>				
At 1 January 2023	61,611	3,353	24,218	89,182
Charge for the year	780	350	661	1,791
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	62,391	3,703	24,879	90,973
Charge for the year	-	350	671	1,021
	<hr/>	<hr/>	<hr/>	<hr/>
<b>At 31 December 2024</b>	<b>62,391</b>	<b>4,053</b>	<b>25,550</b>	<b>91,994</b>
	<hr/>	<hr/>	<hr/>	<hr/>
<b>Carrying value</b>				
<b>At 31 December 2024</b>	<b>-</b>	<b>2,947</b>	<b>141</b>	<b>3,088</b>
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 December 2023	-	3,297	698	3,995
	<hr/>	<hr/>	<hr/>	<hr/>

**Notes to the financial statements**  
**for the year ended 31 December 2024 (continued)**

**8. Financial assets measured at fair value**

*Financial assets measured at fair value through other comprehensive income (FVTOCI)*

**a) Equity instrument**

	2024 AED'000	2023 AED'000
Balance at 1 January	<b>94,952</b>	112,255
Change in market fair value	(27,265)	(17,303)
	<hr/> <b>67,687</b> <hr/>	<hr/> 94,952 <hr/>

**b) Bonds**

Balance at 1 January	-	-
Additions	<b>4,960</b>	-
Change in market fair value	(81)	-
	<hr/> <b>4,879</b> <hr/>	<hr/> -
Balance at 31 December	<b>72,566</b>	94,952
	<hr/>	<hr/>

The Company has made an irrevocable election to designate investment in Tier 1 Bank in UAE bond as FVTOCI at initial recognition as per IFRS 9 and subsequent changes in fair value are presented in Other Comprehensive Income (“OCI”). These are strategic investments not held for trading and the Company considers this classification to be more relevant.

During the year, the Company has purchased Bonds with a tenure of 5 years at a price of AED 4.96 million (2023: AED Nil) carrying a yield of 4.86 % p.a. The investment in bond is measured at fair value through other comprehensive income.

**9. Inventories**

	2024 AED'000	2023 AED'000
Raw material and consumables	<b>53,707</b>	44,087
Finished goods	<b>23,423</b>	24,821
Spare parts and supplies	<b>9,729</b>	8,012
	<hr/> <b>86,859</b> <hr/>	<hr/> 76,920
Less: Provision for slow moving spare parts and supplies	<b>(1,745)</b>	(1,745)
	<hr/> <b>85,114</b> <hr/>	<hr/> 75,175

During the year ended 31 December 2024, the carrying amount of raw material recognised as an expense and included as part of cost of goods sold in the statement of profit or loss amounts to AED 449.93 million (2023: AED 442.68 million).

**Notes to the financial statements**  
**for the year ended 31 December 2024 (continued)**

**10. Trade and other receivables**

	2024 AED'000	2023 AED'000
Trade receivables	129,665	136,682
Less: allowance for expected credit loss	(2,420)	(1,820)
	<hr/>	<hr/>
Prepaid expenses	127,245	134,862
Advances to suppliers	6,790	7,742
Contract assets	3,817	6,747
Other receivables*	12,999	11,143
Fair value of derivatives	44,760	56,187
Due from a related party [Note 19 (c)]	276	298
	<hr/>	<hr/>
	195,887	218,041
	<hr/>	<hr/>

\*Other receivable are net off provision amounting to AED 4.01 million (2023 AED Nil).

As at 31 December 2024, trade accounts receivable with a nominal value of AED 2.4 million (2023: AED 1.8 million) were impaired. Movements in the allowance for expected credit loss were as follows:

	2024 AED'000	2023 AED'000
At 1 January	1,820	2,957
Charge for the year	600	1,409
Write off during the year against receivable	-	(2,546)
	<hr/>	<hr/>
At 31 December	2,420	1,820
	<hr/>	<hr/>

As at 31 December, the ageing of trade receivables is as follows:

	Past due but not impaired						
	Past due		Neither past due nor impaired				
	Total AED'000	Past due and impaired AED'000	Neither past due nor impaired AED'000	<30 days AED'000	30-60 days AED'000	60-90 days AED'000	>90 days AED'000
2024	129,665	2,420	113,604	12,943	698	-	-
2023	136,682	1,820	115,881	12,946	4,113	1,318	604

Unimpaired receivables are expected, on the basis of past experience, to be fully recoverable given the nature of the business. It is not the practice of the Company to obtain collateral over receivables and the vast majority are, therefore, unsecured.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**10. Trade and other receivables (continued)**

The following table shows the movement in lifetime ECL that has been recognised for trade receivables in accordance with the simplified approach set out in IFRS 9 (Note 27):

	Collectively assessed AED'000	Individually assessed AED'000	Total AED'000
Balance as at 1 January 2023	347	2,610	2,957
Write off	-	(2,546)	(2,546)
Net re-measurement of loss allowance	124	1,285	1,409
 Balance as at 1 January 2024	 471	 1,349	 1,820
Net re-measurement of loss allowance	(471)	1,071	600
 <b>Balance as at 31 December 2024</b>	 -	 <b>2,420</b>	 <b>2,420</b>

**11. Cash and bank balances**

For the purpose of the statement of cash flows, cash and bank balances comprise the following:

	2024 AED'000	2023 AED'000
Cash at bank and on hand	51,623	83,852
Bank deposits	392,677	473,862
 Cash and bank balances	 444,300	 557,714
Less: Bank deposits with maturity of more than 3 months	(264,893)	(151,427)
 Cash and cash equivalents	 179,407	 406,287

Cash and bank balances comprise cash and short-term bank deposits with an original maturity ranging from one month to one year. The carrying amount of these assets is approximately equal to their fair value. Bank deposits carry interest rates ranging from 4.15% p.a. to 5.15% p.a. (2023: 5% p.a. to 5.6% p.a.).

Balances with banks and short term bank deposits are assessed to have low credit risk of default since these banks are regulated by the Central Bank of the United Arab Emirates. Accordingly, the management of the Company estimates the loss allowance on balances with banks at the end of the reporting period at an amount equal to 12 month ECL. Taking into account the historical default experience and the current credit ratings of the banks, the management of the Company have assessed that the credit risk associated with these is very low, if any, as at the end of reporting period, and hence have not recorded any expected credit loss allowances on these balances.

**12. Share capital**

	2024 AED'000	2023 AED'000
<i>Authorized issued and fully paid up:</i>		
90 million shares of AED 1 each	90,000	90,000

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**13. Statutory reserve**

In accordance with Article 239 of Commercial Companies Law No. 32 of 2021 and the Company's articles of association, 10% of the annual profit of the Company is required to be transferred to a statutory reserve until the reserve equals 50% of the share capital. No transfer was made to the statutory reserve in 2024 as the reserve has already reached 50% of the share capital. This reserve is not available for distribution except as stipulated by the law.

**14. General reserve**

In accordance with Article 240 of the UAE Commercial Companies Law No. 32 of 2021 and the Company's articles of association, 10% of the Company's net profit may be transferred to a general reserve to be used only for the purposes stated in the Company's article of association.

In accordance with Clause 70 of the Company's article of association, 10% of the net profit for each year should be transferred to this reserve and such transfers may cease when the reserve equals 5% of the paid-up share capital of the Company.

During the Board of Directors' meeting held on 11 February 2025, the Directors have approved not to transfer any amount from retained earnings to general reserve.

**15. Investments revaluation reserve**

On adoption of IFRS 9, the Company has classified the equity and debt instruments to be measured at FVTOCI and re-designated the related fair value reserve accordingly.

**16. Dividends**

During the Board of Directors' meeting held on 11<sup>th</sup> February 2025, the Directors proposed a cash dividend of AED 1.00 per share totalling to AED 90 million relating to 2024 (2023: AED 3.2 per share totalling to AED 288 million relating to 2023). The dividend is subject to the approval of the shareholder in the Annual General Meeting.

During the year, the Company paid dividend of AED 288 million relating to 2023 (2023: paid dividend of AED 63 million relating to 2022).

**17. Provision for employees' end of service indemnity**

	2024 AED'000	2023 AED'000
Balance at the beginning of the year	33,512	31,381
Charged during the year	3,912	3,884
Payments during the year	(2,182)	(1,753)
Balance at the end of the year	<b>35,242</b>	<b>33,512</b>

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**18. Basic earnings per share**

Basic earnings per share is calculated by dividing the profit for the year after tax attributable to the shareholders of the Company, net of directors' fees, amounting to AED 129.6 million (2023: AED 357.56 million) by the weighted average number of shares outstanding during the year of 90 million shares (2023: 90 million shares).

The Company has not issued any instruments which would have a dilutive impact on earnings per share when exercised.

**19. 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.

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

	<b>2024</b> AED'000	2023 AED'000
Sales to a related party	1,202	5,023
Purchase from a related party	10,463	6,369
Dividend income	2,696	4,047

*b. Compensation of key management personnel*

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

	<b>2024</b> AED'000	2023 AED'000
Short-term benefits	12,406	12,337
Employees' end of service benefits	797	1,526
Director's sitting fee	360	290
Director's Fee	5,200	5,200
	<b>18,763</b>	19,353

**Notes to the financial statements**  
**for the year ended 31 December 2024 (continued)**

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

c. *Significant balances with related parties included in the statement of financial position:*

	2024 AED'000	2023 AED'000
<b><i>Due from a related party</i></b>		
Other related party (included in trade and other receivables)		
Oman Refreshments Company Limited (Note 10)	276	298
<b><i>Due to a related party</i></b>		
Other related party (included in trade and other payables)		
Oman Refreshments Company Limited (Note 20)	1,147	1,240

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.

**20. Trade and other payables**

	2024 AED'000	2023 AED'000
Trade payable	57,105	65,644
Accrued expenses	37,990	35,838
Accrual for staff costs	16,001	14,244
Contract liabilities	36,153	32,924
Advances from customers	2,880	4,206
Deferred income	13,174	11,381
Due to a related party [Note 19 (c)]	1,147	1,240
Fair value of derivatives	23	-
Other payables	41,089	38,448
	<hr/> 205,562	<hr/> 203,925

Other payables include Board of Directors' fees of AED 5.2 million (2023: AED 4.2 million) payable to the directors of the Company subject to the shareholders' approval in the Annual General Meeting.

**21. Lease liabilities**

	2024 AED'000	2023 AED'000
Balance as at 1 January	89,516	101,102
Accretion of interest	3,188	3,476
Additions	14,493	7,820
Derecognition	(7,626)	(5,916)
Payments	(15,057)	(16,966)
	<hr/> 84,514	<hr/> 89,516

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**21. Lease liabilities (continued)**

	2024 AED'000	2023 AED'000
Current	<b>9,108</b>	9,229
Non-current	<b>75,406</b>	80,287
	<b>84,514</b>	89,516

The total lease payments, including those for short term leases, amount to AED 22.5 million (2023: AED 23.2 million).

The maturity analysis of lease liabilities is as follows:

	2024 AED'000	2023 AED'000
<i><b>Maturity analysis</b></i>		
Not later than 1 year	<b>9,108</b>	9,229
Later than 1 year and not later than 5 years	<b>26,079</b>	23,225
Later than 5 years	<b>49,327</b>	57,062
	<b>84,514</b>	89,516

**22. Revenue**

	2024 AED'000	2023 AED'000
<i><b>Local</b></i>		
Long term contracts	<b>525,837</b>	520,153
Transaction based contracts	<b>205,670</b>	198,097
	<b>731,507</b>	718,250
<i><b>Export</b></i>		
Long term contracts	<b>21,734</b>	24,063
Transaction based contracts	<b>64,744</b>	60,755
	<b>86,478</b>	84,818
<b>Total</b>	<b>817,985</b>	803,068

**23. Other operating income**

This includes the amount of deferred income recognized during the year amounting to AED 4.3 million (2023: AED 3.5 million).

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**24. Profit for the year**

The profit for the year is stated after charging:

	2024 AED'000	2023 AED'000
Staff costs	113,732	108,460
Short term lease expenses	7,470	6,242
Depreciation of property, plant and equipment (Note 5a)	41,322	39,475
Depreciation of right of use asset (Note 6)	13,329	14,821
Gain on disposal of property, plant and equipment	(238)	(219,835)

*Amount included in cost of sales:*

	2024 AED'000	2023 AED'000
Staff costs	24,463	24,488
Short term lease expenses	532	681
Depreciation expense (Note 5a)	23,586	23,649

During the year ended 31 December 2024, social contributions made by the Company amounted to AED 27 thousand (2023: AED 22 thousand).

**25. Interest income – Net**

Interest income	18,783	13,031
Lease interest cost	(3,188)	(3,476)
	<b>15,595</b>	<b>9,555</b>

**26. Corporate Tax**

The tax charge for year ended December 2024 is AED 13.7 million (31 December 2023: AED Nil thousand), representing an Effective Tax Rate (“ETR”) of 9.15% (31 December 2023: Nil %). The delta in the ETR period-on-period is due to the new corporate tax CT regime that has become effective for accounting periods beginning on or after 1 September 2023. The ETR incorporates tax rates of the UAE.

	2024 AED'000	2023 AED'000
<b>Income Tax</b>		
Income tax - current	<b>13,681</b>	-

On 9 December 2022, the UAE Ministry of Finance released Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses (Corporate Tax Law or the Law) to enact a Federal Corporate Tax (CT) regime in the UAE. The CT regime has will become effective for accounting periods beginning on or after 1 June 2023.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**26. Corporate Tax (continued)**

Decision No. 116 of 2022 (published in December 2022 and considered to be effective from 16 January 2023) specifies that taxable income not exceeding AED 375,000 would be subject to a 0% UAE CT rate, and taxable income exceeding AED 375,000 would be subject to the 9% UAE CT rate. With the publication of this Decision, the UAE CT Law is considered to have been substantively enacted for the purposes of accounting for Income Taxes.

Subsequently, the UAE CT Law has been supplemented by a number of Decisions of the Cabinet of Ministers of the UAE (Decisions). Such Decisions and other interpretive guidance of the UAE Federal Tax Authority provide important details relating to the interpretation of the UAE CT Law and are required to fully evaluate the impact of the UAE CT Law on the Company.

The Company is subject to the provisions of the UAE CT Law with effect from 1 July 2023, and current taxes have been accounted for as appropriate in the financial statements for the financial year beginning 1 September 2023.

The taxable income of the Company for UAE CT purposes will be subject to the rate of 9% corporate tax. It is not currently foreseen that the Company's UAE operations will be subject to the application of the Global Minimum Tax rate of 15% in FY2024. The application is dependent on the implementation of Base Erosion Profit Shifting (BEPS 2) - Pillar Two rules by the countries where the Company operates and the enactment of Pillar Two rules by the UAE MoF.

The charge for the year can be reconciled to the profit before tax as follows:

	2024 AED'000	2023 AED'000
<b>Profit before tax</b>	<b>149,509</b>	-
Tax at the UAE corporate tax rate of 9% (2023:0%)	13,456	-
Tax effect of expenses that are not deductible in determining taxable profit	501	-
Tax effect on exempt amount	(242)	-
Tax effect on standard deduction	(34)	-
<b>Total income tax for the year</b>	<b>13,681</b>	-

**27. Contingencies and capital commitments**

	2024 AED'000	2023 AED'000
Bank guarantees	6,560	1,823

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)****28. Segment reporting**

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 reporting/operating segment is disclosed in the statement of financial position, statement of profit or loss and notes to the financial statements.

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

*Information about geographical segments*

During the year ended 31 December 2024, revenue from customers located in the Company's country of domicile (UAE) is AED 732 million (2023: AED 718 million) and revenue from customers outside UAE (foreign customers) is AED 86 million (2023: AED 85 million).

*Major customer*

During the year ended 31 December 2024, there were no customer of the Company with revenue greater than 10% of the total revenue of the Company (2023: Nil).

**29. Financial risk management**

The Company's principal financial liabilities comprise accounts payables and other liabilities. The main purpose of these financial liabilities is to manage Company's cash flows. The Company has various financial assets such as accounts and other receivables, cash and bank balances, which arise directly from operations.

The main risk arising from Company's financial instruments are liquidity risk, market risk, credit risk, interest rate risk.

**Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk. Financial instruments affected by market risk include term loans, bank deposits, investment securities and derivative financial instruments.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company is exposed to interest rate risk on its interest-bearing assets and liabilities (bank deposits and term loans).

The following table demonstrates the sensitivity of the statement of profit or loss to reasonably possible changes in interest rates, with all other variables held constant. The sensitivity of the statement of profit or loss is the effect of the assumed changes in interest rates on the Company's result for one year, based on the floating rate financial assets and financial liabilities held at 31 December.

**Notes to the financial statements**  
**for the year ended 31 December 2024 (continued)**

**29. Financial risk management (continued)**

*Interest rate risk (continued)*

There is no impact on the Company's equity.

	<b>Increase/ decrease in basis points</b>	<b>Effect on profit for the year AED'000</b>
<b>2024</b>		
AED	+50	-
AED	-50	-
<b>2023</b>		
AED	+50	-
AED	-50	-

**Foreign currency risk management**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company had the following significant net exposures denominated in foreign currencies in the form of bank balances and term loans.

	<b>2024</b> AED'000 Equivalent	<b>2023</b> AED'000 Equivalent
<b>Net assets:</b>		
Euro	38	40

The below analysis calculates the effect of a reasonably possible movement of the AED currency rate against the above mentioned currency, with all other variables held constant, on the income (due to the fair value of currency sensitive monetary assets and liabilities).

	<b>Increase/ decrease in exchange rate to the AED</b>	<b>Effect on profit for the year increase (decrease) AED'000</b>	<b>Effect on other comprehensive income for the year increase/ (decrease) AED'000</b>
<b>2024</b>	+5% -5%	2 (2)	-
2023	+5% -5%	2 (2)	-

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**29. Financial risk management (continued)**

**Price risk**

Price risk is the risk that the fair value of equities and debt instruments decreases as a result of changes in the levels of market index and the value of individual stocks. The Company's listed equity security is susceptible to market price risk arising from uncertainties about future values of the investment security. The effect on equity (fair value reserve) as a result of a change in the fair value of financial instrument comprises of equity investment quoted on Muscat Securities Market Oman and debt instrument issued by CBD which are held as fair value through other comprehensive income at 31 December 2024 and 31 December 2023, due to reasonably possible changes in the prices of these quoted shares held by the Company, with all other variables held constant, is as follows:

	<b>2024</b>	<b>2023</b>		
	Increase/ decrease in market prices %	Effect on equity (fair value reserve) AED'000	Increase/ decrease in market prices %	Effect on equity (fair value reserve) AED'000
Market index – Investment	+10%	7,257	+10%	9,495
Impact of change in market prices	-10%	(7,257)	-10%	(9,495)

**Credit risk**

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions and other financial instruments.

The Company seeks to limit its credit risk with respect to customers by setting credit limits for individual customers and monitoring outstanding receivables. The Company limits its credit risk with regard to bank deposits by only dealing with reputable banks. The Company also manages the risk through dealings with large diversified base of customers as well as local and foreign banks.

Credit risk is limited to the carrying values of financial assets in the statement of financial position.

With respect to credit risk arising from other financial assets of the Company, including bank balances, trade and other receivables, the Company's exposure to credit risk arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these instruments.

	<b>2024</b> AED'000	<b>2023</b> AED'000
Bank balances and deposits (Note 11)	444,300	557,714
Trade receivables (Note 10)	129,665	136,682
Investments in bonds	4,879	-
Contract assets	12,999	11,143
Due from a related party (Note 19)	276	298
Other receivables (Note 10)	44,760	56,187
Positive fair value of derivatives (Note 10)	-	1,062
	<hr style="border: 1px solid black;"/>	<hr style="border: 1px solid black;"/>
	636,879	763,086
	<hr style="border: 1px solid black;"/>	<hr style="border: 1px solid black;"/>

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**29. Financial risk management (continued)**

**Credit risk (continued)**

*Bank balances*

The Company limits its credit risk with regard to bank balances by dealing only with reputable banks. The credit risk is limited to the carrying values of the financial assets.

*Trade receivables*

Customer credit risk is managed subject to the Company's established policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on internal criteria. Outstanding trade receivables are regularly monitored. The requirement for an impairment is analysed at each reporting date on an individual basis for major clients.

An impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, product type, customer type and rating, and coverage by letters of credit or other forms of credit insurance). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Company's historical observed default rates. The Company will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The Company evaluates the concentration of risk with respect to trade receivables and contract assets as low, as its customers are located in several jurisdictions and industries.

**Liquidity risk**

The Company limits its liquidity risk by ensuring that adequate internally generated funds and bank facilities are available. The Company's terms of sales require amounts to be paid within 30 to 60 days from the date of sale. Trade payables are normally settled within 30 to 90 days from the date of purchase.

The table below summarises the maturities of the Company's discounted and undiscounted financial liabilities at 31 December, based on contractual payment dates and current market interest rates.

	<b>Less than 6 months AED'000</b>	<b>6 to 12 months AED'000</b>	<b>1 to 5 years AED'000</b>	<b>Total AED'000</b>
<b>2024</b>				
Trade and other payables	<b>117,680</b>	-	-	<b>117,680</b>
Lease liability	<b>9,108</b>	<b>26,079</b>	<b>49,327</b>	<b>84,514</b>
<b>Total</b>	<b>126,788</b>	<b>26,079</b>	<b>49,327</b>	<b>202,194</b>

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**29. Financial risk management (continued)**

**Liquidity risk (continued)**

	<b>Less than 6 months AED'000</b>	<b>6 to 12 months AED'000</b>	<b>1 to 5 years AED'000</b>	<b>Total AED'000</b>
<b>2023</b>				
Trade and other payables	121,409	-	-	121,409
Lease liability	4,615	4,614	80,287	89,516
<b>Total</b>	<b>126,024</b>	<b>4,614</b>	<b>80,287</b>	<b>210,925</b>

Contractual maturities related to lease liabilities disclosed in Note 21.

**Capital management**

The primary objective of the Company's capital management is to ensure that it maintains a healthy capital ratio in order to support its business and maximize shareholders' value.

The Company manages its capital structure and makes adjustments to it in light of changes in business conditions. No changes were made in the objectives, policies or processes during the years ended 31 December 2024 and 2023. Capital comprises share capital, reserves and retained earnings and is measured at AED 1.07 billion as at 31 December 2024 (2023: AED 1.25 billion).

**30. Fair value of derivatives**

*Cash flow hedges*

The Company also uses forward commodity contracts to manage some of its financing transaction exposures, highly probable transactions and commitment. The hedging relationship and objective, including details of the hedged item and hedging instrument, are formally documented and the transaction is accounted for as a cash flow hedge.

The cash flow hedges were assessed to be effective and as at 31 December 2024, a net unrealised loss of AED 1.1 million (2023: net unrealised gain of AED 0.810 million) was included in other comprehensive income in respect of these contracts.

The table below shows the positive and negative fair values of derivative financial instruments including cash flow hedges, which are equivalent to the market values, together with the notional amounts analysed by the term to maturity. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured, the notional amounts indicate the volume of transactions outstanding at year-end and are neither indicative of the market risk nor credit risk.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**30. Fair value of derivatives (continued)**

**Cash flow hedges (continued)**

	<b>Fair value AED'000</b>	<b>Notional amount AED'000</b>	<b>Within 1 year AED'000</b>
<b>Derivatives</b>			
<b>31 December 2024</b>			
Designated as cash flow hedge	(23)	11,238	11,238
	_____	_____	_____
31 December 2023			
Designated as cash flow hedge	1,062	15,666	15,666
	_____	_____	_____

The fair value of derivatives is presented in the statement of financial position as.

	<b>2024 AED'000</b>	<b>2023 AED'000</b>
Positive fair value of derivatives - current assets (Note 10)	-	1,062
Negative fair value of derivatives - current assets (Note 20)	(23)	-
	_____	_____

**31. Fair values of financial instruments**

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, receivables, 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 base on observable market data.

**Notes to the financial statements  
for the year ended 31 December 2024 (continued)**

**31. Fair values of financial instruments (continued)**

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

*Assets measured at fair value*

	<b>Total</b> <b>AED'000</b>	<b>Level 1</b> <b>AED'000</b>	<b>Level 2</b> <b>AED'000</b>	<b>Level 3</b> <b>AED'000</b>
<b>2024</b>				
<i>Investment securities</i>				
Quoted equity shares consumer products sector (Note 8.a)	<b>67,687</b>	<b>67,687</b>	-	-
<i>Investment in bonds, Quoted</i>				
Investment in Bonds at FVTOCI (Note 8.b)	<b>4,879</b>	<b>4,879</b>	-	-
Negative fair value of derivatives - held as cash flow hedge (Note 20)	<b>23</b>	-	<b>23</b>	-
<b>2023</b>				
<i>Investment securities</i>				
Quoted equity shares consumer products sector (Note 8)	<b>94,952</b>	<b>94,952</b>	-	-
Positive fair value of derivatives - held as cash flow hedge (Note 10)	<b>1,062</b>	-	<b>1,062</b>	-

**32. Approval of financial statements**

The financial statements were approved by the Board of Directors and authorized for issue on 11 February 2025.