

**UNITED FOODS COMPANY (PSC)
AND ITS SUBSIDIARIES**

**UNAUDITED INTERIM CONDENSED
CONSOLIDATED FINANCIAL STATEMENTS**

31 MARCH 2024

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF UNITED FOODS COMPANY (PSC)

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of United Foods Company (PSC) (the “Company”) and its subsidiaries (collectively, the “Group”) as at 31 March 2024 comprising of interim condensed consolidated statement of financial position as at 31 March 2024 and the related interim condensed consolidated income statement and interim condensed consolidated statement of comprehensive income, interim condensed consolidated statement of cash flows and interim condensed consolidated statement of changes in equity for the three month period then ended and selected explanatory notes. Management is responsible for the preparation and fair presentation of this interim condensed consolidated financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (“IAS 34”). Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim condensed consolidated financial statements are not prepared, in all material respects, in accordance with IAS 34.

For Ernst & Young



Sanjay Khiara
Registration No. 5513

14 May 2024

Dubai, United Arab Emirates

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the period ended 31 March 2024 (Unaudited)

	<i>Notes</i>	<i>Three months ended</i>	
		<i>31 March 2024 AED</i>	<i>31 March 2023 AED</i>
Revenue from contracts with customers, gross		164,960,528	186,470,491
Less: Discounts and rebates		(7,980,607)	(9,003,158)
Revenue from contracts with customers, net		156,979,921	177,467,333
Cost of sales		(125,156,056)	(150,078,447)
GROSS PROFIT		31,823,865	27,388,886
Selling and distribution expenses		(12,438,625)	(11,892,614)
General and administrative expenses		(5,223,113)	(4,905,125)
Finance costs		(231,780)	(263,079)
Other income, net		1,809,164	1,000,695
PROFIT BEFORE TAX FOR THE PERIOD		15,739,511	11,328,763
Income tax expense	3	(1,416,556)	-
PROFIT FOR THE PERIOD	4	14,322,955	11,328,763
Profit attributable to:			
Owners of the Group		14,322,955	11,328,763
Earnings per share:			
Basic and diluted in AED	11	0.47	0.37

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the period ended 31 March 2024 (Unaudited)

		<i>Three months ended</i>	
		31 March 2024 AED	31 March 2023 AED
Profit for the period		14,322,955	11,328,763
Other comprehensive income / (loss)			
<i>Items that will not be reclassified subsequently to profit or loss</i>			
Change in fair value of equity securities measured at FVOCI	18	152,436	(276,327)
		152,436	(276,327)
<i>Items that may be reclassified subsequently to profit or loss</i>			
Change in fair value of debt securities measured at FVOCI – Sukuk instruments	18	20,590	130,803
		20,590	130,803
Other comprehensive income/ (loss)		173,026	(145,524)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		14,495,981	11,183,239
Total comprehensive income attributable to:			
Owners of the Group		14,495,981	11,183,239


The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.


United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	<i>Notes</i>	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	5	75,459,178	74,554,704
Right-of-use assets	6	19,404,409	19,324,146
Intangible assets		1,540,082	1,688,217
Financial assets at fair value through other comprehensive income (FVOCI)	18	35,820,155	32,662,668
		<u>132,223,824</u>	<u>128,229,735</u>
Current assets			
Inventories	7	77,104,468	72,456,800
Trade and other receivables	8	124,564,762	99,066,059
Amounts due from related parties	14	119,700	391,335
Bank balances and cash	9	104,982,896	114,406,966
		<u>306,771,826</u>	<u>286,321,160</u>
TOTAL ASSETS		<u>438,995,650</u>	<u>414,550,895</u>
EQUITY AND LIABILITIES			
Equity			
Share capital	10	30,250,000	30,250,000
Statutory reserve		15,125,000	15,125,000
Regular reserve		15,125,000	15,125,000
General reserve		65,314,980	65,314,980
Fair value reserve		204,936	31,910
Retained earnings		220,159,338	205,836,383
Total equity		<u>346,179,254</u>	<u>331,683,273</u>
Non-current liabilities			
Employees' end of service benefits		10,379,459	9,980,597
Lease liabilities	12	12,875,686	13,000,498
		<u>23,255,145</u>	<u>22,981,095</u>
Current liabilities			
Trade and other payables	13	65,875,515	57,589,405
Income tax payable	3	1,416,556	-
Lease liabilities	12	2,269,180	2,297,122
		<u>69,561,251</u>	<u>59,886,527</u>
Total liabilities		<u>92,816,396</u>	<u>82,867,622</u>
TOTAL EQUITY AND LIABILITIES		<u>438,995,650</u>	<u>414,550,895</u>


 Ali Bin Humaid Al Owais
 Chairman
 14 May 2024


 Mohammed Abdel Aziz Ali Abdalla Al Owais
 Executive Vice Chairman
 14 May 2024

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the period ended 31 March 2024 (unaudited)

2024:	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>Regular reserve AED</i>	<i>General reserve AED</i>	<i>Fair value reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance as at 1 January 2024	30,250,000	15,125,000	15,125,000	65,314,980	31,910	205,836,383	331,683,273
Profit for the period	-	-	-	-	-	14,322,955	14,322,955
Other comprehensive income	-	-	-	-	173,026	-	173,026
Total comprehensive income for the period	-	-	-	-	173,026	14,322,955	14,495,981
Balance as at 31 March 2024	30,250,000	15,125,000	15,125,000	65,314,980	204,936	220,159,338	346,179,254
2023:	<i>Share capital AED</i>	<i>Statutory reserve AED</i>	<i>Regular reserve AED</i>	<i>General reserve AED</i>	<i>Fair value reserve AED</i>	<i>Retained earnings AED</i>	<i>Total AED</i>
Balance as at 1 January 2023	30,250,000	15,125,000	15,125,000	65,314,980	149,172	184,146,539	310,110,691
Profit for the period	-	-	-	-	-	11,328,763	11,328,763
Other comprehensive loss	-	-	-	-	(145,524)	-	(145,524)
Total comprehensive income / (loss) for the period	-	-	-	-	(145,524)	11,328,763	11,183,239
Dividends declared	-	-	-	-	-	(6,050,000)	(6,050,000)
Balance as at 31 March 2023	30,250,000	15,125,000	15,125,000	65,314,980	3,648	189,425,302	315,243,930

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the period ended 31 March 2024 (Unaudited)

		<i>Three months ended</i>	
		31 March 2024 AED	31 March 2023 AED
	<i>Notes</i>		
OPERATING ACTIVITIES			
Profit before tax for the period		15,739,511	11,328,763
Adjustments for:			
Depreciation on property, plant and equipment		2,687,852	2,782,559
Depreciation on right-of-use assets	6	496,465	498,417
Amortisation of intangible assets		148,135	122,523
Finance costs		231,780	263,079
Provision for employees' end of service benefits		589,580	402,608
Provision for expected credit losses	8	72,131	96,147
Provision for slow moving inventories	7	(389,522)	1,153,677
Gain on disposal of property, plant and equipment		(1,524)	(33,333)
		19,574,408	16,614,440
Working capital changes:			
Inventories		(4,258,146)	46,545,559
Trade and other receivables		(25,870,835)	(27,691,202)
Trade and other payables		8,286,110	(4,097,060)
Amounts due from related parties		271,635	(65,417)
Cash (used in)/ generated from operations		(1,996,828)	31,306,320
Employees' end of service benefits paid		(190,718)	(171,866)
Net cash (used in)/ generated from operating activities		(2,187,546)	31,134,454
INVESTING ACTIVITIES			
Purchase of property, plant and equipment	5	(3,594,082)	(344,170)
Purchase of financial assets at FVOCI		(2,984,461)	-
Proceeds from disposal of property, plant and equipment		3,280	33,333
Net change in bank deposits		(20,000,000)	-
Net cash used in investing activities		(26,575,263)	(310,837)
FINANCING ACTIVITIES			
Payment of lease liabilities	12	(634,817)	(650,841)
Finance costs paid		(26,444)	(59,255)
Net cash used in financing activities		(661,261)	(710,096)
NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS		(29,424,070)	30,113,521
Cash and cash equivalents at 1 January		114,406,966	17,447,219
CASH AND CASH EQUIVALENTS AT 31 MARCH	9	84,982,896	47,560,740

The accompanying notes from 1 to 19 form an integral part of these interim condensed consolidated financial statements.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

1 ACTIVITIES

United Foods Company (PSC) (the “Company”) is a Public Shareholding Company, incorporated on 1 November 1976 by a Decree issued by His Highness, The Ruler of Dubai. On 27 June 1994, the Company amended its status to a public shareholding company to comply with the provisions of the applicable UAE Federal Law at the time.

The Company’s shares are listed on the Dubai Financial Market (DFM) since July 2006.

The Company is primarily engaged in the manufacturing, processing and marketing of vegetable ghee, cooking oil, margarine, butter products and fat including trading of other food products. The registered address of the Company is P.O. Box 5836, Dubai, UAE.

The Company and its following subsidiaries form the “Group” and are together referred to as the “Group” in these interim condensed consolidated financial statements. The subsidiaries included in these interim condensed consolidated financial statements, their principal activities and legal and beneficial ownership are set out below:

<i>Name of the subsidiary</i>	<i>Principal activity</i>	<i>Country of incorporation</i>	<i>Ownership% 31 March 2024</i>	<i>Ownership% 31 December 2023</i>
Stratus General Trading LLC	General Trading -Wholesalers	U.A. E	100%	100%
PAL Foodstuff & Beverages Trading LLC	Food and Beverages Trading	U.A. E	100%	100%

2 BASIS OF PREPARATION AND CHANGES TO THE GROUP’S ACCOUNTING POLICIES

Basis of preparation

The interim condensed consolidated financial statements for the three month period ended 31 March 2024 have been prepared in accordance with IAS 34 “Interim Financial Reporting”. The interim condensed consolidated financial statements do not include all the information and disclosures required in the annual consolidated financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at 31 December 2023. In addition, results for the three-month period ended 31 March 2024 are not necessarily indicative of the results that may be expected for the financial year ending 31 December 2024.

When preparing the interim condensed consolidated financial statements, management undertakes number of judgements, estimates, and assumptions about recognition and measurement of assets, liabilities, income and expenses. The actual results may differ from the judgements, estimates and assumptions made by management.

New standards, interpretations and amendments adopted by the Group

The accounting policies adopted in the preparation of the interim condensed consolidated financial statements are consistent with those followed in the preparation of the Group’s consolidated financial statements for the year ended 31 December 2023, except for the adoption of new standards, amendments and interpretations effective as of 1 January 2024. The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several standards, amendments and interpretations apply for the first time in 2024, but do not have an impact on the interim condensed consolidated financial statements of the Group. The Group intends to use the practical expedients in future periods if they become applicable.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

3 INCOME TAX

UAE Corporate Tax Law

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 become effective for accounting periods beginning on or after 1 June 2023. The Cabinet of Ministers Decision No. 116 of 2022 (widely accepted to be effective from 16 January 2023) specified the threshold of taxable income to which the 0% UAE CT rate would apply, and above which the 9% UAE CT rate would apply. It is widely considered that this would constitute ‘substantive enactment’ of the UAE CT Law for the purposes of IAS 12, the objective of which is to prescribe the basis for accounting for Income Taxes.

Current taxes should be measured at the amount expected to be paid to or recovered from the tax authorities by reference to tax rates and laws that have been enacted or substantively enacted, by the end of the any reporting period. Since no taxes were expected to be paid to or recovered from the tax authorities for the periods ended prior to 31 December 2023, no current tax was accounted for in the financial periods ended before 31 December 2023. Since the Group is expected to pay tax in accordance with the provision of the UAE CT Law on its operational results with effect from 1 January 2024, current taxes have been accounted for in the consolidated financial statements for the period beginning from 1 January 2024.

Deferred taxes should be measured by reference to the tax rates and laws, as enacted, or substantively enacted, by the end of the reporting period, that are expected to apply in the periods in which the assets and liabilities to which the deferred tax relates are realized or settled. As the UAE CT Law was ‘substantively enacted’ as at 31 December 2023 for the purposes of IAS 12, the Group considered the application of IAS 12 and any requirements for the measurement and recognition of deferred taxes (if any) for the financial periods ended post 1 June 2023. Based on an assessment conducted by the Group’s management, no temporary differences were identified where deferred tax should have been accounted for.

Amount recognised in the interim condensed consolidated statement of profit or loss

The Group calculates income tax expense for the period using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim condensed consolidated statement of profit or loss are:

	<i>Three months ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Current income tax	1,416,556	-
Deferred tax	-	-
Income tax expense reported in the interim condensed consolidated profit or loss	1,416,556	-

Tax reconciliation:

	<i>Three months ended</i>	
	<i>31 March 2024 AED (Unaudited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Accounting profit before tax	15,739,511	-
Tax at United Arab Emirates’ statutory income tax rate of 9%	1,416,556	-
Effective tax rate	9%	-

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

4 PROFIT FOR THE PERIOD

Profit for the period is stated after charging:

	<i>Three months ended</i>	
	31 March 2024 AED (Unaudited)	31 March 2023 AED (Unaudited)
Inventories charged to cost of sales	117,411,770	141,505,922
Employee expenses	11,807,679	10,747,827
Rental - operating lease*	77,314	27,981

*Rental – operating leases expense relates to the lease contracts that have a lease term of 12 months or less and do not contain a purchase option ('short-term leases'), and lease contracts for which the underlying asset is of low value ('low-value assets').

5 PROPERTY, PLANT AND EQUIPMENT

Additions and disposals

During the period ended 31 March 2024, the Group incurred costs in respect of additions amounting to AED 3,594,082 (for the year ended 31 December 2023: AED 3,494,598).

As at 31 March 2024, capital work-in-progress of AED 6,448,434 (31 December 2023: AED 3,040,397) includes the expenditure incurred on the expansion of factory and warehouse facility in Jebel Ali Industrial Area and plant and machinery.

6 RIGHT-OF-USE ASSETS

	31 March 2024 AED (Unaudited)	31 December 2023 AED (Audited)
As at 1 January	19,324,146	19,773,326
Additions during the period/ year	576,728	-
Modifications during the period/ year	-	2,191,148
Less: retirements during the period/ year	-	(748,825)
Less: depreciation for the period/ year	(496,465)	(1,891,503)
	19,404,409	19,324,146

The Group has lease contracts for various items of land, building and motor vehicles.

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

7 INVENTORIES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Raw materials	23,038,330	15,957,188
Finished goods	21,429,431	19,323,113
Packing materials	2,554,327	2,536,305
Work-in-progress	3,796,983	4,131,544
Spares and consumables	2,289,018	2,403,523
	53,108,089	44,351,673
Less: provision for slow moving inventories	(813,945)	(1,203,467)
	52,294,144	43,148,206
Goods-in-transit	24,810,324	29,308,594
	77,104,468	72,456,800

Movement of the provision for slow moving inventories is as follows:

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
At 1 January	1,203,467	816,782
(Reversal)/ charge for the year, net	(389,522)	386,685
	813,945	1,203,467

8 TRADE AND OTHER RECEIVABLES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Trade receivables	120,940,321	95,747,601
Less: provision for expected credit losses	(6,100,614)	(6,028,483)
	114,839,707	89,719,118
Prepaid expenses	3,132,897	2,830,519
Advances to suppliers	2,658,156	2,236,800
Accrued interest receivable	941,522	1,277,948
Staff receivables	248,194	280,652
Other receivables	2,744,286	2,721,022
	124,564,762	99,066,059

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

8 TRADE AND OTHER RECEIVABLES (continued)

Movement of the provision for expected credit losses is as follows:

	<i>31 March 2024 AED (Unaudited) AED</i>	<i>31 December 2023 AED (Audited) AED</i>
At 1 January	6,028,483	5,962,302
Charge for the period/ year	72,131	572,304
Write-offs during the period/ year	-	(506,123)
	6,100,614	6,028,483

9 CASH AND CASH EQUIVALENTS

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

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>	<i>31 March 2023 AED (Unaudited)</i>
Cash in hand	65,063	71,918	115,555
Bank balances	20,317,833	24,135,048	47,345,185
Deposits*	84,600,000	90,200,000	20,100,000
Bank balances and cash	104,982,896	114,406,966	67,560,740
Less: Deposits with an original maturity of more than 3 months	(20,000,000)	-	(20,000,000)
Cash and cash equivalents	84,982,896	114,406,966	47,560,740

*Deposits are placed with local banks and accrue interest at prevailing market rates. During the period ended 31 March 2024, the Group earned interest income on these deposits of AED 1,168,303 (during the three month period ended 31 March 2023: AED 155,148).

10 SHARE CAPITAL

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Authorised, issued and fully paid up:		
30,250,000 ordinary shares of 1 AED each		
(31 December 2023: 30,250,000 ordinary shares of 1 AED each)	30,250,000	30,250,000

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

11 EARNINGS PER SHARE

Basic and diluted earnings per share of AED 0.47 per share (for the three month period ended 31 March 2023: AED 0.37 per share) are calculated by dividing the profit for the period amounting to AED 14,322,955 (for the three month period ended 31 March 2023: AED 11,328,763) by the weighted average number of ordinary shares outstanding during the period ended 31 March 2024 of 30,250,000 shares (during the three month period ended 31 March 2023: 30,250,000 shares).

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

12 LEASE LIABILITIES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
At 1 January	15,297,620	15,519,662
Add: Additions during the period/ year	276,727	-
Add: finance costs	205,336	792,360
Modifications during the period/ year	-	2,191,148
Retirements during the period/ year	-	(748,825)
Less: payments during the period / year, net of prepayments and accruals adjustment	(634,817)	(2,456,725)
	<u>15,144,866</u>	<u>15,297,620</u>

Presented in the interim condensed consolidated statement of financial position as follows:

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Current	2,269,180	2,297,122
Non-current	12,875,686	13,000,498
	<u>15,144,866</u>	<u>15,297,620</u>

13 TRADE AND OTHER PAYABLES

	<i>31 March 2024 AED (Unaudited)</i>	<i>31 December 2023 AED (Audited)</i>
Trade payables	19,951,633	16,419,868
Accrued expenses and other payables	14,190,895	12,662,656
Accrual for goods in transit	23,651,304	21,963,158
Advances from customers	3,909,563	2,696,174
Directors' remuneration payable (note 14)	2,914,110	2,914,110
VAT payable	1,258,010	933,439
	<u>65,875,515</u>	<u>57,589,405</u>

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

14 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties represent major shareholders, directors and key management personnel of the Group, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Group's management in line with the Group's board of directors.

a) Significant transactions with related parties:

Significant transactions with related parties are as follows:

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
<i>Entities under common control:</i>		
Sales to related parties	149,925	693,497

Compensation of key management personnel

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

	<i>Three months ended</i>	
	<i>31 March</i>	<i>31 March</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Unaudited)</i>
Short-term benefits	847,376	847,376
Employees' end of service benefits	39,141	38,977
Bonus	214,025	143,014
Directors' sitting fees	40,000	15,000
	1,140,542	1,044,367

b) Amounts due from related parties:

	<i>31 March</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
<i>Entities under common control:</i>		
Trade receivables	119,700	391,335

c) Amounts due to related parties:

	<i>31 March</i>	<i>31 December</i>
	<i>2024</i>	<i>2023</i>
	<i>AED</i>	<i>AED</i>
	<i>(Unaudited)</i>	<i>(Audited)</i>
Directors' remuneration payable (note 13)	2,914,110	2,914,110

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

15 CONTINGENCIES AND COMMITMENTS

Contingent liabilities

At 31 March 2024, the Group had contingent liabilities in respect of banks amounting to AED 242,000 (31 December 2023: AED 3,537,984) from which it is anticipated that no material liabilities will arise.

Legal claim contingency

The Group is involved in a legal case with a third-party claiming losses arising after closing their business relationships with the Group. As per latest judgement given by the honorable court, the legal case has been decided in favour of the Group and accordingly no liability of any amount has been recorded in these interim condensed consolidated financial statements as at 31 March 2024.

Capital commitments

At 31 March 2024, the Group had capital commitments in respect of purchase of property, plant and equipment amounting to AED 6,294,248 (31 December 2023: AED 8,180,552).

16 SEGMENTAL REPORTING

The Group operates in a single reporting segment primarily engaged in manufacturing, processing and marketing of hydrogenated vegetable ghee, cooking oil, margarine, butter products and fat including trading of food products. All the relevant information relating to this reporting/operating segment is disclosed in the interim condensed consolidated statement of financial position, interim condensed consolidated statement of profit or loss, interim condensed consolidated statement of comprehensive income and notes to the interim condensed consolidated financial statements. IFRS also requires an entity to report its segment assets and revenues along geographical regions. All significant activities of the Group are performed on an integrated basis in the Middle East and the Directors do not consider an analysis by individual country would be meaningful.

Major customer

During the period ended 31 March 2024, revenue from no customer accounts for 10% or more of the Group's total revenue (31 March 2023: Revenue from no customer accounts for 10% or more of the Group's total revenue).

17 FIDUCIARY ASSETS

As at 31 March 2024, the Group held 4.83 MT (31 December 2023: 4.83 MT) raw materials, in a fiduciary capacity on behalf of third parties. In this regard, no amounts relating to such material held by the Group is recorded in these interim condensed consolidated financial statements.

18 FAIR VALUES OF FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of cash on hand and bank balances, trade and other receivables, amounts due from related parties and investment securities at fair value through other comprehensive income. Financial liabilities consist of trade and other payables and lease liabilities.

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

Fair value hierarchy

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

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

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

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

United Foods Company (PSC) and its Subsidiaries

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

At 31 March 2024 (Unaudited)

18 FAIR VALUES OF FINANCIAL INSTRUMENTS (continued)

As at 31 March 2024, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	<i>31 March 2024</i> <i>AED</i>	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>
Quoted equity securities				
Consumer Staples Sector	983,994	983,994	-	-
Investments and Financial Services Sector	376,672	376,672	-	-
Total	<u>1,360,666</u>	<u>1,360,666</u>	<u>-</u>	<u>-</u>
Quoted debt securities				
Sukuk instruments	34,459,489	34,459,489	-	-
Total	<u>35,820,155</u>	<u>35,820,155</u>	<u>-</u>	<u>-</u>

As at 31 December 2023, the Group held the following financial instruments measured at fair value:

Assets measured at fair value

	<i>31 December 2023</i> <i>AED</i>	<i>Level 1</i> <i>AED</i>	<i>Level 2</i> <i>AED</i>	<i>Level 3</i> <i>AED</i>
Quoted equity securities				
Consumer Staples Sector	992,576	992,576	-	-
Investments and Financial Services Sector	347,500	347,500	-	-
Total	<u>1,340,076</u>	<u>1,340,076</u>	<u>-</u>	<u>-</u>
Quoted debt securities				
Sukuk instruments	31,322,592	31,322,592	-	-
Total	<u>32,662,668</u>	<u>32,662,668</u>	<u>-</u>	<u>-</u>

During the period ended 31 March 2024 and year ended 31 December 2023, there were no transfers between the various levels of fair value measurements.

At 31 March 2024, the fair values of equity securities and debt securities were assessed which resulted in the fair value gain of AED 152,436 (31 March 2023: fair value loss of AED 276,327) and the fair value gain of AED 20,590 (31 March 2023: AED 130,803), respectively.

19 SUBSEQUENT EVENT

The Annual General Meeting held on 17 April 2024 approved a dividend of AED 0.60 per share totaling to AED 18,150,000 for the year ended 31 December 2023.