

**Ras Al Khaimah Poultry & Feeding Co. P.S.C
Ras Al Khaimah - United Arab Emirates
Independent auditor's report review report and
condensed interim financial statements
For the three months period ended
March 31, 2021 (Unaudited)**

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Ras Al Khaimah Poultry & Feeding Co. P.S.C
Ras Al Khaimah - United Arab Emirates

General information

Principal office address : Digdaga
P. O. Box: 184
Ras Al Khaimah, United Arab Emirates
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F: +971 72462220

Website : www.rakpoultry.com

The Board of Directors	<u>Name</u>	<u>Nationality</u>	<u>Designation</u>
	Shaikh Mohamed Humaid Abdulla Mohamed Alqasemi	Emirati	Chairman
	Mubarak Ali Mubarak Alshamsi	Emirati	Deputy Chairman
	Abdulla Khalfan Mohammed Alshraiqi Almehrzi	Emirati	Member of the Board of Directors
	Ahmed Omar Salem Alkarbi	Emirati	Member of the Board of Directors
	Mohammed Hasan Mohammed Alshamsi Alawadhi	Emirati	Member of the Board of Directors

The Auditor : Crowe Mak
P.O. Box 6747
Dubai - United Arab Emirates

Ref: FJ/A2588/May 2021

Independent auditor's review report on condensed interim financial statements

To,
The Shareholders
Ras Al Khaimah Poultry & Feeding Co. P.S.C
P. O. Box: 184
Ras Al Khaimah - United Arab Emirates

Introduction

We have reviewed the accompanying condensed interim financial statements of **Ras Al Khaimah Poultry & Feeding Co. P.S.C.** (the "Entity") which comprise condensed interim statement of financial position as at March 31, 2021 and the condensed interim statement of profit or loss and other comprehensive income, condensed interim statement of changes in equity and condensed interim statement of cash flows for the three months period then ended and summary of significant accounting policies and other explanatory notes. Management is responsible for the preparation and presentation of these condensed interim financial statements in accordance with International Accounting Standard 34, Interim Financial Reporting (IAS 34). Our responsibility is to express a conclusion on these condensed interim 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 condensed interim financial statements are not prepared, in all material respects, in accordance with IAS 34 *Interim Financial Reporting*.

For, Crowe Mak



Zayd Khalid Maniar
Partner
Registration Number 579
Dubai, U.A.E.
May 10, 2021




Ras Al Khaimah Poultry & Feeding Co. P.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of financial position as at March 31, 2021
(In Arab Emirates Dirham)

	Notes	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Assets			
<i>Non-current assets</i>			
Property, plant and equipment	4	5,112,283	5,121,197
Investment properties	5	83,210,000	83,210,000
Investments in associates	6	83,470,980	83,425,296
Investments at fair value through other comprehensive income (FVTOCI)	7	111,062,095	109,418,435
Financial assets at amortised cost	8	28,371,262	28,528,997
Loans to a related party	9	1,000,000	1,000,000
Total non-current assets		312,226,620	310,703,925
<i>Current assets</i>			
Biological assets	10	2,038,402	1,257,845
Inventories	11	562,600	314,439
Trade and other receivables	12	5,323,338	5,567,286
Due from related parties	9	598,182	740,712
Loans to a related party	9	6,000,000	6,000,000
Cash and bank balances	13	13,783,764	10,263,147
Total current assets		28,306,286	24,143,429
Total assets		340,532,906	334,847,354
Equity and liabilities			
<i>Equity</i>			
Share capital		95,040,000	86,400,000
Reserves		139,578,522	139,147,071
Cumulative changes in fair value of investments carried at FVTOCI		48,325,288	46,671,628
Retained earnings		27,943,577	32,700,523
Total equity		310,887,387	304,919,222
<i>Non-current liabilities</i>			
Employees' end of service benefits	16	2,745,474	2,198,470
Total non-current liabilities		2,745,474	2,198,470
<i>Current liabilities</i>			
Unclaimed dividends		23,414,030	23,558,036
Trade and other payables	17	3,486,015	4,171,626
Total current liabilities		26,900,045	27,729,662
Total liabilities		29,645,519	29,928,132
Total equity and liabilities		340,532,906	334,847,354

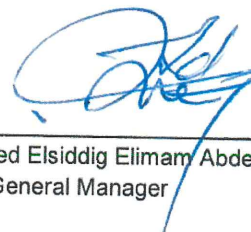
The accompanying notes form an integral part of these condensed interim financial statements.

The independent auditor's review report on these condensed interim financial statements is set out on page 2.

The condensed interim financial statements on pages 3-17 were approved on May 10, 2021 by Board of Directors and signed on their behalf by:



Mubarak Ali Mubarak Alshamsi
Deputy Chairman



Mohamed Elsiddig Elimam Abdelgadir
Acting General Manager

Ras Al Khaimah Poultry & Feeding Co. P.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of profit or loss and other comprehensive income
For the three months period ended March 31, 2021
(In Arab Emirates Dirham)

	Three months period ended March 31, 2021	Three months period ended March 31, 2020
	(Unaudited)	(Unaudited)
Revenue	3,334,296	5,118,353
Cost of sales	(2,686,918)	(4,704,899)
Gross profit	647,378	413,454
General and administrative expenses	(961,324)	(1,138,949)
Selling and distribution expenses	(645,505)	(787,287)
Investment income	4,963,240	3,980,251
Share of profit of associates	45,684	107,959
Other income	275,000	59,717
Finance costs	(9,968)	(14,423)
Net profit for the period	4,314,505	2,620,722
Other comprehensive income / (loss)		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Increase / (decrease) in fair value of investments carried at fair value through other comprehensive income	1,653,660	(29,224,618)
	1,653,660	(29,224,618)
Total comprehensive profit / (loss) for the period	5,968,165	(26,603,896)
Basic earnings per share	15	0.05
		0.03

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

The independent auditor's review report on these condensed interim financial statements is set out on page 2.

Ras Al Khaimah Poultry & Feeding Co. P.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of changes in equity
For the three months period ended March 31, 2021
(In Arab Emirates Dirham)

	Share capital	Reserves	Cumulative changes in fair value of investments carried at FVTOCI	Retained earnings	Total equity
Balance as at December 31, 2019 (Audited)	86,400,000	139,088,431	63,864,473	32,172,761	321,525,665
Profit for the period	-	-	-	2,620,722	2,620,722
Other comprehensive loss	-	-	(29,224,618)	-	(29,224,618)
Total comprehensive loss for the period	-	-	(29,224,618)	2,620,722	(26,603,896)
Balance as at March 31, 2020 (Unaudited)	86,400,000	139,088,431	34,639,855	34,793,483	294,921,769
Balance as at December 31, 2020 (Audited)	86,400,000	139,147,071	46,671,628	32,700,523	304,919,222
Profit for the period	-	-	-	4,314,505	4,314,505
Other comprehensive income	-	-	1,653,660	-	1,653,660
Total comprehensive income for the period	-	-	1,653,660	4,314,505	5,968,165
Shares issued from share dividends	8,640,000	-	-	(8,640,000)	-
Transfer to statutory reserve	-	431,451	-	(431,451)	-
Balance as at March 31, 2021 (Unaudited)	95,040,000	139,578,522	48,325,288	27,943,577	310,887,387

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

The independent auditor's review report on these condensed interim financial statements is set out on page 2.

Ras Al Khaimah Poultry & Feeding Co. P.S.C
Ras Al Khaimah - United Arab Emirates
Condensed interim statement of cash flows
For the three months period ended March 31, 2021
(In Arab Emirates Dirham)

	Three months period ended March 31, 2021 (Unaudited)	Three months period ended March 31, 2020 (Unaudited)
Cash flows from operating activities		
Net profit for the period	4,314,505	2,620,722
<i>Adjustments for:</i>		
Share of (profit) of associates	(45,684)	(107,959)
Depreciation on property, plant and equipment	24,233	21,094
Dividend income	(2,545,684)	(2,000,000)
Income from sale of investments	(1,190,000)	-
Interest income	(441,107)	(607,489)
Finance costs	9,968	14,423
Provision for employees' end of service benefits	549,616	192,771
Operating profit before changes in operating assets and liabilities	675,847	133,562
<i>(Increase) / decrease in current assets</i>		
Inventories	(248,161)	1,163,625
Biological assets	(780,557)	(139,755)
Trade and other receivables	243,948	(470,241)
Due from related parties	142,530	(126,970)
<i>Increase / (decrease) in current liabilities</i>		
Trade and other payables	(685,611)	538,093
Net cash from operations	(652,004)	1,098,314
Employees' end of services benefits paid	(2,612)	(105,808)
Finance costs paid	(9,968)	(14,423)
Net cash from operating activities	(664,584)	978,083
Cash flows from investing activities		
Purchase of property, plant and equipment	(15,319)	(889,737)
Sale of investments carried at FVTOCI	1,200,000	-
Repayment of loans to related party	-	1,000,000
Interest income received	598,842	850,168
Dividend received	2,545,684	2,000,000
Net cash from investing activities	4,329,207	2,960,431
Cash flows from financing activities		
Dividend paid	(144,006)	-
Net cash (used in) financing activities	(144,006)	-
Net increase in cash and cash equivalents	3,520,617	3,938,514
Cash and cash equivalents, beginning of the period	10,263,147	4,618,156
Cash and cash equivalents, end of the period	13,783,764	8,556,670

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

The independent auditor's review report on these condensed interim financial statements is set out on page 2.

1 Legal status and business activities

- 1.1 **Ras Al Khaimah Poultry & Feeding Co. P.S.C, Ras Al Khaimah** ("the Entity") is public shareholding company, facilitated under Emiri decree No. 76/8 of 1976 issued by His Highness, The Ruler of Ras Al Khaimah. The Entity was incorporated on January 11, 1978 and operates under industrial license no. 302 issued by Department of Economic Development of Government of Ras Al Khaimah. The shares of the Entity are traded on the Abu Dhabi Securities Exchange.
- 1.2 The principal activities of the Entity are the agricultural, manufacturing and trading activities and other technical production activities relating to poultry production.
- 1.3 The address of the Entity's registered office is in Digdaga P.O. Box 184, Ras Al Khaimah, United Arab Emirates.
- 1.4 The management and control are vested with Mr. Mohamed Elsiddig Elimam Abdelgadir, General Manager, Sudani National.
- 1.5 These condensed interim financial statements incorporate the operating results of the Entity's license no. 302.

2 Basis of preparation

These condensed interim financial statements have been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting" and is presented in Arab Emirates Dirham (AED) which is the functional currency of the Entity.

These condensed interim financial statements have been prepared on the historical cost basis except for investment properties, biological assets and financial instruments that are measured at fair values.

The accounting policies and methods of computation adopted in preparing these condensed interim financial statements are consistent with those used in the audited financial statements for the year ended December 31, 2020.

All aspects of the financial risk management objectives and policies are consistent with that disclosed in the audited financial statements as at and for the year ended December 31, 2020.

These condensed interim financial statements do not include all the information required for full annual financial statements and should be read in conjunction with the audited financial statements as at and for the year ended December 31, 2020.

The condensed result for the three months period ended March 31, 2021 is not necessarily indicative of the result that may be expected for the financial year ending December 31, 2021.

The preparation of these condensed interim financial statements require the management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, incomes and expenses. Actual results may differ from these estimates.

In preparing this condensed interim financial statements, the significant judgements made by management in applying the accounting policies and the key sources of estimation uncertainty were the same as those that were applied to the audited financial statements as at and for the year ended December 31, 2020.

3 Significant accounting policies

The accounting policies used in the preparation of condensed interim financial statements are consistent with those used in the preparation of the annual financial statements for the year ended December 31, 2020. Certain amendments to accounting standards and annual improvements, as disclosed in the Entity's most recent annual financial statements for the year ended December 31, 2020, are applicable to the Entity but do not have any material impact on these condensed interim financial information.

3.1 Critical accounting judgements and key sources of estimation uncertainty

Valuation of unquoted investments

Valuation of unquoted equity investments is normally based on one of the following:

- Current fair value of another instrument that is substantially the same;
- The expected cash flows discounted at current rates applicable for items with similar terms and risk characteristics; or
- Other valuation models.

The determination of the cash flows and discount factors for unquoted equity investments requires significant estimations. The Entity calibrates the valuation techniques periodically and tests them for validity using either prices from observable current market transactions in the same instrument or from other available observable market data.

4 Property, plant and equipment

During the three months period ended March 31, 2021 period, additions to property, plant and equipment amounted to AED 15,319 (three months period ended March 31, 2020: AED 889,737) and depreciation amounted to AED 24,232 (three months period ended March 31, 2020: AED 21,094).

All property, plant and equipment are located in U.A.E.

5 Investment properties

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Plots of land	53,460,000	53,460,000
Buildings	29,750,000	29,750,000
	83,210,000	83,210,000

Movements during the period / year are as follows:

Balance at the beginning of the period / year	83,210,000	87,730,000
Changes in fair value unrealised recognised in profit or loss	-	(4,520,000)
Balance at the end of the period / year	83,210,000	83,210,000

Investment properties comprise the fair value of plots of land and buildings located in the United Arab Emirates. Investment properties are stated at fair value based on a valuation carried out by an independent external valuer as at December 31, 2020.

6 Investments in associates

	Percentage of ownership interest		March 31, 2021	December 31, 2020
	2021	2020	(Unaudited)	(Audited)
Ras Al Khaimah Packaging Co. Ltd. (L.L.C.)	50.00%	50.00%	8,098,574	8,050,895
RAK AMI Hotel FZ-LLC	27.75%	27.75%	75,372,406	75,374,401
			83,470,980	83,425,296

Principal activity of Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) is manufacturing of carton boxes and containers and wholesale trading of paper.

Principal activity of RAK AMI Hotel FZ-LLC is real estate development construction.

The summarized financial information of associates, accounted for using the equity method, is as follows:

Movement in investments in associates are as follows:

Associate's financial information - Ras Al Khaimah Packaging Co. Ltd. (L.L.C.), UAE

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	8,050,895	7,885,551
Share of profit	47,679	165,344
Balance at the end of the period/year	8,098,574	8,050,895

The summarised financial information below of Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) represents amounts shown in its financial statements prepared in accordance with IFRS.

6 Investments in associates (continued)**Associate's financial information - Ras Al Khaimah Packaging Co. Ltd. (L.L.C.), UAE (continued)**

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Current assets	15,646,406	15,354,309
Non-current assets	14,994,518	15,270,002
Total assets	<u>30,640,924</u>	<u>30,624,311</u>
Current liabilities	6,882,694	13,956,003
Non-current liabilities	7,561,080	566,520
Total liabilities	<u>14,443,774</u>	<u>14,522,523</u>
Net assets	<u>16,197,150</u>	<u>16,101,788</u>
Proportion of Entity's ownership interest in the associate	50%	50%
Carrying amount of Entity's interest in associate	<u>8,098,574</u>	<u>8,050,895</u>
	Three months period ended March 31, 2021	For the year December 31, 2020
	(Unaudited)	(Audited)
Revenue for the period / year	6,493,193	22,528,320
Profit for the period / year	<u>95,358</u>	<u>330,687</u>
Proportion of the Entity's ownership interest in the associate	* 50.00%	50.00%
Share in the net profit of the associate	<u>47,679</u>	<u>165,344</u>

Associate's financial information - RAK AMI Hotel FZ LLC, U.A.E

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	75,374,401	75,393,531
Share of (loss)	(1,995)	(19,130)
Balance at the end of the period/year	<u>75,372,406</u>	<u>75,374,401</u>
Current assets	74,517,355	34,183,946
Non-current assets	349,598,665	333,057,734
Total assets	<u>424,116,020</u>	<u>367,241,680</u>
Total liabilities	<u>87,189,161</u>	<u>30,307,630</u>
Shareholder's current account	65,314,587	65,314,587
Net assets	271,612,272	271,619,463
Proportion of Entity's ownership interest in the associate	27.75%	27.75%
Carrying amount of Entity's interest in associate	<u>75,372,406</u>	<u>75,374,401</u>

6 Investments in associates (continued)*Associate financial information RAK AMI Hotel FZ LLC, U.A.E (continued)*

	Three months period ended March 31, 2021 (Unaudited)	For the year December 31, 2020 (Audited)
Revenue for the period / year	-	-
(Loss) for the period / year	(7,191)	(68,936)
Proportion of the Entity's ownership interest in the associate	27.75%	27.75%
Share in the net (loss) of the associate	(1,995)	(19,130)

7 Investments at fair value through Other Comprehensive Income (FVTOCI)

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Quoted investments	90,907,095	89,253,435
Unquoted investments	20,155,000	20,165,000
	111,062,095	109,418,435

The value of the above unquoted investments has not been changed from December 31, 2020.

The movements of investments at fair value through Other Comprehensive Income are as follows:

Balance at the beginning of the period / year	109,418,435	124,614,782
Additions during the period	-	1,996,498
Sold during the period	(10,000)	-
Changes in fair value	1,653,660	(17,192,845)
Balance at the end of the period / year	111,062,095	109,418,435

The cumulative changes in fair value of investments designated at FVTOCI amounting to AED 48,325,288 as at March 31, 2021 (December 31, 2020: AED 46,671,628) are shown under equity.

8 Financial assets at amortised cost

	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Opening balance	28,528,997	17,056,682
Additions during the period / year	-	11,120,100
Accrued Interest	369,828	1,407,340
Interest received during the period / year	(527,563)	(1,055,125)
Balance at the end of the period / year	28,371,262	28,528,997

Investments at amortised costs comprise of DIB TIER 1 SUKUK 3 LTD bond issued by Dubai Islamic Bank on January 17, 2019. The bonds are perpetual with a fixed interest rate of 6.75% per annum. The first call date of the bonds is January 22, 2025.

9 Related party transactions

The Entity enters into transactions with other entities that fall within the definition of a related party as contained in IAS 24, "Related party disclosures". Related parties comprise entities under common ownership and/or common management and control; their partners and key management personnel.

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
a) Due from related parties		
Ras Al Khaimah Packaging Co. Ltd. (L.L.C.), Associate, U.A.E	598,182	634,870
Al Bustan Import of Foodstuff LLC, Entity under common control, U.A.E	-	105,842
	598,182	740,712
b) Loans to a related party		
Ras Al Khaimah Packaging Co. Ltd. LLC , Associate, U.A.E	7,000,000	7,000,000
Less: Due within 12 months from the reporting date	(6,000,000)	(6,000,000)
Due after 12 months from the reporting date	1,000,000	1,000,000

A long term loan was granted to Ras Al Khaimah Packaging Co. Ltd. (L.L.C.) of AED 16 million to finance the construction of its new plant. The loan is repayable in six annual instalments of AED 2 million for the first two years and AED 3 million for the remaining four years commencing from December 2016. The loan is unsecured and carries interest rate of 4% per annum effective August 1, 2015 onwards.

c) Transactions with related parties

The nature of significant related party transactions and the amounts involved were as follows:

	Three months period ended March 31, 2021	Three months period ended March 31, 2020
	(Unaudited)	(Audited)
Sales	202,624	406,912
Purchases	105,730	110,741
Interest income	69,401	82,959
Settlement of a loan instalment by a related party	-	1,000,000

d) Key management personnel compensations

The compensation of key management personnel is as follows:

Salaries (Acting general manager)	90,000	90,000
	90,000	90,000

10 Biological Assets

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Eggs laying chickens	1,503,140	1,257,845
Broiler chickens	535,262	-
	2,038,402	1,257,845

Ras Al Khaimah Poultry & Feeding Co. P.S.C

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2021

(Unaudited)

(In Arab Emirates Dirham)

11 Inventories	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Spare parts and others	3,569,141	3,573,697
Finished goods	754,491	510,226
Filling and packaging materials	38,269	36,699
Medicines and vaccinations	79,004	72,122
	<u>4,440,905</u>	<u>4,192,744</u>
Less: Allowance for slow moving inventories	<u>(3,878,305)</u>	<u>(3,878,305)</u>
	<u><u>562,600</u></u>	<u><u>314,439</u></u>

The above inventories are located at warehouses at Ras Al Khaimah, United Arab Emirates.

Movement in allowance for slow moving inventories as at reporting date is as follows:

Balance at the beginning of the period / year	<u>3,878,305</u>	3,878,305
Balance at the end of the period / year	<u><u>3,878,305</u></u>	<u><u>3,878,305</u></u>

12 Trade and other receivables	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Trade receivables	3,591,455	2,662,255
Notes receivables	1,318,126	2,339,984
	<u>4,909,581</u>	<u>5,002,239</u>
Less: Allowance for doubtful debts	<u>(761,994)</u>	<u>(761,994)</u>
	<u>4,147,587</u>	<u>4,240,245</u>
Prepayments	-	104,096
Staff loan and advances	699,180	648,679
Other receivables	476,571	574,266
	<u><u>5,323,338</u></u>	<u><u>5,567,286</u></u>

13 Cash and bank balances	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Cash in hand	51,568	27,331
Cash at banks		
Current accounts	2,166,364	1,642,519
Call deposits	11,565,832	8,593,297
	<u><u>13,783,764</u></u>	<u><u>10,263,147</u></u>

Ras Al Khaimah Poultry & Feeding Co. P.S.C

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2021

(Unaudited)

(In Arab Emirates Dirham)

14 Share capital

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Authorised, issued and fully paid:		
95,040,000 shares of AED 1 each (2020: 86,400,000 shares of AED 1 each)	95,040,000	86,400,000

During the three months period ended March, 31 2021 the Bord at the annual general assembly meeting have approved to issue dividends in form of bonus share equivalent to 10% of paid up share capital.

15 Basic earnings per share

	Three months period ended March 31, 2021	Three months period ended March 31, 2020
	(Unaudited)	(Audited)
Profit for the period	4,314,505	2,620,722
Weighted average number of shares	88,530,411	86,400,000
Basic earnings per share	0.05	0.03

16 Employees' end of service benefits

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Balance at the beginning of the period / year	2,198,470	3,023,437
Add: charge for the period / year	549,616	631,002
Less: paid during the period / year	(2,612)	(1,455,969)
Balance at the end of the period / year	2,745,474	2,198,470

17 Trade and other payables

	March 31, 2021	December 31, 2020
	(Unaudited)	(Audited)
Trade payables	1,062,324	1,029,990
Unearned revenue	874,022	1,695,477
Accrued expenses and other payables	1,246,355	1,352,076
Notes payable	219,233	15,000
VAT payable-net	84,081	79,083
	3,486,015	4,171,626

Ras Al Khaimah Poultry & Feeding Co. P.S.C

Ras Al Khaimah - United Arab Emirates

Notes to the condensed interim financial statements for the three months period ended March 31, 2021 (Unaudited)

(In Arab Emirates Dirham)

18 Segment information

There are no transactions between the business segments.

The Entity is organized into two main business segments: poultry includes breeding and poultry trading, and investments segment includes investments carried at FVTOCI, investments in associates, financial assets at amortised cost, investment properties, other assets and fixed deposits held with banks.

	<u>Three months period ended March 31, 2021</u>			<u>Three months period ended March 31, 2020</u>		
	<u>Poultry (Unaudited) AED</u>	<u>Investments (Unaudited) AED</u>	<u>Total (Unaudited) AED</u>	<u>Poultry (Unaudited) AED</u>	<u>Investments (Unaudited) AED</u>	<u>Total (Unaudited) AED</u>
Segment revenues	3,334,296	-	3,334,296	5,118,353	-	5,118,353
Segment results	(694,419)	5,008,924	4,314,505	(1,467,488)	4,088,210	2,620,722
Depreciation	24,233	-	24,233	21,094	-	21,094
Share of profit of associates	-	45,684	45,684	-	107,959	107,959
Additions to non-current assets	(15,319)	-	(15,319)	(889,737)	-	(889,737)
	<u>March 31, 2021</u>			<u>December 31, 2020</u>		
	<u>Poultry (Unaudited) AED</u>	<u>Investments (Unaudited) AED</u>	<u>Total (Unaudited) AED</u>	<u>Poultry (Audited) AED</u>	<u>Investments (Audited) AED</u>	<u>Total (Audited) AED</u>
Segment assets	34,418,569	306,114,337	340,532,906	30,264,626	304,582,728	334,847,354
Segment liabilities	29,645,519	-	29,645,519	29,928,132	-	29,928,132

Notes to the condensed interim financial statements for the three months period ended March 31, 2021 (Unaudited)
(In Arab Emirates Dirham)

19 Contingent liabilities	March 31, 2021 (Unaudited)	December 31, 2020 (Audited)
Letter of guarantee	200,000	200,000

Except for the above, and ongoing business obligations which are under normal course of business, there has been no other known contingent liability on Entity's financial information as of reporting date.

20 Fair value measurement

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. As such, differences can arise between book values and the fair value estimates. Underlying the definition of fair value is the presumption that the Entity is a going concern without any intention or requirement to materially curtail the scale of its operation or to undertake a transaction on adverse terms.

Fair value of financial instruments carried at amortised cost

Management considers that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the condensed interim financial statements approximate their fair values.

Valuation techniques and assumptions applied for the purposes of measuring fair value

The fair values of financial and non-financial assets and liabilities are determined using similar valuation techniques and assumptions as used in the audited annual financial statements for the year ended December 31, 2020.

The following table provides an analysis of financial and non-financial instruments that are measured subsequent to initial recognition at fair value on a recurring basis, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

March 31, 2021 (Unaudited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted equities	90,907,095	-	-	90,907,095
Unquoted equities	-	-	20,155,000	20,155,000
Non-financial assets:				
Investment properties	-	-	83,210,000	83,210,000
	<u>90,907,095</u>	<u>-</u>	<u>103,365,000</u>	<u>194,272,095</u>

20 Fair value measurement (continued)

December 31,2020 (Audited):

	Level 1 AED	Level 2 AED	Level 3 AED	Total AED
Financial assets:				
Investments carried at FVTOCI				
Quoted equities	89,253,435	-	-	89,253,435
Unquoted equities	-	-	20,165,000	20,165,000
Non-financial assets:				
Investment properties	-	-	83,210,000	83,210,000
	<u>89,253,435</u>	<u>-</u>	<u>103,375,000</u>	<u>192,628,435</u>