

Spinneys 1961 Holding PLC

UNAUDITED INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

**FOR THE NINE-MONTH PERIOD ENDED
30 SEPTEMBER 2024**

REPORT ON REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS TO THE SHAREHOLDERS OF SPINNEYS 1961 HOLDING PLC

Introduction

We have reviewed the accompanying interim condensed consolidated financial statements of Spinneys 1961 Holding PLC (the “Company”) and its subsidiaries (collectively referred to as the “Group”) which comprise the interim condensed consolidated statement of financial position as at 30 September 2024, and the related interim condensed consolidated statement of profit or loss and interim condensed consolidated statement of comprehensive income for the three-month and nine-month periods then ended, and the interim condensed consolidated statement of changes in equity and interim condensed consolidated statement of cash flows for the nine-month period then ended, and a summary of material accounting policy information and other explanatory notes. Management is responsible for the preparation and fair presentation of these interim condensed consolidated financial information 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 information 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.

Other Matter

The interim condensed consolidated financial statements of the Group for the three-month and nine-month periods ended 30 September 2023 were not reviewed and our conclusion does not relate to the comparatives presented in these interim condensed consolidated financial statements which are presented only for comparison purpose.

For Ernst & Young



Ashraf Abu Sharkh
Registration No: 690

7 November 2024

Dubai, United Arab Emirates

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS

For the three-month and nine-month period ended 30 September 2024

	Notes	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
		2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited and unreviewed)	2024 AED'000 (Unaudited)	2023 AED'000 (Unaudited and unreviewed)
Revenue from contracts with customers	5	686,818	597,679	2,260,450	2,029,176
Rental income	9	14,575	12,828	38,451	34,895
Revenue	4	701,393	610,507	2,298,901	2,064,071
Cost of sales		(412,380)	(350,350)	(1,350,905)	(1,217,304)
GROSS PROFIT		289,013	260,157	947,996	846,767
Other income		1,788	4,064	6,092	7,746
Selling, general and administrative expenses	6	(174,409)	(155,763)	(533,407)	(467,996)
Depreciation and impairment of right-of-use assets	9	(42,421)	(43,725)	(124,212)	(131,816)
Depreciation and impairment of property, plant and equipment	8	(24,720)	(18,713)	(65,715)	(58,316)
Impairment of goodwill		-	(2,523)	-	(3,463)
Finance income		4,056	-	9,443	-
Finance costs		(12,975)	(11,771)	(37,222)	(33,254)
PROFIT FOR THE PERIOD BEFORE TAX		40,332	31,726	202,975	159,668
Income tax expense	7	(4,972)	(230)	(21,119)	(988)
PROFIT FOR THE PERIOD		35,360	31,496	181,856	158,680
Attributable to:					
Equity holders of the Company		39,708	31,844	192,227	159,559
Non-controlling interest		(4,348)	(348)	(10,371)	(879)
		35,360	31,496	181,856	158,680
Earnings per share					
Basic and diluted, profit for the period attributable to equity holders of the Company (in AED per share)	15	0.011	0.009	0.053	0.044

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the three-month and nine-month period ended 30 September 2024

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
PROFIT FOR THE PERIOD	35,360	31,496	181,856	158,680
Other comprehensive income/ (loss) <i>Other comprehensive income/ (loss) that may be reclassified to profit or loss in subsequent periods (net of tax):</i>				
Exchange differences on translation of foreign operations	484	(340)	404	(82)
OTHER COMPREHENSIVE INCOME/ (LOSS) FOR THE PERIOD	484	(340)	404	(82)
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	35,844	31,156	182,260	158,598
Attributable to:				
Equity holders of the Company	40,192	31,504	192,631	159,477
Non-controlling interest	(4,348)	(348)	(10,371)	(879)
	35,844	31,156	182,260	158,598

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 30 September 2024

	Notes	30 September 2024 AED'000 (Unaudited)	31 December 2023 AED'000 (Audited)
ASSETS			
Non-current assets			
Property, plant and equipment	8	417,192	408,582
Intangible assets		34,000	34,000
Right-of-use assets	9	884,576	808,475
Other non-current assets		55,994	50,148
Deferred tax assets	7	1,254	1,250
		<u>1,393,016</u>	<u>1,302,455</u>
Current assets			
Inventories	10	148,303	133,161
Trade receivables, prepayments and other receivables		62,763	59,244
Amounts due from related parties	12	4,217	6,722
Cash and short-term deposits	11	378,950	354,061
		<u>594,233</u>	<u>553,188</u>
TOTAL ASSETS		<u><u>1,987,249</u></u>	<u><u>1,855,643</u></u>
EQUITY AND LIABILITIES			
Equity			
Share capital		36,000	36,000
Restricted reserve		4,778	4,778
Retained earnings		155,782	66,155
Actuarial reserve		7,585	7,585
Foreign currency translation reserve		1,255	851
Equity attributable to equity holders of the Company		<u>205,400</u>	<u>115,369</u>
Non-controlling interest		(12,059)	(1,688)
TOTAL EQUITY		<u>193,341</u>	<u>113,681</u>
Non-current liabilities			
Interest-bearing loans and borrowings		6,081	6,355
Other non-current liabilities		18,278	14,308
Lease liabilities	9	843,376	779,324
Employees' end of service benefits		78,740	68,480
		<u>946,475</u>	<u>868,467</u>
Current liabilities			
Trade payables, accruals and other payables		630,004	689,607
Lease liabilities	9	169,153	143,833
Interest-bearing loans and borrowings		802	762
Amounts due to related parties	12	26,799	38,830
Income tax payable		20,675	463
		<u>847,433</u>	<u>873,495</u>
TOTAL LIABILITIES		<u>1,793,908</u>	<u>1,741,962</u>
TOTAL EQUITY AND LIABILITIES		<u><u>1,987,249</u></u>	<u><u>1,855,643</u></u>

Director

Director

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

For the nine-month period ended 30 September 2024

		<i>Nine-month period ended 30 September</i>	
		2024	2023
		AED'000	AED'000
<i>Notes</i>		(Unaudited)	(Unaudited and unreviewed)
OPERATING ACTIVITIES			
	Profit before tax	202,975	159,668
	Adjustments to reconcile profit before tax to net cash flows:		
	Net gain on disposal of property, plant and equipment and intangible assets	(1,020)	(3,970)
	Finance income	(9,443)	-
	Finance costs	37,222	33,254
	Depreciation and impairment of property, plant and equipment	65,715	58,316
8			
	Depreciation and impairment of right of use assets	124,212	131,816
9			
	Loss on change in fair value of forward exchange contracts	59	4,527
	Impairment of goodwill	-	3,463
	Provision for old and obsolete inventories	8,443	7,431
10			
	Loss/ (gain) on termination of leases	831	(45)
	Provision for employees' end of service benefits	12,065	8,791
		441,059	403,251
	Working capital adjustments:		
	Inventories	(23,585)	(10,618)
	Trade receivables, prepayments and other receivables	(9,424)	(22,793)
	Related party balances*	(6,614)	(11,470)
	Trade payables, accruals and other payables	(55,633)	4,261
		345,803	362,631
	Employees' end of service benefits paid	(4,730)	(4,675)
	Interest paid	(376)	(361)
	Income tax paid	(907)	(955)
	Net cash flows from operating activities	339,790	356,640
INVESTING ACTIVITIES			
	Purchase of property, plant and equipment	(73,864)	(53,052)
8			
	Proceeds from disposal of property, plant and equipment and intangible assets	1,701	8,015
	Investment in short-term deposits	(79,000)	-
	Interest received	9,443	-
	Net cash flows used in investing activities	(141,720)	(45,037)
FINANCING ACTIVITIES			
	Dividends paid	(102,600)	(134,565)
	Repayment of lease liabilities	(148,607)	(159,414)
9			
	Repayment of interest-bearing loans and borrowings	(448)	(552)
	Net cash flows used in financing activities	(251,655)	(294,531)
	NET (DECREASE)/ INCREASE IN CASH AND CASH EQUIVALENTS	(53,585)	17,072
	Cash and cash equivalents at 1 January	354,061	39,671
	Net foreign exchange difference	(526)	(251)
	CASH AND CASH EQUIVALENTS AT 30 SEPTEMBER	299,950	56,492
11			

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (continued)

For the nine-month period ended 30 September 2024

*Following non-cash transactions are excluded from the interim condensed consolidated statement of cash flows:

	<i>Notes</i>	<i>Nine-month period ended 30 September</i>	
		<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
End of service benefits transferred, net	12	2,932	(745)
Property, plant and equipment transferred from related parties	8	(20)	(40)
Investment in Al-Ma'kulat Al Fakhirah for Foods Products LLC		-	147
		=====	=====

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

INTERIM CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the nine-month period ended 30 September 2024

30 September 2024 (Unaudited)

	<i>Share capital AED'000</i>	<i>Restricted reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Actuarial reserve AED'000</i>	<i>Foreign currency translation reserve AED'000</i>	<i>Total AED'000</i>	<i>Non- controlling interest AED'000</i>	<i>Total equity AED'000</i>
As at 1 January 2024 (Audited)	36,000	4,778	66,155	7,585	851	115,369	(1,688)	113,681
Profit for the period (Unaudited)	-	-	192,227	-	-	192,227	(10,371)	181,856
Other comprehensive income for the period (Unaudited)	-	-	-	-	404	404	-	404
Total comprehensive income for the period (Unaudited)	-	-	192,227	-	404	192,631	(10,371)	182,260
Dividends declared and paid (note 17) (Unaudited and unreviewed)	-	-	(102,600)	-	-	(102,600)	-	(102,600)
As at 30 September 2024 (Unaudited)	36,000	4,778	155,782	7,585	1,255	205,400	(12,059)	193,341

30 September 2023 (Unaudited and unreviewed)

	<i>Share capital AED'000</i>	<i>Restricted reserve AED'000</i>	<i>Retained earnings AED'000</i>	<i>Actuarial reserve AED'000</i>	<i>Foreign currency translation reserve AED'000</i>	<i>Total AED'000</i>	<i>Non- controlling interest AED'000</i>	<i>Total equity AED'000</i>
As at 1 January 2023 (Audited)	-	4,778	20,854	7,704	568	33,904	-	33,904
Profit for the period (Unaudited and unreviewed)	-	-	159,559	-	-	159,559	(879)	158,680
Other comprehensive income for the period (Unaudited and unreviewed)	-	-	-	-	(82)	(82)	-	(82)
Total comprehensive income for the period (Unaudited and unreviewed)	-	-	159,559	-	(82)	159,477	(879)	158,598
Investment in Al-Ma'kulat Al Fakhirah for Foods Products (Unaudited and unreviewed)	-	-	-	-	-	-	147	147
Dividends declared and paid (Unaudited and unreviewed)	-	-	(134,565)	-	-	(134,565)	-	(134,565)
As at 30 September 2023 (Unaudited and unreviewed)	-	4,778	45,848	7,704	486	58,816	(732)	58,084

The attached notes 1 to 19 form part of these interim condensed consolidated financial statements.

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

1 ACTIVITIES

Spinneys 1961 Holding PLC (previously known as Spinneys 1961 Holding Limited prior to its re-registration to a public company limited by shares) (the “Company”) was incorporated on 21 November 2023 as a private limited company under the Companies Law, DIFC Law No. 5 of 2018 and was re-registered to a public company limited by shares on 29 March 2024. The registered address is Unit 813B, Level 8, Liberty House, DIFC, Dubai, United Arab Emirates.

The Company is a subsidiary of Al Seer Group (L.L.C.) (the “Parent”) which is registered in the Emirate of Dubai as a limited liability company. The Parent is a subsidiary of Albwardy Investment (L.L.C.) (the “Ultimate Parent Company”), a limited liability company registered in the Emirate of Dubai, United Arab Emirates. The Ultimate Parent Company is majority owned and controlled by Mr. Ali Saeed Juma Albwardy (the “Owner”).

As per the resolution of the sole shareholder dated 12 December 2023, during the year ended 31 December 2023, the Parent transferred its subsidiaries as listed in note 16, predominantly engaged in the retail supermarket and related business, to a newly established and fully controlled entity named Spinneys 1961 Holding Limited (the “reorganisation”). The difference between the net book value of the subsidiaries transferred and the purchase consideration was accounted within retained earnings. Further, Spinneys IP Limited was transferred at an agreed price and recorded as an asset addition.

As the reorganisation did not result in any change of economic substance and it involved transfer of entities under common control both before and after the transfer, it was not considered as a business combination as defined by IFRS 3 Business Combinations. Accordingly, the interim condensed consolidated financial statements of the Group are prepared to reflect that the reorganisation is in substance a continuation of the subsidiaries of the Parent predominantly engaged in the retail supermarket business as if the Company has always owned them.

Pursuant to the special resolution of the sole shareholder dated 27 March 2024, Al Seer Group (L.L.C.) resolved to convert the Company from a private company limited by shares into a public company limited by shares. On 2 April 2024, the Security and Commodities Authority (“SCA”) (UAE) approved the Company’s application for the offering and issuance of 900 million shares representing 25% percent of the Company’s authorised share capital. On 9 May 2024, the Company was admitted to be listed on the Dubai Financial Market (“DFM”).

The Company and its subsidiaries (together referred to as “the Group”) are principally engaged in the operation of supermarkets in United Arab Emirates, Sultanate of Oman and Saudi Arabia. Information on the Group’s subsidiaries are disclosed in note 16.

The interim condensed consolidated financial statements were authorised for issue on 7 November 2024 by the Board of Directors.

2 BASIS OF PREPARATION

The interim condensed consolidated financial statements for the nine-month period ended 30 September 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 and for the year ended 31 December 2023.

The preparation of interim condensed consolidated financial statements in conformity with International Financial Reporting Standards (“IFRS”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the Group’s interim condensed consolidated financial statements are largely consistent with the annual consolidated financial statements for the year ended 31 December 2023 and should be read in conjunction thereof.

The Group’s business is subject to moderate seasonal fluctuations, of which is affected by the holy month of Ramadan (lower sales due the impact of Ramadan fasting among the majority Muslim population, affecting consumption patterns), summer holidays (substantial decrease in local population as expats and residents travel during the hot summer months, reducing sales over the period) and festive season (peak tourist influx during the festive season, complemented by residents staying in the city, creating a high demand period). As a result of moderate seasonal fluctuations, results for any quarter are not necessarily indicative of the results that may be achieved for any quarter or for the full fiscal year.

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

2 BASIS OF PREPARATION (continued)

These interim condensed consolidated financial statements have been presented on the historical cost basis, except for forward foreign exchange contracts and re-measurement of the defined benefit liability that have been measured at fair value.

The Group's management have made an assessment of the Group's ability to continue as a going concern and are satisfied that the Group has the financial resources to continue in business for the foreseeable future. Further, Group's management and Board of Directors are not aware of any material uncertainty that may cast significant doubt upon the Group's ability to continue as a going concern. Therefore, the interim condensed consolidated financial statements continue to be prepared on a going concern basis.

The interim condensed consolidated financial statements are presented in the United Arab Emirates Dirham (AED), which is the Company's functional currency. All values are rounded to the nearest thousand (AED'000), except when otherwise indicated.

3 ACCOUNTING POLICIES**3.1 New standards, interpretations and amendments thereof, 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 effective as of 1 January 2024 which had no significant impact on the interim condensed consolidated financial statements of the Group.

The Group has not early adopted any standard, interpretation or amendment that has been issued as at the date of the authorisation of these interim condensed consolidated financial statements but is not yet effective. Management has assessed the implication of adopting the new standards which are not yet effective and concluded that there are no significant impact on the interim condensed consolidated financial statements of the Group.

4 SEGMENT INFORMATION

The Group is organised into operating segments based on geographical locations. The revenue, profit/(loss), assets and liabilities are reported on a geographical basis and measured in accordance with the same accounting basis used for the preparation of the interim condensed consolidated financial statements. There are two main reportable segments: United Arab Emirates (UAE) and Sultanate of Oman (Oman). Others include Saudi Arabia and sourcing offices (United Kingdom, United States of America and Australia).

Following is the segment information which is consistent with the internal reporting presented to chief operating decision maker for the period ended:

	<i>Reportable segments</i>		<i>Intercompany transactions*</i>		<i>Total</i>	
	<i>Three-month period ended 30 September</i>		<i>Three-month period ended 30 September</i>		<i>Three-month period ended 30 September</i>	
	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>	<i>2024</i>	<i>2023</i>
	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>	<i>AED'000</i>
	<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>	<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>	<i>(Unaudited)</i>	<i>(Unaudited and unreviewed)</i>
Revenue						
UAE	658,261	589,215	-	-	658,261	589,215
Oman	19,887	21,094	-	-	19,887	21,094
Others	121,172	83,152	(97,927)	(82,954)	23,245	198
Total	799,320	693,461	(97,927)	(82,954)	701,393	610,507

*represents inter reportable segments sales and purchases transactions.

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

4 SEGMENT INFORMATION (continued)

	<i>Reportable segments</i>		<i>Intercompany transactions*</i>		<i>Total</i>	
	<i>Nine-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and unreviewed)</i>	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and unreviewed)</i>	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and unreviewed)</i>
Revenue						
UAE	2,206,447	1,994,182	(375)	-	2,206,072	1,994,182
Oman	65,427	69,240	-	-	65,427	69,240
Others	301,922	245,466	(274,520)	(244,817)	27,402	649
Total	2,573,796	2,308,888	(274,895)	(244,817)	2,298,901	2,064,071

*represents inter reportable segments sales and purchases transactions.

	<i>Reportable segments</i>		<i>Reportable segments</i>	
	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and unreviewed)</i>	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and unreviewed)</i>
Profit for the period before tax				
UAE	49,873	33,042	225,972	160,884
Oman	(1,771)	(1,648)	(4,247)	(3,617)
Others	(7,770)	332	(18,750)	2,401
Total	40,332	31,726	202,975	159,668
Unallocated:				
Income tax expense*	(4,972)	(230)	(21,119)	(988)
Profit for the period	35,360	31,496	181,856	158,680

*current taxes are not allocated to those segments as they are managed on a group basis.

	<i>Assets</i>		<i>Liabilities</i>	
	<i>30 September 2024</i> <i>(Unaudited)</i> <i>AED'000</i>	<i>31 December 2023</i> <i>(Audited)</i> <i>AED'000</i>	<i>30 September 2024</i> <i>(Unaudited)</i> <i>AED'000</i>	<i>31 December 2023</i> <i>(Audited)</i> <i>AED'000</i>
	UAE	1,883,326	1,771,673	1,657,063
Oman	33,627	24,051	50,568	36,745
Others	146,025	111,557	153,408	100,066
Eliminations and adjustment	(75,729)	(51,638)	(67,131)	(44,992)
Total	1,987,249	1,855,643	1,793,908	1,741,962

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

5 REVENUE FROM CONTRACTS WITH CUSTOMERS

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Revenue from sale of goods	686,818	597,679	2,260,450	2,029,176

Set out below is the disaggregation of the Group's revenue from contracts with customers:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Geographical market				
United Arab Emirates	643,755	576,468	2,167,864	1,959,533
Sultanate of Oman	19,818	21,013	65,184	68,994
Others	23,245	198	27,402	649
	686,818	597,679	2,260,450	2,029,176
Timing of revenue recognition				
Goods transferred at a point in time	686,818	597,679	2,260,450	2,029,176

6 SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Staff costs	80,568	72,785	242,421	209,148
Premises costs	43,290	37,854	122,752	111,889
Warehousing, selling and distribution costs	33,917	29,642	106,976	94,142
Legal and professional charges	4,599	4,224	20,387	10,958
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation (note 12)	629	-	1,856	-
Marketing costs	5,466	3,208	15,885	14,184
Information system and communication costs	2,563	2,595	11,226	8,734
Others	3,377	5,455	11,904	18,941
	174,409	155,763	533,407	467,996

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

7 INCOME TAX

a. Tax on ordinary activities

The major components of income tax expense in the interim condensed consolidated statement of profit or loss for the three-month and nine-month period ended 30 September 2024 and 30 September 2023 are as follows:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Current income tax:				
Current income tax expense	4,972	230	21,119	988
Deferred tax:				
Relating to the origination and reversal of temporary differences	-	-	-	-
Income tax expense reported in the interim condensed consolidated statement of profit or loss	4,972	230	21,119	988

b. Reconciliation of tax charge

Reconciliation of tax expense and the accounting profit multiplied by the UAE's domestic tax rate for the three-month and nine-month period ended 30 September 2024 and 30 September 2023:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Accounting profit before income tax	40,332	31,726	202,975	159,668
At the UAE statutory tax rate of 9% charged during the period (2023: Nil)	3,630	-	18,268	-
Adjustment in respect of standard deduction as per the Law*	-	-	(34)	-
Effect of higher overseas tax rates	1,342	230	2,885	988
At the effective current income tax rate of 2024: 10.4% (2023: 0.6%)	4,972	230	21,119	988

*As per the UAE Corporate Tax law, maximum standard deduction applicable for each tax group is AED 375,000. The standard deduction applicable for the tax group considered by the Group amounts to AED 375,000 on which tax rate at 9% amounts to AED 33,750.

c. Deferred tax

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
The deferred tax assets relate to:		
Deferred tax assets:		
Depreciation	584	584
Provision and reserve	670	666
	1,254	1,250

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

7 INCOME TAX (continued)

c. Deferred tax (continued)

Deferred tax assets are only recognised on losses available for offsetting against future taxable income to the extent that it is probable that taxable profits will be available against which losses can be utilised. The Group has prepared a forecast which indicates that the Group will have sufficient taxable profits in the entities in the near future to support the recognition of the deferred tax assets.

Movement in deferred tax assets recognised in the interim condensed consolidated statement of financial position is as follows:

Deferred tax assets:

	30 September 2024	31 December 2023
	AED'000	AED'000
	(Unaudited)	(Audited)
At 1 January	1,250	1,287
Deferred tax charge	-	(47)
Translation adjustment	4	10
	<hr/>	<hr/>
At 30 September/ 31 December	1,254	1,250
	<hr/> <hr/>	<hr/> <hr/>

For the purpose of determining income tax expense for the period, the accounting profit has been adjusted for tax purposes. Adjustments for tax purposes include items relating to both income and expense. The adjustments are based on the current understanding of the existing tax laws, regulations and practices. The Group has not identified any material risks or uncertainties in the structure from a corporate tax perspective and will continuously monitor further developments that could impact the tax profile of the Group.

d. Pillar Two income taxes

The Group is in the scope of the Pillar Two Global Anti-Base Erosion Rules (GloBE rules or Pillar Two rules) issued by the Organization for Economic Co-operation and Development (OECD) as the annual consolidated revenue of the Ultimate Parent Company exceeds €750 million threshold. The UAE (location of the Ultimate Parent Company and also its largest market), published Federal Decree-Law No. 60 of 2023, amending specific provisions of Federal Decree-Law No. 47 of 2022 on the Taxation of Corporations and Businesses, as part of its commitment to the OECD guidelines. The amendments introduced by Federal Decree-Law No. 60 of 2023 are intended to prepare for the introduction of the BEPS 2.0 Pillar Two Rules. Recently, the UAE also issued a public consultation on Pillar Two rules, with the expectation that a law and implementation guidelines will be issued later this year.

Currently, out of the other jurisdictions in which the Group has presence, only UK (where the Group has some activities but no customer base) have final Pillar Two legislations in force effective from 1 January 2024. No other jurisdiction, in which the Group operates, has substantively enacted the legislation. As of 30 September 2024, management does not anticipate any additional top-up tax on account of Pillar Two rules for FY 2024. This is because the effective Globe tax rate at the UK level exceeds 15%. The Group will continue to monitor the Pillar Two related developments in all relevant jurisdictions and assess any potential top-up tax in accordance with the relevant legislation after taking into consideration the transitional Safe Harbour relief.

On 23 May 2023, the International Accounting Standards Board (IASB) issued amendments to IAS 12 'Income taxes' introducing a mandatory temporary exception to the requirements of IAS 12 under which an entity does not recognise or disclose information about deferred tax assets and liabilities related to the Pillar Two rules. In line with IAS 12 (as amended), the Group has applied the exception with regards to the above.

Spinneys 1961 Holding PLC

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8 PROPERTY, PLANT AND EQUIPMENT

2024

	<i>Freehold land AED'000</i>	<i>Buildings AED'000</i>	<i>Leasehold improvements AED'000</i>	<i>Plant and machinery AED'000</i>	<i>Vehicles, furniture and equipment AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Total AED'000</i>
Cost:							
At 1 January 2024 (<i>Audited</i>)	74,359	156,782	444,329	203,867	165,797	15,556	1,060,690
Additions (<i>Unaudited</i>)	-	-	10,565	5,024	11,748	46,527	73,864
Transfers from capital work in progress (<i>Unaudited</i>)	-	-	35,799	16,002	4,401	(56,202)	-
Transfers from related parties (note 12) (<i>Unaudited</i>)	-	-	-	19	39	-	58
Disposals/ written off (<i>Unaudited</i>)	-	-	(11,206)	(3,517)	(7,668)	-	(22,391)
Exchange differences (<i>Unaudited</i>)	718	557	1	81	106	-	1,463
At 30 September 2024 (<i>Unaudited</i>)	75,077	157,339	479,488	221,476	174,423	5,881	1,113,684
Depreciation and impairment:							
At 1 January 2024 (<i>Audited</i>)	-	22,444	317,717	170,867	141,080	-	652,108
Depreciation charge for the period (<i>Unaudited</i>)	-	9,945	29,778	11,088	11,214	-	62,025
Impairment charge for the period (<i>Unaudited</i>)	-	-	2,897	528	265	-	3,690
Relating to transfer from related parties (note 12) (<i>Unaudited</i>)	-	-	-	19	19	-	38
Relating to disposals/ written off (<i>Unaudited</i>)	-	-	(11,158)	(3,372)	(7,180)	-	(21,710)
Exchange differences (<i>Unaudited</i>)	-	182	1	73	85	-	341
At 30 September 2024 (<i>Unaudited</i>)	-	32,571	339,235	179,203	145,483	-	696,492
Net carrying amount:							
At 30 September 2024 (<i>Unaudited</i>)	75,077	124,768	140,253	42,273	28,940	5,881	417,192

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

8 PROPERTY, PLANT AND EQUIPMENT (continued)

2023 (Audited)

	<i>Freehold land AED'000</i>	<i>Buildings AED'000</i>	<i>Leasehold improvements AED'000</i>	<i>Plant and machinery AED'000</i>	<i>Vehicles, furniture and equipment AED'000</i>	<i>Capital work in progress AED'000</i>	<i>Total AED'000</i>
Cost:							
At 1 January 2023	13,165	10,223	377,838	196,778	158,011	9,871	765,886
Additions	2,248	4,832	18,467	8,833	9,967	47,203	91,550
Transfers from capital work in progress	-	-	21,410	9,300	10,808	(41,518)	-
Transfers	-	18,182	(18,182)	-	-	-	-
Transfers from a related party	58,205	123,139	63,000	-	45	-	244,389
Transfers to a related party	-	-	(227)	(339)	(596)	-	(1,162)
Disposals/ written off	-	(169)	(18,078)	(10,787)	(12,644)	-	(41,678)
Exchange differences	741	575	101	82	206	-	1,705
At 31 December 2023	74,359	156,782	444,329	203,867	165,797	15,556	1,060,690
Depreciation and impairment:							
At 1 January 2023	-	2,981	309,222	163,736	140,002	-	615,941
Depreciation charge for the year	-	1,330	28,638	14,903	10,799	-	55,670
Impairment charge for the year	-	-	16,202	3,191	3,252	-	22,645
Transfers	-	18,129	(18,129)	-	-	-	-
Relating to transfer from a related party	-	-	-	-	5	-	5
Relating to transfers to a related party	-	-	(227)	(339)	(587)	-	(1,153)
Relating to disposals/ written off	-	(169)	(18,078)	(10,697)	(12,573)	-	(41,517)
Exchange differences	-	173	89	73	182	-	517
At 31 December 2023	-	22,444	317,717	170,867	141,080	-	652,108
Net carrying amount:							
At 31 December 2023	74,359	134,338	126,612	33,000	24,717	15,556	408,582

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

9 LEASES

The Group as a lessee

The Group has lease contracts for plot of land (lease terms between 5 to 38 years), premises used in its operations of supermarkets (lease terms between 1 to 10 years) and motor vehicles (lease term of 4 years). There are several lease contracts that include extension and termination options and variable lease payments, which are further discussed below:

Set out below are the carrying amounts of right-of-use assets recognised and the movements during 2024 and 2023:

2024 (Unaudited)

	<i>Land</i> <i>AED'000</i>	<i>Building/Stores</i> <i>AED'000</i>	<i>Motor vehicles</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
At 1 January 2024	138,477	669,892	106	808,475
Additions	19,838	114,753	-	134,591
Depreciation expense	(5,429)	(117,948)	(35)	(123,412)
Impairment	-	(800)	-	(800)
Lease modifications	-	66,998	-	66,998
Reversal on account of termination	-	(1,312)	-	(1,312)
Translation difference	-	33	3	36
	<u>152,886</u>	<u>731,616</u>	<u>74</u>	<u>884,576</u>

2023 (Audited)

	<i>Land</i> <i>AED'000</i>	<i>Building/Stores</i> <i>AED'000</i>	<i>Motor vehicles</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
At 1 January 2023	109,868	566,756	18	676,642
Additions	35,045	134,289	140	169,474
Depreciation expense	(6,436)	(170,021)	(51)	(176,508)
Impairment, net	-	(4,000)	-	(4,000)
Reversal on account of store closure/ termination	-	(22,657)	-	(22,657)
Lease modifications	-	165,438	-	165,438
Translation difference	-	87	(1)	86
	<u>138,477</u>	<u>669,892</u>	<u>106</u>	<u>808,475</u>

Set out below are the carrying amounts of lease liabilities and the movements during 2024 and 2023:

	<i>30 September</i> <i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>31 December</i> <i>2023</i> <i>AED'000</i> <i>(Audited)</i>
As at 1 January	923,157	780,005
Additions	134,591	169,474
Accretion of interest	36,846	44,057
Reversal on account of store closure/ termination	(481)	(24,944)
Payments	(148,607)	(210,951)
Relating to lease modifications	66,998	165,438
Translation difference	25	78
	<u>1,012,529</u>	<u>923,157</u>
Less: Current portion (disclosed under current liabilities)	(169,153)	(143,833)
	<u>843,376</u>	<u>779,324</u>

Spinneys 1961 Holding PLC

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As at and for the nine-month period ended 30 September 2024

9 LEASES (continued)

The Group as a lessee (continued)

The Group has several lease contracts that include extension and termination options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the Group's business needs. Management exercises significant judgment in determining whether these extension and termination options are reasonably certain to be exercised.

Group as a lessor

The Group has entered into operating leases on its owned assets or leased assets. These leases have terms of between 1 to 5 years. All leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions. Rental income recognised by the Group during the nine-month period ended 30 September 2024 (Unaudited) is AED 38,451 thousand (30 September 2023 (Unaudited and unreviewed): AED 34,895 thousand).

10 INVENTORIES

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Goods for resale	147,920	129,069
Goods-in-transit	383	4,092
	<u>148,303</u>	<u>133,161</u>

During the nine-month period ended 30 September 2024 (Unaudited) and 30 September 2023 (Unaudited and unreviewed), AED 1,342,462 thousand and AED 1,209,873 thousand, respectively were recognised as expense for inventories under cost of sales.

Set out below is the movement in the provision for old and obsolete inventories:

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>30 September 2023 AED'000 (Unaudited and unreviewed)</i>
At 1 January	48,385	37,432
Charge for the period, net	8,443	7,431
Translation difference	(7)	12
At 30 September	<u>56,821</u>	<u>44,875</u>

11 CASH AND SHORT-TERM DEPOSITS

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Cash in hand	2,965	5,479
Cash at banks	114,046	348,582
Short-term deposits	261,939	-
	<u>378,950</u>	<u>354,061</u>

Short-term deposits were denominated in AED with an effective interest rate ranging from 4.3% to 5.2% per annum (2023: nil).

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

11 CASH AND SHORT-TERM DEPOSITS (continued)

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following amounts as at 30 September/ 31 December:

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Cash in hand	2,965	5,479
Cash at banks	114,046	348,582
Short-term deposits (maturing within 3 months)	182,939	-
Cash and cash equivalents	299,950	354,061

Spinneys 1961 Holding PLC

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As at and for the nine-month period ended 30 September 2024

12 RELATED PARTY TRANSACTIONS AND BALANCES

Related parties comprise the Owner, the Ultimate Parent Company, the Parent, key management personnel and the entities in which they have substantial interests or are capable of exercising significant management influence.

(a) Details of significant related party transactions entered are as follows:

Three-month period ended 30 September 2024 (Unaudited)

	<i>Liability for employees' end of service benefits transferred from/ (to) AED'000</i>	<i>Sale of goods AED'000</i>	<i>Purchase of goods AED'000</i>	<i>Operation services fees income AED'000</i>	<i>Insurance costs AED'000</i>	<i>Stock transferred to AED'000</i>	<i>Recharge of selling, general and administrative expenses to AED'000</i>	<i>Selling, general and administrative expenses from AED'000</i>	<i>Purchase/ (transfer) of property, plant and equipment AED'000</i>	<i>Capital expenditure AED'000</i>	<i>Transfer of goodwill AED'000</i>	<i>Rental income AED'000</i>
Ultimate Parent Company	-	19	-	-	-	-	-	-	-	-	-	310
Parent	-	-	-	-	-	-	-	-	-	-	-	-
Entities under common control	-	296	12,613	-	1,031	-	-	3,633	-	16,366	-	2,181
Parent's associate	(34)	-	7,658	150	-	40,758#	3,948	-	-	-	-	1,353
Ultimate Parent Company's joint venture	-	(61)	-	-	-	-	-	-	-	-	-	-

Three-month period ended 30 September 2023 (Unaudited and unreviewed)

	<i>Liability for employees' end of service benefits transferred from/ (to) AED'000</i>	<i>Sale of goods AED'000</i>	<i>Purchase of goods AED'000</i>	<i>Operation services fees income AED'000</i>	<i>Insurance costs AED'000</i>	<i>Stock transferred to AED'000</i>	<i>Recharge of selling, general and administrative expenses to AED'000</i>	<i>Selling, general and administrative expenses from AED'000</i>	<i>Purchase of property, plant and equipment AED'000</i>	<i>Capital expenditure AED'000</i>	<i>Transfer of goodwill AED'000</i>	<i>Rental income AED'000</i>
Ultimate Parent Company	-	22	-	-	-	-	-	-	-	-	-	-
Parent	-	-	-	-	-	-	-	3,841	-	-	-	-
Entities under common control	-	383	14,614	-	104	-	-	13,962	-	7,709	-	78
Parent's associate	(905)	-	8,638	150	-	36,688#	3,881	-	(531)	-	(6,000)	500
Ultimate Parent's Company joint venture	-	34	664	-	-	-	-	-	-	-	-	-

#represents retail goods transferred at an agreed rate to the Parent's associate which is accounted for on a net basis as the Group acts as an agent to procure and deliver goods for the related party.

Spinneys 1961 Holding PLC

NOTES TO THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

As at and for the nine-month period ended 30 September 2024

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Details of significant related party transactions entered are as follows: (continued)

Nine-month period ended 30 September 2024 (Unaudited)

	<i>Liability for employees' end of service benefits transferred from/ (to) AED'000</i>	<i>Sale of goods AED'000</i>	<i>Purchase of goods AED'000</i>	<i>Operation services fees income AED'000</i>	<i>Insurance costs AED'000</i>	<i>Stock transferred to AED'000</i>	<i>Recharge of selling, general and administrative expenses to AED'000</i>	<i>Selling, general and administrative expenses from AED'000</i>	<i>Purchase/ (transfer) of property, plant and equipment AED'000</i>	<i>Capital expenditure AED'000</i>	<i>Transfer of goodwill AED'000</i>	<i>Rental income AED'000</i>
Ultimate Parent Company	-	79	-	-	-	-	-	-	-	-	-	310
Parent	2,968	-	-	-	-	-	-	-	20	-	-	-
Entities under common control	-	1,271	46,834	-	22,773	-	-	12,299@	-	29,136	-	2,362
Parent's associate	(36)	-	28,612	450	-	128,880#	11,845	-	-	-	-	2,022
Ultimate Parent Company's joint venture	-	46	1,803	-	-	-	-	-	-	-	-	-

Nine-month period ended 30 September 2023 (Unaudited and unreviewed)

	<i>Liability for employees' end of service benefits transferred from/ (to) AED'000</i>	<i>Sale of goods AED'000</i>	<i>Purchase of goods AED'000</i>	<i>Operation services fees income AED'000</i>	<i>Insurance costs AED'000</i>	<i>Stock transferred to AED'000</i>	<i>Recharge of selling, general and administrative expenses to AED'000</i>	<i>Selling, general and administrative expenses from AED'000</i>	<i>Purchase/ (transfer) of property, plant and equipment AED'000</i>	<i>Capital expenditure AED'000</i>	<i>Transfer of goodwill AED'000</i>	<i>Rental income AED'000</i>
Ultimate Parent Company	-	76	-	-	-	-	-	-	-	-	-	-
Parent	-	-	-	-	-	-	-	5,299	40	-	-	-
Entities under common control	-	1,362	47,000	-	18,974	-	-	23,353@	-	22,426	-	231
Parent's associate	(745)	-	31,103	450	-	113,186#	11,566	-	(531)	-	(6,000)	1,014
Ultimate Parent's Company joint venture	-	116	2,199	-	-	-	-	-	-	-	-	-

#represents retail goods transferred at an agreed rate to the Parent's associate which is accounted for on a net basis as the Group acts as an agent to procure and deliver goods for the related party.

@include stores maintenance costs under the maintenance contract entered with related parties amounting to AED 12,035 thousand during nine-month period ended 30 September 2024 (Unaudited) (nine-month period ended 30 September 2023: AED 23,005 thousand) (Unaudited and unreviewed).

- Capital expenditure commitments amounting to AED 14,817 thousand as at 30 September 2024 (Unaudited) (31 December 2023 (Audited): AED 14,065 thousand) are included within capital expenditure commitments as disclosed in note 13.

- Amounts of AED 2,639 thousand as at 30 September 2024 (Unaudited) and AED 2,500 thousand as at 31 December 2023 (Audited) (included within trade receivables, prepayments and other receivables) relate to inventories held on behalf of a related party which have been subsequently billed and collected.

Spinneys 1961 Holding PLC

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As at and for the nine-month period ended 30 September 2024

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(a) Details of significant related party transactions entered are as follows: (continued)

Compensation of key management personnel of the Group

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

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Short-term employee benefits	802	614	3,195	1,685
Employees' end of service benefits	198	191	590	481
Board of Directors' remuneration, Audit and Risk Committee compensation and Nomination and Remuneration Committee compensation (note 6)	629	-	1,856	-
	<u>1,629</u>	<u>805</u>	<u>5,641</u>	<u>2,166</u>

(b) Related party balances:

Amounts due from related parties

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<i>Parent</i>		
Al Seer Group (L.L.C.)	36	3,119
<i>Entities under common control</i>		
Al Seer Food Services LLC	120	110
Europacific LLC	66	58
Technical Resources Establishment	8	-
Indian Pavilion Restaurant LLC	7	-
Desert Palm L.L.C	4	3
<i>Ultimate Parent Company's associate</i>		
Albwardy Marine Engineering LLC	3	-
<i>Parent's associate</i>		
Spinneys (Abu Dhabi) L.L.C.	3,973	3,432
	<u>4,217</u>	<u>6,722</u>

Spinneys 1961 Holding PLC

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As at and for the nine-month period ended 30 September 2024

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

(b) Related party balances: (continued)

Amounts due to related parties

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
<i>Ultimate Parent Company</i>		
Albwardy Investment L.L.C.	62	5
<i>Entities under common control</i>		
Albwardy Engineering Enterprise	10,257	17,718
Nasco Insurance Group	3,986	-
Fit Fresh LLC	2,716	4,722
Al Seer Trading Agencies LLC	2,644	3,964
Fine Fair Commercial Complex LLC	1,561	2,265
Arabian Oasis Food Co LLC	1,215	2,232
Al Seer Group LLC, Oman	73	145
Totale Cleaning Services	23	131
ASB Development Limited	20	-
Istana Furniture	-	44
Indian Pavilion Restaurant LLC	-	4
Technical Resources Establishment	-	27
<i>Ultimate Parent Company's joint venture</i>		
Pacman Middle East LLC	-	853
National Industrial Services Co LLC	-	17
<i>Parent's associate</i>		
Nestle UAE L.L.C	1,951	3,521
Reckitt Benckiser Arabia Trading LLC	1,503	1,355
FerGulf Trading UAE L.L.C.	513	1,827
Zest Wellness Pharmacy LLC	275	-
	26,799	38,830

(c) The following are the amounts recognised in the interim condensed consolidated statement of profit or loss and in the interim condensed consolidated statement of financial position relating to leases entered with related parties:

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Depreciation of right-of-use assets	9,816	13,568	29,449	34,931
Interest expense on lease liabilities (included in finance costs)	3,689	4,201	10,939	9,905
Lease payments	10,840	14,779	34,208	40,723

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As at and for the nine-month period ended 30 September 2024

12 RELATED PARTY TRANSACTIONS AND BALANCES (continued)

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Right-of use assets	220,360	249,809
Lease liabilities	234,267	257,536
Refundable security deposits	12,000	12,000

Terms and conditions of transactions with related parties

The terms of trade with related parties are based on commercial terms.

Outstanding balances at the period/year-end arise in the normal course of business, are unsecured and interest free and settlement generally occurs in cash. For the period ended 30 September 2024 (Unaudited) and 31 December 2023 (Audited), the Group has not recorded any provision for expected credit losses relating to due from related parties.

13 GUARANTEES, CONTINGENCIES AND CAPITAL COMMITMENTS

At 30 September 2024 (Unaudited), the Group had contingent liabilities in respect of bank and other guarantees including performance guarantees and other matters arising in the ordinary course of business from which it is anticipated that no material liabilities will arise, amounting to AED 8,487 thousand (31 December 2023 (Audited): AED 9,763 thousand).

At 31 December 2023 (Audited), the Group had given three corporate guarantees in total amounting to AED 163.3 million, AED 390 million and USD 45 million for the benefit of its related parties. All these guarantees were released during the current nine-month period.

Capital expenditure commitments:

	<i>30 September 2024 AED'000 (Unaudited)</i>	<i>31 December 2023 AED'000 (Audited)</i>
Estimated capital expenditure contracted for at the reporting date but not provided for:		
Property, plant and equipment	27,451	53,072

14 FINANCIAL INSTRUMENTS

Financial instruments comprise financial assets, financial liabilities and derivative instruments.

Financial assets consist of cash and short-term deposits, trade and other receivables, refundable security deposits to landlords and amounts due from related parties. Financial liabilities consist of interest-bearing loans and borrowings, lease liabilities, trade and other payables, accrued expenses, refundable security deposits from tenants and amounts due to related parties. Derivative instruments consist of forward foreign exchange contracts and are included in other receivables amounting to AED 2,952 thousand as at 30 September 2024 (Unaudited) and AED 3,011 thousand as at 31 December 2023 (Audited).

The fair value of financial assets and liabilities approximate their carrying values at the end of the reporting period.

The fair value of derivatives has been calculated by discounting the expected future cash flows at prevailing interest rates.

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14 FINANCIAL INSTRUMENTS (continued)

Fair value hierarchy

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

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.

At 30 September 2024 (Unaudited)

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Asset measured at fair value</i>				
Foreign exchange forward contracts	-	2,952	-	2,952

At 31 December 2023 (Audited)

	<i>Level 1</i> <i>AED'000</i>	<i>Level 2</i> <i>AED'000</i>	<i>Level 3</i> <i>AED'000</i>	<i>Total</i> <i>AED'000</i>
<i>Asset measured at fair value</i>				
Foreign exchange forward contracts	-	3,011	-	3,011

There were no transfers between Level 1 and Level 2 during 2024 and 2023.

15 EARNING PER SHARE

Basic earnings per share is calculated by dividing profit for the period attributable to the shareholders by weighted average number of shares outstanding during the period.

Diluted earnings per share amounts are calculated by dividing the profit attributable to ordinary equity holders of the Parent (adjusted for the effect of dilution, if any) by the weighted average number of ordinary shares outstanding during the period plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares. As at 30 September 2024 (Unaudited), there were no shares which were dilutive in nature.

The information necessary to calculate basic and diluted earnings per share is as follows:

	<i>Three-month period</i> <i>ended 30 September</i>		<i>Nine-month period</i> <i>ended 30 September</i>	
	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and</i> <i>unreviewed)</i>	<i>2024</i> <i>AED'000</i> <i>(Unaudited)</i>	<i>2023</i> <i>AED'000</i> <i>(Unaudited and</i> <i>unreviewed)</i>
Profit for the period attributable to equity holders of the parent	39,708,000	31,844,000	192,227,000	159,559,000

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15 EARNING PER SHARE (continued)

	<i>Three-month period ended 30 September</i>		<i>Nine-month period ended 30 September</i>	
	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>	<i>2024 AED'000 (Unaudited)</i>	<i>2023 AED'000 (Unaudited and unreviewed)</i>
Weighted average number of shares – basic and diluted	3,600,000,000	3,600,000,000	3,600,000,000	3,600,000,000
Attributable to the shareholders: Basic and diluted earnings per share (in AED per share)	0.011	0.009	0.053	0.044

16 ENTITIES

The controlled entities included in the interim condensed consolidated financial statements are as reflected below:

<i>Entities</i>	<i>Country of incorporation</i>	<i>% of shareholding</i>		<i>Principal activities</i>
		<i>30 September 2024</i>	<i>31 December 2023</i>	
Spinneys Dubai (L.L.C.)	United Arab Emirates	100%	100%	Engaged in the operation of supermarkets in United Arab Emirates
Al Fair SPC	Sultanate of Oman	100%	100%	Engaged in the operation of supermarkets in Oman
Spinneys Shj. Ltd. Co.	United Arab Emirates	100%	100%	Engaged in operation of supermarket in Sharjah
Fine Fare Food Market (LLC)	United Arab Emirates	100%	100%	Engaged in the operation of supermarkets in United Arab Emirates
JHF Limited	United Kingdom	100%	100%	Engaged in the trading in and export of foodstuffs, grocery and non-food products
JHF USA Exports, Inc.	United States of America	100%	100%	Engaged in business of purchase of goods for export and all related activities
Centurio Holdings Ltd.	British Virgin Islands	100%	100%	Investment holding company
JHF Australia Exports Pty. Ltd.	Australia	100%	100%	Engaged in wholesale of food stuff, groceries and consumer products
Finefair Food Market Services Limited	British Virgin Islands	100%	100%	Investment holding company
Spinneys IP Limited	United Arab Emirates	100%	100%	Holding company of “Spinneys” trademark rights worldwide (except UAE)

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As at and for the nine-month period ended 30 September 2024

16 ENTITIES (continued)

<i>Entities</i>	<i>Country of incorporation</i>	<i>% of shareholding</i>		<i>Principal activities</i>
		<i>30 September 2024</i>	<i>31 December 2023</i>	
Al Ma'kulat Al-Fakhirah for Food Products LLC*	Saudi Arabia	50%	50%	Engaged in operation of supermarkets in Saudi Arabia
Spinneys Factories For Bakery Products LLC	United Arab Emirates	100%	100%	Engaged in production of bakery products
Spinneys Fresh Food Industries LLC	United Arab Emirates	100%	100%	Engaged in processing of meat for supermarkets
Spinneys Shopping Center L.L.C	United Arab Emirates	100%	100%	Engaged in operating a shopping center
Waitrose Shopping Centre L.L.C	United Arab Emirates	100%	100%	Engaged in operating a shopping center

*Considered as a subsidiary based on the agreement between the shareholders.

17 DIVIDENDS

The Board of Directors of the Company resolved to distribute interim cash dividends of AED 0.0285 per share on 7 August 2024. The dividends declared of AED 102,600 thousand were paid during the third quarter of 2024.

18 SUBSEQUENT EVENTS

There were no significant events subsequent to the period-end that require either adjustments or disclosures in the interim condensed consolidated financial statements.

19 COMPARATIVE INFORMATION

Following comparative figures have been reclassified to conform to the presentation adopted in these interim condensed consolidated financial statements. Such reclassifications do not affect the previously reported consolidated profit or equity:

- Income tax payable amounting to AED 463 thousand which was presented as part of “trade payables, accruals and other payables” as at 31 December 2023 (Audited), is now shown separately on the face of interim condensed consolidated statement of financial position; and
- Amounts due to related parties amounting to AED 6,705 thousand as at 31 December 2023 (Audited) has been reclassified to other payables within “trade payables, accruals and other payables”.