

# **Emirates Driving Company P.J.S.C.**

**Review report and condensed consolidated interim financial  
information**

For the three months period ended 31 March 2021

# **Emirates Driving Company P.J.S.C.**

## **Review report and condensed consolidated interim financial information for the three-month period ended 31 March 2021**

<i>Contents</i>	<i>Page</i>
Report on review of condensed consolidated interim financial information	1 - 2
Condensed consolidated interim statement of profit or loss	3
Condensed consolidated interim statement of profit or loss and other comprehensive income	4
Condensed consolidated interim statement of financial position	5
Condensed consolidated interim statement of changes in equity	6
Condensed consolidated interim statement of cash flows	7
Notes to the condensed consolidated interim financial information	8 - 14



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**Independent Auditors' Report on Review of Condensed Consolidated Interim Financial Information**

To the Shareholders of Emirates Driving Company PJSC

*Introduction*

We have reviewed the accompanying 31 March 2021 condensed consolidated interim financial information of Emirates Driving Company PJSC ("the Company") and its subsidiary (together referred to as "the Group"), which comprises:

- the condensed consolidated interim statement of financial position as at 31 March 2021;
- the condensed consolidated interim statement of profit or loss for the three-month period ended 31 March 2021;
- the condensed consolidated interim statement of profit or loss and other comprehensive income for the three-month period ended 31 March 2021;
- the condensed consolidated interim statement of changes in equity for the three-month period ended 31 March 2021;
- the condensed consolidated interim statement of cash flows for the three-month period ended 31 March 2021; and
- notes to the condensed consolidated interim financial information.

Management is responsible for the preparation and presentation of this condensed consolidated interim financial information in accordance with IAS 34, 'Interim Financial Reporting'. Our responsibility is to express a conclusion on this condensed consolidated interim financial information based on our review.



*Scope of Review*

We conducted our review in accordance with International Standards 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 31 March 2021 condensed consolidated interim financial information is not prepared, in all material respects, in accordance with IAS 34, 'Interim Financial Reporting'.

KPMG Lower Gulf Limited

Saif Fayez Shower  
Registration No.: 1131  
Abu Dhabi, United Arab Emirates

Date: 22 APR 2021

# Emirates Driving Company P.J.S.C.

Condensed consolidated interim statement of profit or loss  
For the three-month period ended 31 March

	2021 AED (unaudited)	2020 AED (unaudited)
<b>Continuing operations</b>		
Revenue	64,724,427	70,135,012
Direct expenses	(11,840,029)	(12,294,347)
<b>Gross profit</b>	<b>52,884,398</b>	<b>57,840,665</b>
Net gain /(loss) from equity investment measured at fair value through profit or loss	3,698,952	(2,536,109)
Rental income (net)	1,389,183	1,291,528
Dividend income from FVTOCI equity instruments	540,700	2,703,500
Interest income	490,803	1,316,537
Other income	3,922,530	635,610
General and administrative expenses	(14,927,951)	(11,917,690)
Finance cost	(747,805)	(787,639)
<b>Profit for the period from continuing operations</b>	<b>47,250,810</b>	<b>48,546,402</b>
<b>Discontinued operations</b>		
Profit from discontinued operations	-	398,514
<b>Profit for the period</b>	<b>47,250,810</b>	<b>48,944,916</b>
<b>Profit for the period attributable to:</b>		
Owners of the Company	47,250,810	48,745,659
Non-controlling interests	-	199,257
	<b>47,250,810</b>	<b>48,944,916</b>
<b>Basic and diluted earnings per share from</b>		
<i>Continuing operations (note 4)</i>	<b>0.53</b>	0.54
<b>Basic and diluted earnings per share from</b>		
<i>Discontinued operations (note 4)</i>	-	0.002

The notes set out on pages 8 to 14 form an integral part of the condensed consolidated interim financial information. The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## Emirates Driving Company P.J.S.C.

Condensed consolidated interim statement of profit or loss and other comprehensive income  
For the three-month period ended 31 March

	2021 AED (unaudited)	2020 AED (unaudited)
<b>Profit for the period</b>	<b>47,250,810</b>	<b>48,944,916</b>
<b>Other comprehensive income</b>		
<i>Items that will not to be reclassified to the condensed consolidated interim statement of profit or loss in subsequent periods:</i>		
Equity investments at fair value through other comprehensive income - net change in fair value	<u>2,703,500</u>	<u>-</u>
<b>Total comprehensive income for the period</b>	<u><b>49,954,310</b></u>	<u><b>48,944,916</b></u>
<b>Total comprehensive income attributable to:</b>		
Owners of the Company	<u>49,954,310</u>	<u>48,745,659</u>
Non-controlling interests	<u>-</u>	<u>199,257</u>
	<u><b>49,954,310</b></u>	<u><b>48,944,916</b></u>

The notes set out on pages 8 to 14 form an integral part of the condensed consolidated interim financial information.  
The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

# Emirates Driving Company P.J.S.C.

## Condensed consolidated interim statement of financial position

As at

	Notes	31 March 2021 AED (unaudited)	31 December 2020 AED (audited)
<b>Assets</b>			
<b>Non-current assets</b>			
Property and equipment	5	197,264,690	198,854,039
Right-of-use assets	6	40,618,153	41,043,004
Investment properties	7	134,250,000	134,250,000
Intangible assets		4,038,991	3,462,533
Financial assets at fair value through OCI	8	38,119,350	35,415,850
<b>Total non-current assets</b>		<b>414,291,184</b>	<b>413,025,426</b>
<b>Current assets</b>			
Financial assets at fair value through profit or loss	8	27,609,775	23,940,162
Inventories		3,681,611	3,353,159
Trade and other receivables	9	8,616,145	7,714,342
Other financial assets		81,172,095	81,172,095
Cash and cash equivalent	10	230,910,726	283,307,669
<b>Total current assets</b>		<b>351,990,352</b>	<b>399,487,427</b>
<b>Total assets</b>		<b>766,281,536</b>	<b>812,512,853</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Share capital	11	89,786,400	89,786,400
Legal reserve	12	44,893,200	44,893,200
General reserve	13	44,893,200	44,893,200
Cumulative change in fair value		24,412,325	21,708,825
Retained earnings		480,804,520	523,340,110
<b>Total equity</b>		<b>684,789,645</b>	<b>724,621,735</b>
<b>Non-current liabilities</b>			
Employees' end of service benefits		5,032,689	4,976,493
Lease liabilities	6	37,284,760	39,982,572
<b>Total non-current liabilities</b>		<b>42,317,449</b>	<b>44,959,065</b>
<b>Current liabilities</b>			
Trade and other payables	14	36,023,885	39,781,496
Lease liabilities	6	3,150,557	3,150,557
<b>Total current liabilities</b>		<b>39,174,442</b>	<b>42,932,053</b>
<b>Total liabilities</b>		<b>81,491,891</b>	<b>87,891,118</b>
<b>Total equity and liabilities</b>		<b>766,281,536</b>	<b>812,512,853</b>

To the best of our knowledge, nothing has come to our attention that causes us to believe that the condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34.

  
Chairman of the Board of Directors

  
Acting Chief Executive Officer

  
Chief Financial Officer

The notes set out on pages 8 to 14 form an integral part of the condensed consolidated interim financial information. The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

## Emirates Driving Company P.J.S.C.

### Condensed consolidated interim statement of changes in equity

For the period ended 31 March

	Share capital AED	Legal reserve AED	General reserve AED	Cumulative change in fair value AED	Retained earnings AED	Equity attributable to equity owners of the company AED	Non - controlling interests AED	Total equity AED
Balance at 1 January 2020 (audited)	89,786,400	44,893,200	44,893,200	22,249,525	486,368,155	688,190,480	14,591,365	702,781,845
Profit for the period	-	-	-	-	48,745,659	48,745,659	199,257	48,944,916
Other comprehensive income for the period	-	-	-	-	-	-	-	-
Total comprehensive income for the period	-	-	-	-	48,745,659	48,745,659	199,257	48,944,916
Balance as at 31 March 2020 (unaudited)	<u>89,786,400</u>	<u>44,893,200</u>	<u>44,893,200</u>	<u>22,249,525</u>	<u>535,113,814</u>	<u>736,936,139</u>	<u>14,790,622</u>	<u>751,726,761</u>
Balance at 1 January 2021 (audited)	89,786,400	44,893,200	44,893,200	21,708,825	523,340,110	724,621,735	-	724,621,735
Profit for the period	-	-	-	-	47,250,810	47,250,810	-	47,250,810
Other comprehensive income for the period	-	-	-	2,703,500	-	2,703,500	-	2,703,500
Total comprehensive income for the period	-	-	-	2,703,500	47,250,810	49,954,310	-	49,954,310
Dividends paid (note 16)	-	-	-	-	(89,786,400)	(89,786,400)	-	(89,786,400)
Balance as at 31 March 2021 (unaudited)	<u>89,786,400</u>	<u>44,893,200</u>	<u>44,893,200</u>	<u>24,412,325</u>	<u>480,804,520</u>	<u>684,789,645</u>	<u>-</u>	<u>684,789,645</u>

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# Emirates Driving Company P.J.S.C.

## Condensed consolidated interim statement of cash flows

For the three-month period ended 31 March

	2021 AED (unaudited)	2020 AED (unaudited)
<b>Operating Activities</b>		
Profit for the period from continuing operations	47,250,810	48,546,402
Profit for the period from discontinued operations	-	398,514
Adjustments for:		
Depreciation of property and equipment	3,662,828	3,880,274
Depreciation of right-of-use assets	424,851	428,622
Amortization of intangible assets	632,372	314,244
Provision for employees' end of service benefits	309,350	306,999
Dividend income	(673,012)	(2,703,500)
Unrealised (gain) / loss on investments at fair value through profit or loss	(3,533,160)	2,536,109
Finance cost	747,805	787,639
Loss / (gain) on disposal of property and equipment	808	(130,950)
Interest income	(490,803)	(1,316,537)
	<u>48,331,849</u>	<u>53,047,816</u>
Working capital adjustments:		
Inventories	(328,452)	(287,383)
Trade and other receivables	(361,102)	(2,541,537)
Trade and other payables	(3,757,612)	(1,668,062)
	<u>43,884,683</u>	<u>48,550,834</u>
Cash from operations	43,884,683	48,550,834
Employees' end of service benefits paid	(253,154)	(118,101)
	<u>43,631,529</u>	<u>48,432,733</u>
<b>Investing Activities</b>		
Purchase of property and equipment	(2,074,287)	(1,145,545)
Purchase of intangible assets	(1,208,830)	-
Dividend received	132,312	2,703,500
Discontinued operation, net of cash	-	608,172
Purchase of financial assets at fair value through profit or loss	(2,888,030)	(20,000,000)
Proceeds from sale of investments at fair value through profit or loss	2,751,577	-
Proceeds from disposal of property and equipment	-	436,137
Interest received	490,803	1,316,537
	<u>(2,796,455)</u>	<u>(16,081,199)</u>
Net cash used in investing activities	(2,796,455)	(16,081,199)
<b>Financing Activities</b>		
Dividends paid	(89,786,400)	-
Lease liabilities paid	(3,445,617)	(3,504,080)
	<u>(93,232,017)</u>	<u>(3,504,080)</u>
Net cash used in financing activities	(93,232,017)	(3,504,080)
Net (decrease) / increase in cash and cash equivalents	(52,396,943)	28,847,454
Cash and cash equivalents at the beginning of the period	283,307,669	153,711,783
	<u>230,910,726</u>	<u>182,559,237</u>
Cash and cash equivalents at the end of the period (note 10)	230,910,726	182,559,237
<b>Non-cash transactions excluded from the consolidated statement of cash flows:</b>		
Dividend receivables	540,700	-

The notes set out on pages 8 to 14 form an integral part of the condensed consolidated interim financial information. The independent auditors' report on review of these condensed consolidated interim financial information is set out on pages 1 and 2.

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 1 General

Emirates Driving Company P.J.S.C. (the "Company" or "Parent Company") was incorporated in the United Arab Emirates, as a Public Joint Stock Company, in accordance with the provisions of the UAE Federal Commercial Companies Law No. (8) of 1984 (as amended), replaced by UAE Federal Law No. (2) of 2015 which has come into effect from 1 July 2015 and the amended Emiri Decree no. (9) for the year 2002.

The Company, and its subsidiaries, (together referred to as the "Group") are engaged in the management and development of motor vehicles driving training in addition to other investment opportunities including investment properties which is the primary operation of the subsidiary (Tabieah Properties investment). Services are rendered to all people who are living in the United Arab Emirates. The Company's registered office is P O Box 2943, Abu Dhabi, United Arab Emirates.

The condensed consolidated interim financial statements of the Group were authorized for issue by the Chairman on behalf of the Board of Directors on 22 APR 2021.....

### 2 Basis of preparation

#### 2.1 Statement of compliance

This consolidated condensed interim financial information has been prepared in accordance with IAS 34 Interim Financial Reporting and should be read in conjunction with the annual consolidated financial statements as at and for the year ended 31 December 2020 ('last annual consolidated financial statements'). They do not include all the information required for a complete set of IFRS financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance since the last consolidated annual financial statements. The Group operations are being monitored by the Group's chief operating decision maker ("Board of Directors") as one segment hence no segmental information is disclosed.

#### 2.2 Functional and presentation currency

This condensed consolidated interim financial information is presented in United Arab Emirates Dirham "AED", which is the Group's functional and presentation currency.

#### 2.3 Basis of consolidation

The condensed consolidated interim financial statements comprise the financial statements of the Company and those of its subsidiaries:

<i>Name of the subsidiary</i>	<i>Country of incorporation</i>	<i>Percentage of holding %</i>	<i>Principal activities</i>
<b>As of 31 March 2021, and 31 December 2020</b>			
Tabieah Property Investments L.L.C.	U.A.E.	100%	To manage investment properties
<b>As of 31 March 2020</b>			
Tabieah Property Investments L.L.C.	U.A.E.	100%	To manage investment properties
Qeyada Driving Institute L.L.C.	U.A.E.	50%	To establish, operate and manage automobile driving schools

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses and profits or losses resulting from intra-group transactions that are recognised in assets, are eliminated in full.

During 2020 the Group sold its share in Qeyada Driving Institute L.L.C. As a result, the financial results of Qeyadah Driving Institute LLC were presented as discontinued operations (held for sale) in 2020.

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 2 Basis of preparation *(continued)*

#### 2.4 Use of judgements and estimates

In preparing this condensed consolidated interim financial information, management has made judgements and estimates that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

### 3 Significant accounting policies

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 annual consolidated financial statements for the year ended 31 December 2020, except for the adoption of new standards effective as of 1 January 2021.

The Group has not early adopted any standard, interpretation or amendment that has been issued but is not yet effective.

Several amendments apply for the first time in 2021, but do not have an impact on the interim condensed consolidated financial statements of the Group.

#### A. Onerous contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

The amendments specify which costs an entity includes in determining the cost of fulfilling a contract for the purpose of assessing whether the contract is onerous. The amendments apply for annual reporting periods beginning on or after 1 January 2022 to contracts existing at the date when the amendments are first applied. At the date of initial application, the cumulative effect of applying the amendments is recognised as an opening balance adjustment to retained earnings or other components of equity, as appropriate. The comparatives are not restated. The Group has determined that all contracts existing at 31 December 2020 will be completed before the amendments become effective.

#### B. Interest Rate Benchmark Reform – Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)

The amendments address issues that might affect financial reporting as a result of the reform of an interest rate benchmark, including the effects of changes to contractual cash flows or hedging relationships arising from the replacement of an interest rate benchmark with an alternative benchmark rate. The amendments provide practical relief from certain requirements in IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relating to: changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities; and hedge accounting.

These amendments had no 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.

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 4 Basic and diluted earnings per share

Basic and diluted earnings per share is calculated by dividing the profit for the period by the weighted average number of shares outstanding during the period as follows:

	<b>Three months ended 31 March</b>	
	<b>2021</b>	<b>2020</b>
	<b>(unaudited)</b>	<b>(unaudited)</b>
Profit for the period attributable to equity holders of the parent	<b>47,250,810</b>	48,745,659
Less: profit from discontinued operations attributable to equity holders of the parent	-	(199,257)
Profit from continuing operations attributable to equity holders of the parent	<u><b>47,250,810</b></u>	<u>48,546,402</u>
Ordinary shares in issue through the period	<u><b>89,786,400</b></u>	<u>89,786,400</u>
<b>Basic and dilutive earnings per share (AED)</b>		
From continuing operations	<u><b>0.53</b></u>	<u>0.54</u>
From discontinued operations	<u>-</u>	<u>0.002</u>

As of 31 March 2021, the Company has not issued any dilutive instruments that have an impact on earnings per share when exercised.

### 5 Property and equipment

During the three months ended 31 March 2021, the Group acquired assets with a cost of AED 2,074,287 (31 March 2020: AED 1,145,545). Depreciation charges for three months ended 31 March 2021 amounted to AED 3,662,828 (31 March 2020: AED 3,880,274).

### 6 Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the period are as follows:

	Right-of-use (land and vehicles) AED	Lease liabilities AED
As at 1 January 2021	<b>41,043,004</b>	<b>43,133,129</b>
Depreciation expense	<b>(424,851)</b>	-
Interest expense	-	<b>747,805</b>
Payments	-	<b>(3,445,617)</b>
As at 31 March 2021	<u><b>40,618,153</b></u>	<u><b>40,435,317</b></u>
	<i>Right-of-use (land and vehicles) AED</i>	<i>Lease liabilities AED</i>
As at 1 January 2020	42,757,494	43,781,674
Depreciation expense	(1,714,490)	-
Interest expense	-	3,150,557
Payments	-	(3,799,102)
As at 31 December 2020	<u>41,043,004</u>	<u>43,133,129</u>

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 6 Right-of-use assets *(continued)*

Lease liabilities is analysed in the consolidated statement of financial position as follows:

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
Current	3,150,557	3,150,557
Non-current	37,284,760	39,982,572
Total	<u>40,435,317</u>	<u>43,133,129</u>

### 7 Investment properties

	<b>31 March 2020 AED (unaudited)</b>	31 December 2020 AED (audited)
Balance at the beginning of the period/year	134,250,000	153,600,000
Change in fair value	-	(19,350,000)
Balance at the end of the period/year	<u>134,250,000</u>	<u>134,250,000</u>

The Group uses an independent valuer to determine the fair value of the investment property on an annual basis.

### 8 Financial assets

#### a) Financial assets at fair value through other comprehensive income

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
At 1 January	35,415,850	35,956,550
Change in fair value	2,703,500	(540,700)
Ending balance	<u>38,119,350</u>	<u>35,415,850</u>

Financial assets through other comprehensive income represent investments in quoted shares of UAE Company.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair value are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

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

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 8 Financial assets (continued)

#### a) Financial assets at fair value through other comprehensive income (continued)

	<i>Level 1</i> AED	<i>Level 2</i> AED	<i>Level 3</i> AED	<i>Total</i> AED
<b>31 March 2021 (unaudited)</b>				
Financial assets through other comprehensive income	<u>38,119,350</u>	=	=	<u>38,119,350</u>
<b>31 December 2020 (audited)</b>				
Financial assets through other comprehensive income	<u>35,415,850</u>	=	=	<u>35,415,850</u>

#### b) Financial assets are fair value through profit or loss

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
At 1 January	<u>23,940,162</u>	-
Additions during the period /year	2,888,030	22,862,796
Disposals during the period /year	(2,751,577)	(4,881,786)
Unrealized gain during the period /year	3,533,160	5,959,152
	<u>27,609,775</u>	<u>23,940,162</u>

Financial assets at fair value through profit or loss represent investments in quoted equity portfolio. The fair value measurement has been categorised as a level 1 fair value based on the input to the valuation technique used.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair value are categorized into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1:* quoted prices in active markets for assets and liabilities
- Level 2:* inputs other than quoted prices included within level 1 are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3:* inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<i>Level 1</i> AED	<i>Level 2</i> AED	<i>Level 3</i> AED	<i>Total</i> AED
<b>31 March 2020 (unaudited)</b>				
Financial assets through profit or loss	<u>27,609,775</u>	=	=	<u>27,609,775</u>
<b>31 December 2020 (audited)</b>				
Financial assets through profit or loss	<u>23,940,162</u>	=	=	<u>23,940,162</u>

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 9 Trade and other receivables

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
Trade receivables	4,013,756	3,977,986
Less: allowance for expected credit losses	<u>(1,939,310)</u>	<u>(1,939,310)</u>
	2,074,446	2,038,676
Prepaid expenses	2,119,766	1,970,022
Accrued interest income	963,160	868,425
Advances to suppliers	67,943	446,253
Security deposits	1,359,300	1,359,300
Other receivables	<u>2,031,530</u>	<u>1,031,666</u>
	<u><b>8,616,145</b></u>	<u><b>7,714,342</b></u>

### 10 Cash and cash equivalent

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
Cash in hand	30,088	25,388
Cash at banks	<u>230,880,638</u>	<u>283,282,281</u>
Cash and cash equivalents	<u><b>230,910,726</b></u>	<u><b>283,307,669</b></u>

### 11 Share capital

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
<i>Authorised, issued and fully paid</i> 89,786,400 shares of AED 1 each	<u><b>89,786,400</b></u>	<u><b>89,786,400</b></u>

### 12 Legal reserve

In accordance with UAE Federal Law No. (2) of 2015 concerning Commercial Companies and the Company's Article of Association, 10% of the annual profit is to be transferred to a non-distributable legal reserve until the balance of the legal reserve equals 50% of the Company's paid up capital.

# Emirates Driving Company P.J.S.C.

## Notes to the condensed consolidated interim financial statements

### 13 General reserve

In accordance with the Company's Articles of Association, 10% of the annual profit for the year is to be transferred to a general reserve until the general assembly resolves to discontinue such transfers based on the Board of Directors' proposal or if the reserve equals 50% of the Company's paid up share capital. This reserve is used for the purposes determined by the ordinary general assembly based upon the Board of Director's proposal.

### 14 Trade and other payables

	<b>31 March 2021 AED (unaudited)</b>	31 December 2020 AED (audited)
Trade payables	4,490,158	3,179,394
Accruals and other payables	15,898,052	21,423,450
Advances received from customers*	14,605,376	15,082,341
Retention payable	96,311	96,311
VAT payable	933,988	-
	<u>36,023,885</u>	<u>39,781,496</u>

\*Advances received from customers represent contract liabilities primarily related to the service provided, for which revenue is recognised over time. This will be recognised as revenue when the services are rendered to the customers, which is expected to occur over one year.

### 15 Related parties' transactions

Transactions with related parties included in the condensed consolidated interim statement of comprehensive income are as follows:

	<b>31 March 2021 AED (unaudited)</b>	31 March 2020 AED (unaudited)
Compensation of key management personnel		
Salaries and short-term benefits	618,538	956,028
Post-employment benefits	66,235	131,733
	<u>684,773</u>	<u>1,087,761</u>

### 16 Dividends

On 24 March 2021, the Shareholders at the Annual General Assembly approved cash dividends of 1 AED per share amounting to AED 89,786,400.

On 24 March 2021, the Shareholders at the Annual General Assembly approved directors' remuneration relating to the results of the 2020 financial year amounting to AED 2,535,167.